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# Financial Management Skills and Performance of Vocational Institutions in Bushenyi District in Western Uganda

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**Abstract** **Original Research Article**

The logical study cherished the association between Financial Management Skills and Performance of Vocational Institutions in Bushenyi District in Western Uganda. The research study employed a cross-sectional and descriptive research design with qualitative approach. The investigators used purposive sampling strategies to select the reading materials for the research study. A sample of 15 resources was selected from three Vocational Institutions for the purposes of carrying out a plausible study. Data was gathered by means of documentary reviews and examined by use of content and thematic analysis. The study findings revealed that Financial Management Skills significantly influence Performance of Vocational Institutions in the cosmos. The study concluded that Vocational Institution training has become increasingly central in addressing global challenges related to unemployment, skills mismatch, and sustainable economic development. From the study findings, the investigators recommended that there is need for Governments in the cosmos to augment on the funding for Vocational Institutions whether private or public Vocational Institutions because they help people acquire knowledge and skills for development in each respective country. There is need to review the existing curricula to have the real competency Based Curricula that can help the learners develop critical thinking in handling real world scenarios. Learners need to acquire generic skills such as effective communication, creativity and innovativeness while focusing on the three domains which include Cognitive, Affective and the psychomotor. This will help Graduates of Vocational Institutions not to be job seekers but job creators.

**Keywords:** Financial Management Skills, Performance of Vocational Institutions, Uganda.



## INTRODUCTION

**In Britain,** Financial Management Skills in Vocational Institutions are increasingly recognized as crucial for enhancing institutional efficiency and service delivery (Amukhuma, 2018). These vocational centers exhibit financial accountability to their donors, governments, and private partners. In countries with robust vocational institutions and training systems, individuals receive formal training in budgeting, financial Planning and internal controls (Baganzi, 2018). Conversely, weak financial management within vocational institutions often results in the misallocation of resources, diminished staff morale, and poor institutional performance (Mobegi, 2015).

**In Switzerland,** Vocational Institution and training system (VET) are the best in Europe (Sally et al, 2021). Sixty to seventy percent of Swiss youth are enrolled in the mainstream upper-secondary vocational institution and training (VET) program (Bonoli & Gonon, 2023). This program contributes to one of the lowest youth unemployment rates in Europe. Structured opportunities for professional education and training (PET) exist at the tertiary B level, along with vocational institution and training (VET) programs at the upper-secondary level (Pusterla & Strebel, 2023). As of 2007, over half of the population aged 25 to 64 had achieved a VET or PET qualification, underscoring the importance of these educational pathways (Gordon *et al.,* 2023).

**In Africa,** vocational institutions are linked to colonialism, often established to cater to the demands of colonial economies rather than to foster indigenous development(Ngo, 2025). Colonial powers emphasized basic artisan skills to support sectors such as mining, Construction and clerical work. Following independence, numerous African nations sought to reform these vocational institutions to better align with their economic development needs of their own countries (McGrath *et al.,* 2020). However, the sector continues to struggle with performance. During the 1980s and 1990s, structural adjustment programs further diminished public investment in education, resulting in an increased reliance on private financing for vocational institutions(Bellei & Muñoz, 2023).

**In Kenya**, the financial management skills of vocational institution administrators are crucial for determining improved institutions' academic performance (Mawudeku & Ankumah, 2021). Institutions that exhibit strong capabilities in budgeting, expenditure tracking, resource mobilization, and financial accountability fund efficiently, while, in contrast, poor financial governance can result in resource misallocation and a decline in institutional quality, even with significant financial inflows present (McKinney, 2015). This promotes institutional academic performance in the training of learners.

**In Uganda,** the government established Vision 2040 in 2010 as the main framework to support socio-economic transformation (Muwanguzi *et al.,* 2018). This vision prioritizes enhanced competitiveness and the development of human capital through various policy improvements. One key aspect of the plan is the implementation of the government's Technical and Vocational institution , which aims to meet the nation's goals for increased productivity, more efficient labor markets, and technological readiness, thereby addressing Uganda's skills gap (Muwanguzi *et al.,* 2018). Consequently, it is crucial to balance general education, social skills, and practical knowledge to effectively work in a multicultural and international environment. Additionally, the vocational institution system must provide multiple pathways to support students as they transition from formal, non-formal, and informal education to vocational training (Asha , Kanwar & Carr, 2019). Currently, however, the delivery of vocational institutions does not adequately address the shortage of practical skills needed in the economy for income generation.

**In Bushenyi District**, a region known for its educational competitiveness, vocational schools have increasingly depended on private sources of finance, such as tuition fees, donations, and community contributions, to bridge gaps caused by insufficient government funding (Mack, 2024; Ziderman, 2018). While private finance has the potential to enhance institutional development, its success largely relies on effective financial management skills and alignment with the school's performance objectives (Agrawal & Dhamija, 2024). The management of vocational institutions is overseen by school administrators, for example, principals, bursars, Among others and Boards of Governors, who are legally tasked with supervising planning, budgeting, resource Utilization and institutional performance (Mogboh, 2024). These different stakeholders play a crucial role in decision-making, financial Accountability and governance in vocational institutions, which influences their performance (Supriadi, Usman, & Jabar, 2021). Therefore, this study will primarily focus on the financial management skills of school administrators and members of the Boards of Governors, as they are directly responsible for budgeting, financial Oversight and resource deployment, all vital to institutional performance. The study aims to explore how private financing, combined with competent financial management skills, can influence institutional performance outcomes such as student retention, infrastructure Development and academic achievements.

## METHODS AND MATERIALS

**Data capturing**

A cross-sectional survey design was used to accumulate explanatory research information whereby qualitative data was collected using observation notes and documentary reviews.

**Selection of reading materials**

The target reading materials for the study were selected purposively from the Vocational Institutions in Bushenyi district including Kahaya, Bushenyi and Kyamuhunga Technical colleges in western Uganda. 15 hard cover books were read and 14 e-resources were perused through for the purpose of gathering information for the research study.

**Documentary reviews**

The researcher gathered information for the research study through reading a number of resources such as text books, journals, magazines, newspapers, Vocational institutions newsletters, Government reports, periodicals and the internet.

**Data Analysis**

Data was analyzed using content and thematic examination. The information gathered was organized into themes and sub-themes and put into meaningful categories. The investigator was careful enough to avoid syntaxical and grammatical errors. Conclusion was made following the sequence of actions. Intense attention was employed to recognize or minimize the effect of possible bias on the documents read and on the elucidation.

## RESULTS

Throughout history, vocational institutions have played a pivotal role in national development strategies worldwide (Li & Pilz, 2023). Since the Industrial Revolution, Western economies have acknowledged the importance of skilled labor, which led to the establishment of vocational institutions systems in countries such as Germany, Switzerland, and the United Kingdom, particularly through dual apprenticeship models (Eichhorst *et al.,* 2015). 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).

**Relationship Between Financial Management Skills And Vocational Institution Performance**

Information regarding the funding and sustainability of vocational institution programs is insufficient (Costan *et al.,* 2021). While some performance issues within vocational training have been addressed, performance requirements remain inadequate for meeting employment needs (Yeap *et al.,* 2021). Global experiences clearly show that, although investing in vocational institution and recognizing its contribution to development is crucial, challenges such as completion rates, accessibility, and quality of education often hinder its effectiveness. These are attributed to a lack of knowledge and research on private funding, financial management practices, and vocational institutions, all of which warrant further investigation.

Research concerning the intricate relationship between financial management skills and the outcomes of vocational institutions is still in its nascent stages (Rahmawati *et al.,* 2023). Nonetheless, an expanding range of evidence points to the notion that possessing effective money management abilities plays a crucial role in both accessing and completing vocational training programs (Abuselidze & Beridze, 2019). The findings of various studies reveal that financial literacy exerts a significant influence on vocational performance, shaping not only individuals' educational trajectories but also their overall success in the workforce (Abuselidze & Beridze, 2019; Admetlla & Jiménez, 2021; Matenda, 2017; Ziderman, 2018). Moreover, it has been shown that financial literacy enhances household well-being and empowers individuals with improved decision-making capabilities, particularly for those engaged in educational training. This underscores the essential role that financial skills play not just in academic achievement but in fostering personal and family stability.

There is little analysis of the different financing mechanisms employed, such as loans, scholarships, or private-public partnerships, and how these impact student enrollment, retention, and educational quality (Habbel *et al.,* 2021). Additionally, the role of household contributions and community financing is not well-documented, despite its importance in rural areas. The effectiveness of vocational institution programs concerning private financing is another underexplored area (Dougherty & Lombardi, 2016). Limited empirical evidence exists on how private financing impacts educational outcomes such as student performance, skill acquisition, and job placement. There is also a lack of exploration into how private financing affects teacher training, the availability of teaching resources, and access to modern equipment (Hennessy *et al.,* 2022). Equity and accessibility issues are crucial but often overlooked in vocational institution (McGrath,& Henderson, 2021). There is insufficient research on how private financing might exacerbate or reduce socioeconomic disparities in access to vocational institution, particularly for students from poorer households. Additionally, the effectiveness of public-private partnerships in supporting vocational institution remains underexplored. There is a limited exploration of how various stakeholders, students, parents, teachers, and community leaders perceive private financing. Understanding these perspectives is crucial for designing financing models that are inclusive and culturally appropriate. Moreover, the role of community participation in mobilizing resources and supporting the effectiveness of vocational institution remains under-researched, despite its potential to enhance both access and quality.

Financial management skills are integral to vocational institutions, influencing both individual competencies and institutional effectiveness (Mack & Francis, 2024). Proficiency in financial management enables students to make informed decisions, enhancing their employability and adaptability in various professional settings. Furthermore, institutions that effectively manage financial resources can invest in quality training programs, thereby improving educational outcomes. For instance, a study on technical vocational institutions and training institutions highlighted that inadequate funding adversely affects academic performance, underscoring the need for robust financial management to support the performance of vocational training ( Dougherty *et al.,* 2016).

## DISCUSSION

From the findings, the study established that Financial Management Skills greatly influence Performance of Vocational Institutions in the cosmos. This implied that the more governments in the world increased the Budget for Vocational Education in their countries, the more tangible development ventures can be realized in their countries. The findings are in agreement with Celikaksoy *et al.,* (2019) who conducted a study on Vocationalization of education in Philippines and found out that countries that prioritized Vocational Education have been able to easily realize growth and development. However, Moleiro & Roberto (2021) conducted a study on Practical education in Ghana and found out that Practical Education without mastery of the Theory leads to poor results. This can always go a long way in encouraging the state of underdevelopment and backwardness in a country.

## CONCLUSION

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

**Recommendations**

There is need for Governments in the cosmos to augment on the funding for Vocational Institutions whether private or public vocational institutions because they help people acquire knowledge and skills for development in each respective country.

Principals of Vocational institutions should periodically organize workshops and seminars for their employees in order to keep them abreast of the new trends in Vocational training and financial management skills. This will help to have in place accountable, informed and transparent officers in Vocational institutions for development.

There is need to review the existing curricula to have the real competency Based Curricula that can help the learners develop critical thinking in handling real world scenarios. Learners need to acquire generic skills such as effective communication, creativity and innovativeness while focusing on the three domains which include Cognitive, Affective and the psychomotor. This will help Graduates of Vocational institutions not to be job seekers but job creators.

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