

FINANCIAL RESOURCING MECHANISMS AND THE MANAGEMENT OF
PRIVATE UNIVERSITIES IN UGANDA

A CASE STUDY OF UGANDA MARTYRS' UNIVERSITY- NKOZI

By

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DEDICATION

This work is an extension of knowledge; and so I am happily dedicating it to my extended family and to the children for the love, share and care always extended to me!

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Great rivers usually begin as small streams. Huge trees come out of small seeds and a thousand miles' journey begins with one small step forward. This work was started with one small letter! I am elated to present it at last.

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ABSTRACT

This study sought to identify the different sources of funds for private universities and the ways employed by the same universities to obtain the same funds from the sources. It also wanted to examine the management implications involved.

The research area was Uganda Martyrs' University (UMU), Nkozi, as a *Case Study*, which study was conducted following the following objectives:

1. To identify sources and ways of sourcing for financial resources.
2. To examine the implications to management that are involved.

A *Descriptive Survey* research design was used in carrying out the study, and a methodological triangulation of qualitative and quantitative approaches employed. Data was collected using questionnaires, interviews, documents analysis, and direct observation as instruments.

The findings revealed tuition to be the major source of funding for UMU, and it was not adequate to enable the University carry out its programs efficiently and effectively. Other sources were: donations, grant proposals, University commercial activities, fundraising drives and alumni giving. It was also found out that the majority of students were unable to pay their tuition in full in time. The major sponsors of students were Corporations and private businesspersons. These private funding agents, being the main source of financial resources, affected the way the University was being managed. The main fundraiser for the University was the Vice Chancellor. The Trustees, were least considered as fundraisers for the University. This means the Vice Chancellor was a powerful stakeholder whose influence was reflected in the way the institution was run.

There were management implications identified as being derived from the financial resourcing mechanisms employed by UMU. Results showed that most students had been attracted to UMU because of what they considered good learning environment and facilities coupled with a better chance of employability. They also considered the education provided worth the fees they paid. Results further exhibited that students were being involved in the way they were being managed and were satisfied with the way the University was being run. The implication to management was that students were treated more as colleagues given the fact that they were the major source of funding.

The predominant management style was found to be aristocratic where a few people, who matter more than others, were involved in decision making. At UMU it seemed that those more involved in fundraising for the University had a higher stake than others less active did.

In conclusion, the survival of UMU, and indeed any other private university in Uganda, will depend largely on how such a university fits itself into the liberalized funding environment and how it can strategically source for resources without jeopardizing the purpose for which it was founded.

Recommendations were finally made that to raise more funds and to avoid dependence on a few sources, UMU should diversify funding possibilities. The public relations office should also devise ways to take the university to the public to create interest so that the public can gain from the university at the same time contributing toward the needs of the institution.

In order to keep focussed on university mission, management should carefully deal with the different stakeholders such that none of them may have the power to derail the university in case some stakeholders happen to have interests conflicting with those of the university.

CHAPTER ONE

INTRODUCTION

Background to the study

Financial resourcing mechanisms are the different practices, means and ways organizations employ to access financial resources from the various sources. Financial resources are the rarest of the resources, and so the ability to generate and control them is a major source of power. Power, the ability to control and cause others do something they otherwise might not have done (Jennifer & Gareth, 2002), is vital in organizational management because it is a principal means of controlling and directing organizational activities. For instance, most funding sources normally demand for accountability. They require the beneficiary to explain and accept responsibility for carrying out an assigned mandate in light of agreed-upon expectations. (www.vsi-isbc.ca retrieved, May 10,2005). Accountability requirements also differ according to the source, type, purpose duration and amount of funding. It must be noted that not all resourcing mechanisms are suited to every organization and at any time. A nation hit by drought can obtain funds for food from the World Food Program and not from The Pentagon, the US defenses nerve center. Organizations should therefore be vigilant against resourcing mechanisms that might expose them to exploitation and enslavement and might in the long run derail them from the set objectives. Organizations must continually assess the various funding mechanisms and sources available, and try to incorporate those most appropriate to achieving their goals. For example, a private school that needs government grant-in-aid as a resourcing mechanism may be required to surrender to government its right to recruit and appoint its teachers. If not, that school may not access government grant in this manner. Organizations should therefore diversify their resourcing mechanisms well knowing

that even the nature of funding environment in any particular community affects resourcing practices and has got management implications.

In case of private universities, it is clear from the start that any university worthy of the name and status requires colossal sums of financial resources to effectively and efficiently operate. Universities are not big secondary schools; they require more than buildings, a few library books and some computers connected on the Internet. As Kasozi notes, “*A major indicator of institutional capacity is the amount of resources available for use in enhancing the institution's mission*” (2003:60). However, many African private universities are faced with serious challenges regarding funding sources and strategies (Bongila, 2001). Finding the money to run even a small private university, as Useem argues, represents a serious difficulty. (Useem, 1999). Ugandan new private universities are not exceptions.

However, for a number of financially successful American private institutions of higher education, like Harvard, Johns Hopkins, Notre Dame, Georgetown, Stanford universities, for example, tuition contributes less than half of their total income. (Confer: Table 1). Such institutions have got different sources of funds and they employ a variety of strategies to obtain financial resources from mainly the private sector and also from the public sector without hampering the smooth management of those institutions. What sources are available for Uganda's private universities and how best to tap them without necessarily jeopardizing the ideal way such education institutions ought to be run are some of our troubling questions.

Table 1: Average percentages of educational budgets for seven successful American private universities.

| Revenue source | % |
|-----------------------|----------|
| Tuition | 37.9 |
| Gift | 5.8 |
| Endowment | 12.2 |
| State convention | 7.8 |
| Other | 27.1 |

(Source: Bongila, 2001:102)

This study would establish whether the financial resources and the ways such resources are obtained from their sources have significant implications to the way a private university can be managed. Reference is made of Uganda Martrys' university, Nkozi.

There can be a number of sources and ways through which a private university can obtain funds. Apart from fees and commercial activities of a university, involvement into philanthropy (*an act or instance of deliberate generosity; a contribution made in the spirit of humanitarianism*) is another mechanism. A university can design means and ways of alumni and the public towards contributing to the various programs of a particular university. Individuals and organizations can be called upon to invest in universities through trust funds, for instance. A university can also establish a department for fund raising, which plans how to do it successfully. At the moment UMU does not have any of these yet.

The financial resources of an institution will comprise cash, fixed assets like buildings, land, equipment and the resourceful people working with the institution. There are three major education institutional sources of financial resources, namely: *the State, the parents* (or

guardians or sponsors) of students and *the general community*. From those major sources and using various strategies, ways, practices and methods, a private university can get fees, grants, endowments, donations, trust funds, scholarships, loans, tax exemptions, scholars which would all contribute to its financial resources, which are vital for the survival of any institution.

It has been noted with concern that dependency on fees can damage management performance. Fees are usually not paid in full and when paid, not paid in time. UMU financial officer attests to this fact. This disorganizes planning strategies; and yet employees would not wait for students to pay to demand for their wages and salaries. Strikes and riots may then be inevitable. Fortunately for UMU this has not happened in its ten years of existence.

For a private university today to be termed '*successful*', it must, in the very first place, be one that is able to lay effective strategies to attract financial resources and to manage them efficiently towards the attainment of the known mission, objectives and goals of the institution. Due to liberalization in the education sector in Uganda, more and more people who qualify for higher education are looking for admission in private institutions largely because state sponsored institutions of higher learning cannot take in all of them. Secondly, as the World Bank asserts, while there are exceptions, the quality of teaching and research has declined sharply in public higher education institutions in the developing world. They are overcrowded and their physical facilities are deteriorating. Staffing is inadequate; library resources are poor, laboratory equipment and instructional materials insufficient (World Bank, 1994). Private institutions then offer an alternative; higher education customers/ students have got a variety of institutions to choose from. For private universities, the competition is stiff, and only those that are able to make a difference so as to have a competitive advantage will manage to cope.

Quality must be ensured and the population must be assured. To do this, money is needed and management is challenged.

The traditional model of European research university has proven expensive and inappropriate in the developing world. It is increasing differentiation in high education that can help university education to be more responsive to changing labor market needs. (World Bank, 1994). Sponsors and students shun a university from where they graduate only to be unemployed if there is one that presents opportunities for employability as a result of the programs offered. Private universities that offer a different but pragmatic menu to their customers, universities that give what is readily useful will continue to attract students, who pay fees which contribute to the amount of financial resources available for that university for its operations that will lead to its success. Management must be shrewd to do that.

Students must be attracted to a university say through low fees, high quality service, easy accessibility, social life, variety of programs offered and so on. The management style must be one that fits the customer mix of teenage undergraduates, married people, working class, graduates, religious and atheists all together as students at the same university. to do just that there might be a price to pay. At Uganda Christian University in 2000, for example, some students opposed the rigorous Christian morality that was being imposed on them. They told the administration that they had come to a secular university not a Protestant Theological College. (*The New Vision*, Monday 13th November 2000). This implies that if a private university is largely dependent on its students for funding, management will have to compromise some of its values to suit the demands of the students, her endeared customers.

The teacher factor is one of the most important in the learning process. The quality of a university mainly lies neither in physical structures nor infrastructure but in the quality of teaching and research. High quality lecturers and professors make a high quality university, and such quality universities as Harvard, Oxford and others always attract quality students, produce quality output that become quality alumni who attract huge financial resources for the university in the end. A university with alumni (and *alumnae* if they are ladies) who hold significant responsibilities in both the public and private sector can attract donations and endowments. Harvard University, the oldest United States private university, for instance, through her alumni/alumnae donations and endowments, has the largest private endowment fund in the world, worth 14.2 billion dollars. (www.harvard.edu retrieved, March 4th 2005). (Remember the annual Gross Domestic Product of Uganda is only 6.5 billion dollars!). Georgetown, the oldest Catholic university in the United States, founded in 1789, is another private university which had a financial "big push" at its inception and can today boast of an endowment fund of 684 million dollars, (Klinger, 2000). The alumni over the years contribute generously to the fund.

Unfortunately, none of the Ugandan private universities seems to have had such a birth fortune. Nkozi is only ten years old. None of her alumni has yet occupied a significant corporate managerial position to influence donations to the university. Nonetheless, Ugandan private universities can borrow a leaf from the world's successful private institutions of higher learning and prepare for their sustainability and development. It is management to make this happen and it is not without implications.

Another example where there were management implications with regard to financial resourcing mechanisms is of Stanford, a US senator, who wanted to be remembered by providing the financial capital that built Stanford University marble buildings in 1891. Students there did not contribute a penny for their studies and comfort until 1920 when a minimal fee of \$120 annually was paid to ensure sustainability of the university (www.stanford.edu retrieved March 4th 2005). The truth is that the university administrators were having financial shortages and could see the need to make students pay tuition but the Stanford family could not allow that despite their inability to meet all the financial needs of the university. Management could not make important decisions without the consent and approval of the founders. Some Ugandan private university management might suffer similar fate if no precautions are undertaken right at the beginning.

The variable, *Management* was taken as a generic term. As for Fayol, cited by Pugh (1983), *Management* is a job to be done. For university managers that job is to plan, organize, coordinate, control, communicate and evaluate all university activities with a view of obtaining objectives. Hales (1993), takes *Management* to mean: taking responsibility of organizational purpose. It is the capacity of university leaders to actively shape and directs all the affairs of the university with the aim of obtaining its mission and goals. In the same line, Bobby and Paton (1998), considers *Management* to be the way leaders exercise power and control over the financial resources of organizations to ensure the efficient use of the resources with a view of obtaining organizational goals. That means that the management team of a university has got to strategically plan for the survival and development of the institution; plan what to do, how to do it, when to do it, whom to do it, for how long to do it, with what resources to do it. Since finance is the life-blood of any serious organization, a private university management team has

got to mobilize and obtain resources in the very first place, organize them, coordinate activities of the institutional resourceful persons who engage the resources in order to lead the institution to the attainment of its mission at the lowest possible cost and with the leastest dissatisfaction on the side of personnel.

There is a growing discrepancy between the sources and resources available for private universities and the cost of the services they are expected to render. In a Rockefeller funded research project carried out 2001-2002, it was found out that most of the institutions of higher learning in Uganda are running on deficit budgets. It was also noted that the gap between fees and the unit costs was very wide. The fees are about \$1000 whereas the unit costs are over \$1500 for most universities. Many of the surveyed universities had limited sources of funding (Kasozi, 2003). If private universities are to be viable and reliable they must look for ways and means of raising enough funds for their operations or else they fail and close sooner than later. This will definitely have implications to management since it will involve strategic planning, financial management, good public relations and so on.

Uganda Martyrs University (UMU) is a brainchild of the late Archbishop Doctor Joseph Kiwanuka, the first African Catholic bishop in modern Africa south of the Sahara. He wanted a community with intellectual and practical leaders, highly trained, with irreproachable character and high moral integrity in order to improve the quality of life in society. For him, and surely so, education was the catalyst to real holistic development. Right in the 1940s, the bishop already had a big fat dream of setting up a university to produce the quality of leaders he envisaged and desired to have, not only for the church but also for the whole country.

Unfortunately, the political turmoil and the economic leprosy that characterized the country for decades did not allow the dream to come true! For so long, the country was

subjected to a process of never-ending recovery, and for that matter and others, no sizeable development could take place in any sector of society. The higher education sector was one of the most stunted if not the worst hit. In 1963, after independence, government nationalized all existing secondary schools; and in 1970, when Makerere, the only university, became a fully-fledged national university, government clearly showed that it was going to be the only one in charge of the national higher education section. Since the same government had nationalized secondary schools in the name of “national integration”, there was no way it could even entertain the idea of a private university.

Brilliant ideas are usually killed in their infancy. Kiwanuka's idea was in limbo till 30 years after his death when it was resuscitated.

In 1986, the late Medical Professor, Sebastian Kyalwazi and his colleagues, together with the Uganda Catholic Episcopal Conference, worked tirelessly to propose the founding of a new and private university in Uganda. 'After long negotiations, the Ministry of Education approved the project and on 24th March 1991, His Excellency President Y. Museveni officially launched Uganda Martyrs University' (Lejeune, 2001: 311). It was chartered in August 1993. (www.fiuc.org). The first students to pursue their University studies at the new private university were 82. They entered the former Nkozi National Teachers' College, now turned university, on October 18th 1993. The maiden faculties were *The Institute of Ethics and Development Studies* and *The Faculty of Business Administration and Management*. More programs have been introduced since then.

Since then the university has added on its programs *The Centre for Extra Mural Studies*, *The Faculty of Science*, that was started in 1997, *The Department of Information Communication Technology (ICT)*, *The International Centre for Good Governance and*

Civil Society, The Department for the Detection Study and Eradication of Fraud, The Faculty of Agriculture and The Faculty of Building Technology and Architecture.

Ethics, or values, cut across all disciplines at the university. Archbishop Kiwanuka's 1940 dream, which was to produce workers of impeccable character, is being depicted in the curriculum that demands for the study of Ethics courses by all students who come to study at UMU. This is one area of influence by the Foundation Body and it has some effect on management. It is because values are a rare but invaluable commodity in society, especially today when social moral values are being wrapped into a skin of liberalism, adorned with a cosmetic of relativism and brutally sacrificed at the unholy altar of self-determination. Social moral values today, like ever before, are fundamentally required in business, in schools, in architecture, in agriculture, in the media and in all disciplines from Anatomy to Zoology.

Private universities in Uganda do not get government subventions. How do they really survive? The financial resource challenge for Ugandan private universities is apparently enormous. First, they have to operate in a global setting where they are judged on international standards, yet many of them do not seem to have such wealthy personalities like Harvard or Stanford, who may be eager to immortalize their names in university buildings or in sponsoring particular university programs. At first wealthy people built cathedrals for the glory of God. Later they built universities for their own glory. Today private universities are built for survival and influence of religious groups; and for business people, universities are for profit making and maximization. If a businessperson or a corporation funds a Faculty, for example, the

faculty should expect the funder to dictate terms. The funder may demand that the university advertises the funder, provides a monopolistic market for the products or services of the funder. In such a case, management would not be free and independent in the way it runs the university. Different stakeholders have different expectations from management.

There can arise a danger of a university slowly becoming a business enterprise. Management may direct more attention to fundraising than to academic activities of teaching, research and community service. In most American private universities, a university President must have been a successful Chief Executive Officer (CEO) of a recognized corporation. He/she must have good knowledge of making money. That way, private university management may be divided between money minting and knowledge editing. Fundraising drives, rotaries, fairs, advertising the university can take up so much time and money and may lead to low education standards in private universities.

The financial survival of any private universities in the country will largely depend on how such universities fit themselves into the liberalized funding environment and how they strategically source for resources. Universities need to widen their financial bases by attracting the support of both the public and private sector (Nkata, 2001). In the same work, Nkata continues to rightly argue that the achievement of each university mission will largely depend on the funding mechanisms in place. It means that if private universities are to survive and thrive in the competitive higher education sector in the world today, they must have diversified financial resourcing strategies to be able to get enough resources for efficient and effective operation. Financial resources are the lifeblood of any enterprise and "It is particularly advantageous if such income is relatively certain" (Warner, 2000:48). Universities must avoid dependency relationships and short-term relief.

Problem Statement

Any successful university must have enough financial resources to be able to operate effectively. A private university that fails to raise the necessary financial resources suffers from competitive disadvantage and might inevitably close. Or if it persists, it might be offering sub-standard university education. Therefore, one that survives and thrives has to employ a number of financial resourcing strategies and tact, which however, might influence the management style of the same university, for better or worse.

Uganda Martyrs' University, Nkozi, is a private university in Uganda funded privately from sources sought by its management officials. If the private resourcing agents are few and become too powerful in the affairs of the university, there arise a danger of the institution being taken captive or/ and being derailed, for he who pays the piper dictates the tune. Studies confirm that organizations that lose sight of their purposes eventually die! Are there safeguards for UMU to remain on course?

Purpose

The purpose of this study was to investigate the financial resourcing mechanisms available for UMU and to examine their implications to the general management of the university.

Objectives

The study was guided by the following objectives:

1. to identify the sources of funding for UMU
2. to examine the effects of financial resourcing mechanisms on the management of UMU

Research questions:

1. What are the sources of and ways of sourcing for financial resources for UMU?
2. What impact /effect does this kind of resourcing mechanisms have on the management of UMU?

Scope

The study was *a case study* of Uganda Martyrs' University, Nkozi, located 80 kilometers along Kampala-Masaka road. It investigated the financial resourcing mechanisms and their implications to the general management of Uganda Martyrs University, Nkozi. Data was collected from the University Financial Officer, the University Internal Auditor, the Director, Institute of Ethics and development Studies (the largest at the University), the Former Deputy Vice Chancellor, two members of the University Council, University executive secretary, Dean of the Faculty of Business Administration and Management, the Dean of Faculty of Agriculture, two Heads of department, two senior lecturers, five lecturers, 76 students, selected at random and ten alumni and alumnae also randomly selected.

Significance

It is vital for private universities to have sure and sustainable sources of funding to be able to enhance their missions and to operate in the global competitive setting.

This study was intended to draw more attention of all stakeholders in the private university sector to the phenomenon of funding sources, ways of obtaining the resources from the sources and beware of their implications to the management of a private university for good or for worse.

It was made with a view of benefiting those who intend to operate private universities by giving them some inside insight with regard to sources and ways of funding and how they can affect the management of these universities.

The findings and recommendations might be of some for the Case Study University, and other private universities in Uganda, for their planning of better financial resource strategies for their sustainability and development. Since the cardinal purpose of educational research is to extend the frontiers of knowledge, it is hoped that this study will add an inch to the available knowledge in this area and may provide a point of reference for future research in the same or related area.

CHAPTER TWO

LITERATURE REVIEW

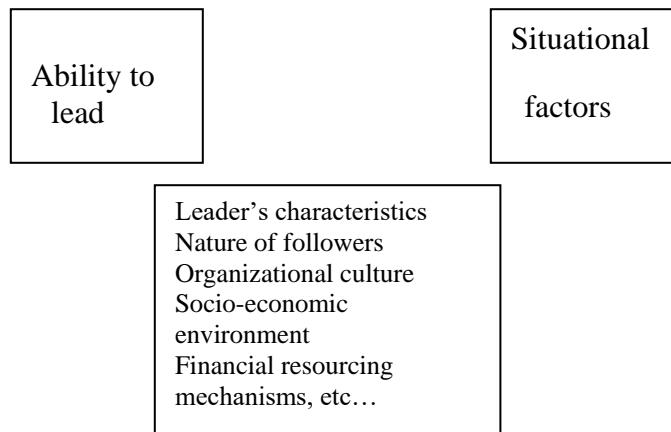
In this chapter, an attempt was made to review some of the available and accessible literature related to the subject of study. It was reviewed in line with financial resourcing mechanisms and their implications to the management of private universities. It was handled in two sections: the theoretical review and the contextual one.

SECTION I

Theoretical review of literature

This researcher based the study upon Fiedler's *Contingency* view of management, whose basic assumption is that the, "*leader's ability to lead is contingent upon various situational factors*"(<http://changingminds.org> retrieved, March 12,2005). The various factors may include among others: the leader's characteristics, management style, the nature of followers, the organizational culture, the financial resourcing mechanisms employed and so on. Since there is no single simple way of management, as Fiedler and Mary Parker rightly say, for this study, we considered management, in general, to be dependent upon financial resourcing mechanisms. That is, the way private universities are managed was taken to depend upon the availability of funds, the sources of funds, and how funds are obtained from the sources for use. **Figure 1.**

Theoretical framework of Fiedler's Contingency Theory of Management



(*Constructed by Henry F. Mulindwa*)

The ability to lead is contingent upon situational factors. Similarly, situational factors influence the way of management.

Organizations have to do resourcing management, that is, the efficient acquisition and use of internal and external resources to achieve organizational goals. Management should use a number of organizational resourcing approaches to supplement available resources. (www.pao.gov.ab.ca & www.itcareers.gov.ab.ca retrieved March 12,2005).

Fiedler, in his Contingency theory asserts that “when managers make a decision, they must take into account all aspects of the current situation and act on those aspects that are key to the situation at hand”(Antoine, <http://www.business.com> retrieved March 8, 2005). Both his/her person and the situation in which he/she finds him/herself (Jennifer & Gareth, 2001: 399) therefore determine the leader's style and effectiveness.

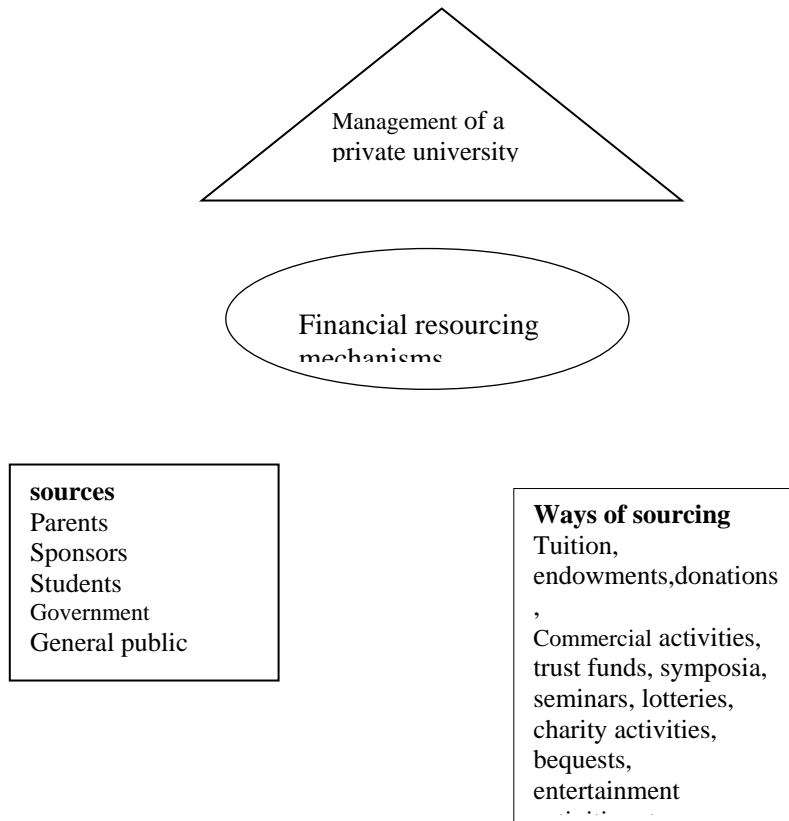
According to Fiedler, leaders must prioritize between task and people-focus because tasks, relationships, power and structure determine the leadership style. (www.changingminds.org).

This researcher thinks that for a private university management to be effective and efficient it

should be both task-oriented and people-oriented, triangulated. Management must deal carefully with the different stakeholders to raise the necessary funds from diversified dimensions in order for a university to obtain its goals and objectives. Both vital elements should be kept in good measure. That is a big management challenge indeed with great implications to reckon with by management.

Figure 2 indicates the conceptual framework of financial resourcing mechanisms and their effects on the management of private universities. This researcher, basing on Fiedler’s Contingency Theory of Management, proposes it.

Figure 2. A conceptual framework of financial resourcing mechanisms and management of private universities.



(Constructed by Henry F. Mulindwa).

Figure 2. illustrates that it is the management of a private university that has got to look for financial resourcing mechanisms. The mechanisms comprise the sources of and the ways of obtaining financial resources. The available sources and the means employed to obtain finances determine the available financial resources. Conversely, the available financial resources are a result of the existing sources and the ways that are used to acquire the financial resources. Eventually the whole financial resourcing process affects the way a private university is managed.

According to Fiedler, the environment, among other things, influences the management style, and both the environment and the management style have an effect on financial resourcing mechanisms. The nature of funding environment affects resourcing practices. If the funding environment is composed of mainly poor and/or illiterate sponsors, for example, symposia and payment with cheque might be very inappropriate. If management is to obtain funds it must be

alert to respond effectively to the funding environment. Therefore both the sources and ways of obtaining funds from the sources in a given environment have got management implications.

SECTION II

Review of related literature:

Related literature was reviewed according to the objectives of the study, that is:

- (i) Identification of financial resourcing mechanisms available private universities, with reference to UMU.
- (ii) Examination of the implications to management brought about by the identified mechanisms, with reference to UMU.

Sources and ways of sourcing for financial resources and their effects on management

If universities are to remain afloat, according to Kilemi Mwiria (1992), they must look for funding possibilities. For a private university today to be termed '*successful*', it must, be able to lay effective strategies to attract organizations, individuals and even government to invest in the institution without enslaving it. Ngabirano (2003) and Nkata (2001), particularly note that a university must have a formidable source of funding, and Ngabirano calls this “one of the biggest challenges to management of private universities in Uganda”(Ngabirano, 2003:6). It looks so according to available literature. What then are the implications?

Private institutions must look for such strategies without jeopardizing the main functions of a university, that is teaching, research, consultancy and community service (Passi, 1993).

There are various difficulties that afflict universities in the developing world with an entirely different magnitude. In case of private universities, it is clear from the start that any university

worthy of the name and status requires colossal sums of financial resources to effectively and efficiently operate. As Kasozi (2003:60), notes, "A major indicator of institutional capacity is the amount of resources available for use in enhancing the institution's mission". However, many African private universities are faced with serious challenges regarding funding sources and strategies (Bongila, 2001). New universities are opening nonetheless to serve the growing population. "However, they simply do not have the required resources". (Daniel,1999:16). Conditions of their buildings, equipment and libraries are usually poor and sometimes actually deteriorating. If that is the general case, how prepared are Ugandan private universities to source for enough resources so as to be able to attain the goals and objectives for which the same universities have been founded?

A 1998 report by the United Kingdom's Higher Education Funding Council on its quality assessments, showed that the number of excellent ratings that a university received broadly matched the funds available (Daniel, 1999:9). Without enough financial resources at hand, therefore, no university can be able to provide quality education. Yet without providing quality education a private university is not likely to attract the badly needed financial resources from most of the sources. The need for financial resources and quality service at the same time, therefore, puts private university management before a dilemma because of the implications involved.

According to a World Bank report on higher education in 1994, most universities in the developing world are overcrowded and their physical facilities are deteriorating. Staffing is inadequate library resources are poor, laboratory equipment and instructional materials insufficient (World Bank: 1994). Ngabirano(2003:50), confirms so by his report of one of Kampala's universities where "students' accommodation remains a mess; the ratio of lecturers to students is too low and lecture rooms are embarrassingly overcrowded". Hayward (1991),

thinks that the World bank findings are so mainly because many university administrators, faculty deans, heads of departments are not familiar with writing grant proposals to the World Bank, the African Development Bank, Foundations and other financial agencies as sources of financial resources. Could this be so? Bongila (2001), concurs with Hayward (1991), that most African universities do not possess current information on available sources of funds or foundation guidelines, and the universities that do have this information do not share it with others in need of such basic information.

In the United States and most of Europe, governments can no longer afford the growing expenses of university education. What private universities in USA resorted to was to employ strategies that make them more successful than others (Waterman, 1982). They attract individuals and organizations to invest in them. Funding strategies are believed to be the backbone for the financial success of most American private institutions of higher learning (Bongila, 2001). However, Ugandan institutions seem to possess little, if any experience with institutional advancement. According to Saint (1992), the leaders of African universities showed little acquaintances with funding strategies for institutional advancement (or development).

There are a number of ways private universities can employ to obtain financial resources.

There are also implications for each of the ways.

The practice of Philanthropy

This is both a source and a way of obtaining financial resource.

Etymologically, *Philanthropy* means 'love of humanity'. "It is an act of deliberate generosity, humanitarian contribution, voluntary giving or service, voluntary association intended to benefit others" (Fisher & Koch, 1996:337). It can also be called "*practical sympathy*".

American institutions of higher learning for example, are deeply involved into this business as

a means of raising funds. And for sure, while charity creates dependency and provides short run relief, philanthropy is for the long run and does not put the institution's management at the mercy of the donor, as a source of financial resources.

They have *Advancement* (or development) offices set up to study, analyze and plan how to raise funds by appealing to people's minds and hearts to donate to institutions in one way or another without conditions that can weaken management. According to Hall (2000), they usually succeed. In 1999 alone American private institutions raised a total of 20.4 billion dollars from voluntary support only. Funds come from *alumni* (or *alumnae*, if they are ladies), trust funds from families or organizations, endowments, grants from organizations and/or individuals. Religion continues to motivate contributions to charities, but the church is no longer the conduit (Fisher & Koch, 1996). For Bongila (2001), African university leaders have almost no experience in alumni giving as a considerable source of funding.

Good public relations

This is another means of sourcing for financial resources. Excellent public relations is an integral part of excellent organization (Grunig, 1992). The university public relations office should endeavor to establish a clear image with the public and potential financial resources donors. It should take the university to the people, through the print, electronic and other media and through extension work to the community. The public comes to know what goes on at the university, what opportunities, what achievements and what needs there are. They appeal to the donor's spirit of philanthropy and funds can be raised by means of symposia, seminars, lotteries, subscription lists, charity walks and balls, auctions, fairs, sports events, beauty pageants, cultural festivals, music and drama, occasional bequests and so on.

Grunig and Hunt (1984) identify four models of effective public relations, and they can be used as financial resourcing mechanisms. We will mention three here. They include:

(i) *Publicity/press agency* :

The purpose of this model is to spread the faith of the organization by propaganda through incomplete, distorted or half-true information. The method presents a partial and positive picture of the organization. Communication is one way: from the organization to the public. Ugandan private universities can employ this strategy to source for financial resources too. Some universities are already using it, advertising themselves as ones with a big difference. But as the method suggests, some of what they pose to give is not available in reality. The public is taken for a ride. This researcher would not support this kind of approach not just because it is against his religious convictions but also because it discredits the academics who are supposed to be credible and exemplary as leaders of society.

(ii) *Public information:*

This is the second model of effective public relations. This model was developed as a reaction against *Press Propaganda* (Grunig, 1992). Its purpose is to disseminate true and accurate information, usually complementary, about the organization with or without persuasive intent. Ironically most of the Ugandan public knows very little, about the existing private universities; what they offer, how different they are from or similar to others, what difference they make, what advantages have they. Ugandan private universities should inform the public about themselves such that when it comes to fundraising, the public is aware of them and interest has been created through information.

(ii) The *Two-way symmetric model of public relations*.

(Grunig (1992) , maintains that this model uses both formative and evaluative research to allow managers to learn how the public perceives the organization and how the same

organization can better serve its public. Once management gets to know about the needs and desires of customers and would- be- customers it can go to the drawing board and make effective plans with regard to obtaining funds from those customers. Some US private universities use the method as a way to obtain funds from the public. If private universities carry out research about their customer mix, and the needs of the customers, universities can be in a better position to attract customers and partners who would contribute towards financial resources of the same universities.

Increase enrolment

Other universities have used high enrolment as a means of reducing the unit costs and to benefit from economies of scale. According to a World Bank study in 1986, the unit costs in institutions with fewer than 1000 students were 50% higher than in institutions with at least 4000 students. (World Bank, 1994). This means that in order for a private university in Uganda to be viable it ought to raise enrolment to increase the volume of fees collectable so as to be able to sustain the institution. After a thorough environmental scanning, Ugandan private university can adopt some of the above ways to source for financial resources.

Effects on Management

Since for a university to be able to attract funds it must be able to lay effective strategies to attract organizations individuals and even government to invest in the institution, management must be very careful not to allow some stakeholders to 'enslave' it. It is very likely that management can be drawn into difficult compromises, far off the university objective for the sake of securing funds. Such a situation should be guarded against as early as possible.

In the USA, Australia and other English-speaking countries, with the exception of UK, government does not administer schools. Schools retain the right to select their students and are funded wholly or particularly by charging tuition rather than public funds. (<http://en.wikipedia.org> retrieved April 6th 2005). For most of African private institutions, however, tuition and some form of subsidy, (in rare cases) from religious establishments are generally the main funding sources (Useem, 1999). In order for these institutions to run there must be a number of stakeholders.

Stakeholders are an important factor in the management of a private university. In our case, UMU has got the Catholic church in Uganda as its Founding Body, the government as the regulating authority, the parents/ sponsors and students as indispensable customers, the local community, the big funders and donors from home and abroad, the staff, the business community and others (Lejune, 2001). All these are stakeholders and management must be aware of them, to take care of their interests, demands and expectations without losing the vision of the institution. Management is likely to particularly find it more difficult if different stakeholders have conflicting interests; and worse more if some interests are not in line with the mission of the university (Cave,1996)

Different stakeholders will normally try to influence those taking management decisions to support their interests. They will therefore judge university management performance against criteria that reflect those interests. It has hardly been common that any management group can serve all the different interests equally well. All contributors want their influence felt and recognized. Policies and decisions will have to reflect the influence of stakeholders (www.en.wikipedia.org retrieved April 6th 2005). So the different financial resource contributors will have implications to management. For example, if a university owner is a business person whose major aim of establishing a university was profit maximization, such a

stakeholder may pay less attention to funding research because it reduces his profit margin and might prefer easy quick courses which are cheaper to run and are more profitable. Donors may also dictate the way they want their money to be used; they can even dictate programs. So the way a private university gets its funds may have management implications.

Management has to work to maintain the necessary degree of commitment and support of all stakeholders, small and great ones alike to avoid satisfying some while antagonizing others (Miller,1998), which may mean losing some scholars and students to other competitors; and/or letting donors withdraw their resources to somewhere else to the detriment of the university. This poses a no mean problem for private universities. Management must therefore be aware and prepare for the proper handling of such matters.

CHAPTER THREE

METHODOLOGY

This chapter describes the manner in which the study was carried out. It focuses on the adopted research design, the population, validity and reliability of instruments, how data was collected and analyzed before it was reported.

Research design

The study used a *descriptive survey research design*. This design was chosen because it is a method of critical investigation in which self-report data collection from the variables can easily be done (Amin,2005). Since the researcher needs to describe the responses from the respondents and the current state of affairs at Umu, that necessitated the use of a descriptive survey research design as suitable. It is also “the most commonly used method in social research”(Amin,2005:212). A methodological triangulation of qualitative and quantitative approaches that included descriptive and numeric data was also be used. This is because it leads to a more holistic understanding of the problem.

Population:

The study was about financial resourcing mechanisms and their implications to the management of private universities in Uganda. Uganda Martyrs University, Nkozi is sampled out as a case study because it is one of the first private universities in Uganda, and for that matter it has got some little historical experience with regard to the research problem under study. The population composed of male and female resident students and academic staff, an international Professor from the University of Scranton in the USA, who comes to Umu or “Summer School”, top administrative staff, alumni, and University Council members. In all

there were 115 respondents. The total number of resident students was 400 and academic staff totaled to 37 at the time.

Sample size

The study targeted a sample size of 100 students, male and female out of the 400 resident students, 30 academic staff including Deans, one international professor, ten former students, five top administrators, two former academic and administrative staff and two members of the Council. However, the final turn up of respondents was 76 students, 20 academic staff, one international Professor, eight former students, five administrative staff, one former academic and administrative staff, and two members of Council. In all 113 responded.

Turn up met the scientific criterion for data analysis since it made at least two-thirds of the targeted sample. That is $\frac{113 \times 100}{150} = 75\%$

150

Sampling techniques

A purposive, judgmental, non-probabilistic sampling technique was used with the aim of selecting respondents a researcher believed would supply the relevant information for the research problem. Respondents included some top executives, current lecturers, former lecturers, alumni, and some members of Council.

A Systematic random sampling technique was used to select 20 academic staff respondents. The technique makes the collected data representative. Every Faculty was represented as a questionnaire was dispatched to at least two representatives from every department, faculty and institute. They were ten in all.

A simple random sampling method was also used to select the 100 students to whom a questionnaire was administered. The technique guarantees equal probability for every respondent hence increasing reliability of the data collected.

Data collection and research instruments

Data was gathered from selected respondents who included alumni, current students, lecturers, administrative staff, and some members of the Council who had first hand information and experience about funding and management of UMU.

Research instruments comprised:

Questionnaires. They were designed for different respondents (students and lecturers) according to the major themes of the study. To elicit the needed responses, questions were both open-ended, for qualitative information through allowing a respondent to express him/herself broadly; and close-ended to get the only expected responses for quantitative results. Questionnaires were used because they allow respondents to give free and independent opinions. They were very helpful for they enabled the researcher cover a relatively large number of respondents in a short time.

Interviews. Interview schedules were prepared for the Vice Chancellor, Financial Officer, the Registrar, University Secretary and the Dean of Students, outlining questions that would guide interviews to ensure that what was required was covered. Probes or leading questions that encourage a respondent to provide more information were used. Interviews were preferred for such officials because they are normally busy officials without such time as to respond to questionnaires. Interview schedules were delivered to the offices of the officials and appointments to conduct the interviews sought. A face-to-face encounter with the officials was considered to give first hand information and even non-intended but relevant data that would be of value to the study.

Personal observation of structures and infrastructure assisted the researcher to verify some of the responses provided by respondents in the questionnaires and interviews.

Written *documents* like university records and statistics were used as another means of data collection (Amin,2005).

Validity

Validity refers to the appropriateness and relevance of instruments. The questionnaires and interview schedules were discussed first with some colleagues and later with the supervisor. The discussions helped to determine and clarify questions that were ambiguous at first and difficult to be understood by some respondents. The discussions also helped to establish if the questionnaires covered all the necessary content of the study topics. This was important to ensure content validity.

Reliability

Reliability refers to consistency of instruments in measuring what they ought to measure. Two judges, including the supervisor, rated the instruments and correlation between their ratings determined using the *Spearman Rank Correlation* with the following formula,

$$r = \frac{1 - 6\sum D^2}{n(n^2 - 1)}$$

where **D** =the difference between the ranks of *x* and the corresponding ranks of *y*. The number of pairs of ranks is *n*.

The reliability for the staff questionnaire was **.5689** (appendix 1) thus making it reliable for data collection. The reliability of students questionnaire was **.5319** (appendix 1) rendering it reliable too for data collection.

Data analysis

Data were computed and analyzed using *Frequencies and Percentages*. However, some effects on management were related to financial resourcing mechanisms with the help of *cross tabulation tables*.

Percentages were computed using the following formula:
$$\frac{n}{N} \times 100\%$$

Where *n* is the observed frequency (or proportion) of respondents who answered in a particular way, while *N* is the overall number of respondents who answered a particular question.

Where interviews and direct observations were done, qualitative analysis was employed by identifying themes and assembling them to make inferences.

Limitations during the study:

This study was not without limitations. First of all it was a case study, limited to only one private university whose nature and setting may be unique and different from others. Its location, foundation body, mission, objectives, might all be different from those of other private universities. Therefore, findings of the study may not be extrapolated or generalized to others.

Secondly 15 lecturers never returned the questionnaires, even some of those the researcher approached personally. Out of 100 questionnaires for students, 76 were returned. Those who filled in the questionnaires had to be begged, and some left out gaps unfilled in. It was coming to examinations time and so some students could not easily spare that time. Although what was received back is acceptable, the sample size was still a little smaller than had been planned for. The Vice Chancellor, his Deputy, the Registrar and the majority of the Deans were too busy too to be available to scheduled interviews. The study missed their input that way!

The only financial documents availed to the researcher were two university reports for the years of 1995 and 1996 respectively. Yet the researcher had requested for all the university budgets from 1995 to 2005. Decade old information in finance might not give a good state of financial affairs.

Like in most organizations, financial issues are the most sensitive ones. At UMU the chief financial organizer seems to be the top executive, and therefore, most lecturers and Deans did not want to comment upon financial matter. In fact only 10% of the respondents gave the range of their salaries and commented whether they were satisfied or not. The majority left the gaps blank while others said it was a very private matter. So a true picture of their remuneration and job satisfaction could not be captured.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The purpose of the study was to investigate the financial resourcing mechanisms available for private universities and to examine the effects of the same mechanisms to the general management of the universities with particular reference to Uganda Martyrs University.

Table 2: The major source of funding according to UMU staff

| Major source of funding | Proportion of staff respondents |
|-------------------------|---------------------------------|
| Tuition | 20 (100.0%) |
| Total | 20 (100.0%) |

The major source of funding for the University was perceived to be tuition.

Additionally, from the analysis of the documentation information provided, and from the interview with the University Financial Officer, other sources of funding were found to include: foreign donations, contributions from dioceses, local donations and university commercial activities like: the diary farm, a guesthouse, a shop, promotional supplies, fundraising drives, appeals, short courses rental income and chapel collection. For example, while in 1995 tuition contributed 49.08% to the annual budget of the university, and was the major source of funding, foreign donation made up 34% of the same budget. Local donation catered for 15% and other income from the commercial activities counted for 1.94 %. However, the following year, 1996, foreign donation was the main source of funding as it provided 53% of the annual university budget, according to *UMU Annual Report 1996*. This finding implies that management might have to bend to the whelms of the donors in order to obtain funds. If the interests of the donors are unfortunately not in

line with the mission of the University, management finds itself in a dilemma of either to accept the donations and lose its goal or refuse it and find other means of funding the programs.

Ways of obtaining financial resources from the sources

The university employed some ways through which it obtains funds from their sources as the findings below show.

Table 3: Sponsors of students at UMU

| Sponsor of student | Proportion of students |
|------------------------|------------------------|
| Peasant | 14 (18.4%) |
| Private businessperson | 19 (25.0%) |
| Organization /church | 15 (19.7%) |
| Corporation | 28 (36.8%) |
| Total | 76 (100.0%) |

The findings revealed that most of the students were being sponsored by Corporations, as indicated by 36.8% and the businessperson, as indicated by 25%. The peasants had the least number of students whom they sponsored at the university, as shown by 18.4%.It implied that management heavily depended on corporations and private business persons to obtain funding. Any change in business would necessitate a change in the ways of resourcing for funds for the university.

Table 4: Ability to pay in time according to students

| Response to whether student was able to pay in time | Proportion of students |
|---|------------------------|
| Able to pay | 33 (43.4%) |
| Not able to pay | 43 (56.6%) |
| Total | 76 (100.0%) |

The findings in **Table 4** indicate that the students were not able to pay in time as exhibited by 56.6%. Failure to pay in time would definitely have implications to management as the latter would not have money when it is needed to run the University.

Table 5: Fundraisers for UMU according to staff and students respectively

| Fundraiser | Proportion of staff | Proportion of students |
|----------------------|---------------------|------------------------|
| Episcopal Conference | 1 (5.3%) | 0 (0%) |
| Vice Chancellor | 17 (89.5%) | 37 (50.7%) |
| Alumni | 1 (5.3%) | 3 (4.1%) |
| Church | 0 (0%) | 33 (45.2%) |
| Total | 19 (100.0%) | 73 (100%) |

According to the findings in **Table 5**, the major fundraiser was the Vice Chancellor. Both groups still perceived the Episcopal Conference as the least active in this regard.

However, while the students considered the Church as the second largest fundraiser, the staff did not consider it at all as a fundraiser for the University.

From the interview with the University Financial Officer, however, church groups and personnel get involved in fundraising for the university especially when the university appeals to them. He agreed with the finding that the Episcopal Conference was not an active fundraiser, saying that even the Chancellor occupied that office by virtue of being the Chairman of the Uganda Catholic Episcopal Conference, not because he had the means, the interest and all the qualities of a University President as is the case in most of the successful American private universities and colleges, where the latter must be or must have been a successful CEO of a recognized Corporation, with good knowledge of how to raise funds to run a corporation.

Effects on the management

The findings revealed that although there were other sources of funding, tuition was the major source of income for UMU. That being so, there were implications to management due to this fact.

Table 6: Adequacy of funds at UMU according to the staff

| Response to whether there were adequate funds | Proportion of staff |
|---|---------------------|
| Agree | 1 (5.0%) |
| Strongly disagree | 2 (10.0%) |
| Disagree | 13 (65.0%) |
| Don't know | 4 (20.0%) |
| Total | 20 (100.0%) |

The result findings revealed that the staff disagreed that the funding was adequate. The university did not have enough funds to efficiently run all its programs. This would partly explain the findings in **Table 12** where the staff was only “fairly satisfied” with the way the University was being managed. This is so because adequate funding is normally and mainly the key to successful management of educational institutions.UMU Management would find it difficult to be efficient with meager financial resources.

Table 7: The worthiness of what was being offered at UMU and the fees payable according to students

| Students’ response | Proportion of students |
|-------------------------|------------------------|
| Yes, it is worthy it | 56 (73.7%) |
| No, it is not worthy it | 4 (5.3%) |
| It is more than worthy | 16 (21.1%) |
| Total | 76 (100.0%) |

Table 7 indicates that the education and facilities offered at UMU were worth the fees payable as suggested by 73.7% of the students who indicated so. It is important to note that 21% responded that what they received was even worth more than what they really paid for. **Table 15** further supports this finding, where none of the students was not satisfied with the education provided at UMU. In all, students that found the education offered at UMU worth the fees they paid made up to 94.8%. These results may imply that

management did everything possible to satisfy the needs and aspirations of students, the major source of income for UMU.

Table 8: Top leadership support and management style according to the staff

| Response to whether top leadership was supportive of staff endeavors | Management style of UMU | | |
|--|-------------------------|--------------|---------------|
| | Collegial | Aristocratic | Authoritarian |
| Supportive | 3 (100.0%) | 5 (55.6%) | 3 (37.5%) |
| Not supportive | | 1 (11.1%) | |
| Somehow supportive | | 2 (22.2%) | 3 (37.5%) |
| Discouraging | | 1 (11.1%) | 2 (25.0%) |
| Total | 3 (100.0%) | 9 (100.0%) | 8 (100.0%) |

Results in **Table 8** indicate that top leadership was supportive or at least “some how supportive” of staff’s endeavors while the management style was basically Aristocratic.

Table 9: Levels of consultation according to the staff

| Response to whether staff was being consulted | Proportion of staff |
|---|---------------------|
| Consulted | 9 (45.0%) |
| Not consulted | 11 (55.0%) |
| Total | 20 (100.0%) |

Table 9 indicates that there was limited consultation with the staff as indicated by 55%. This finding was further enhanced and backed by the finding in **Table 8**, that 55.6 % of the staff considered the management style of UMU to be aristocratic, that is, a few people being involved in the major management affairs of the organization.

The finding that 45% of the staff viewed the staff as being consulted, further proved the finding in **Table 12** that the management style of UMU was mainly aristocratic, where a few, considerably important stakeholders are consulted by Management.

Table 10: Involvement of staff in major management decisions

| Response to involvement of staff | Proportion of staff |
|----------------------------------|---------------------|
| Often involved | 2 (10.0%) |
| Rarely involved | 15 (75.0%) |
| Never involved | 3 (15.0%) |
| Total | 20 (100.0%) |

Table 10 shows that the staff was rarely involved in major management decisions as indicated by 75%. About the same proportion of staff believed they were often and never involved respectively. This finding concurred with the findings in **Table 11**, that the most prominent management style at UMU was aristocratic.

Table 11: Management styles at UMU according to students and staff

| Management style | Proportion of students | Proportion of staff |
|------------------|------------------------|---------------------|
| Collegial | 37 (48.7%) | 3 (15.0%) |
| Aristocratic | 30 (39.5%) | 9 (45.0%) |
| Authoritarian | 9 (11.8%) | 8 (40.0%) |
| Total | 76 (100.0%) | 20 (100.0%) |

Table 11 indicates that the most perceived management style used at UMU was aristocratic as indicated by 45% of staff responses. However, students perceived the management style to be collegial, as indicated by 48% of their responses.

Nonetheless, since other findings in Tables 8 and 18 respectively, indicated that the most prominent management style at UMU was aristocratic, it can be concluded that the most perceived management style used at UMU was aristocratic style. Very few students perceived the management style at UMU to be authoritarian as indicated by, 15%, while the staff considered the management style to be authoritarian as indicated by 40%. This could explain whom the top administration considered as a major stakeholder. It was the student, who was the major source of income for the university through payment of tuition, the main source of funding. The findings therefore indicate that tuition, as the major source of funding for UMU, was associated with aristocratic management style.

Table12: Levels of satisfaction with management of UMU according to the staff

| Response to satisfaction with management of university | Proportion of staff | Management style of UMU | | |
|--|---------------------|-------------------------|--------------|---------------|
| | | Collegial | Aristocratic | Authoritarian |
| Highly satisfied | 1 (5.0%) | | 1 (11.1%) | |
| Fairly satisfied | 14 (70.0%) | 2 (66.7%) | 6 (66.7%) | 6 (75.0%) |
| Not satisfied | 5 (25.0%) | 1 (33.3%) | 2 (22.2%) | 2 (25.0%) |
| Total | 20 (100.0%) | 3 (100%) | 9 (100.0%) | 8 (100.0%) |

Table 12 indicates that the staff was satisfied with the management of the University. This is shown by the 70% of the staff, who were ‘fairly satisfied’ and 5% that were ‘highly satisfied’ with the management of the university. That adds up to a proportion of 75% of the staff being satisfied. The results therefore indicate that the staff at UMU was satisfied with the way the university was being managed. It implies that Management would find it easier to work with a more satisfied staff than a highly grumbling one.

Table 13: Students’ response to whether their proposals were being taken seriously

| Students’ response | Proportion of students |
|--------------------|------------------------|
| Yes | 48 (63.2%) |
| No | 28 (36.8%) |
| Total | 76 (100.0%) |

Table 13 depicts that the students felt that their proposals or suggestions to management were being taken seriously as indicated by 63.2%. This may imply that being important stakeholders, students were being given an attentive ear by Management.

Table 14: Reasons for attraction to UMU according to students

| Students’ response | Proportion of students |
|--|------------------------|
| Employability chances | 28 (36.8%) |
| Good learning environment and facilities | 32 (42.1%) |
| Sponsor's choice | 12 (15.8%) |
| My results tied me here | 4 (5.3%) |
| Total | 76 (100%) |

Table 14 reveals that the major students' attraction to UMU was the 'good learning environment and facilities' as exhibited by, 42.1%. It implies that Management had got to do everything to promote that proved quality of attraction to the University.

Table 15: Levels of satisfaction with the education provided at UMU according to students

| Response of students | Proportion of students |
|----------------------|------------------------|
| Highly satisfied | 44 (57.9%) |
| Satisfied | 32 (42.1%) |
| Total | 76 (100.0%) |

Table 15 presents the finding that the students were satisfied as indicated by, 57.9% of "highly satisfied" and 42.1% of 'satisfied' that makes up to 100% proportion of satisfied students.

Table 16: Perception of students about whether they have a voice in the way they are managed

| Students' response | Proportion of students |
|--------------------|------------------------|
| Have voice | 59 (77.6%) |
| No voice | 17 (22.4%) |
| Total | 76 (100.0%) |

According to the findings, the students had a voice in the way they were being managed. This further proves why the majority of students considered the management style to be collegial as shown in **Table 11**. Like a private businessman, the management of a private

university has got to treat the student as a colleague and to avoid the traditional master-slave relationship. The two stakeholders need each other.

The students also observed that the process of sorting out grievances was through the Students' Union and the Guild Council. This means there was a chain of command and in the process students got involved in their own administration at grass-root level that made them look at management as being collegial.

Table 17: Availability of ways to express grievances and management style according to the staff

| Response to whether there are ways to express grievances | Proportion of staff | Management style of UMU | | |
|--|---------------------|-------------------------|--------------|---------------|
| | | Collegial | Aristocratic | Authoritarian |
| Available | 10 (52.6%) | 1 (50.0%) | 6 (66.7%) | 3 (37.5%) |
| Not available | 9 (47.4%) | 1 (50.0%) | 3 (33.3%) | 5 (62.5%) |
| Total | 19 (100.0%) | 2 (100.0%) | 9 (100.0%) | 8 (100.0%) |

The findings here were that there were ways for the staff to express grievances. Where the management style was perceived to be aristocratic or authoritarian, the staff still perceived that ways to express grievances were available.

Table 18: Resignation due to ill-treatment and management style at UMU according to the staff

| Response of staff to resignation due to ill-treatment | Proportion of staff | Management style of UMU | | |
|---|---------------------|-------------------------|--------------|---------------|
| | | Collegial | Aristocratic | Authoritarian |
| Yes | 16 (80.0%) | 2 (66.7%) | 8 (88.9%) | 6 (75.0%) |
| Don't know | 4 (20.0%) | 1 (33.3%) | 1 (11.1%) | 2 (25.0%) |
| Total | 20 (100.0%) | 3 (100.0%) | 9 (100.0%) | 8 (100.0%) |

According to **Table 18** findings, there were members of staff who had resigned due to ill treatment as indicated by 80% proportion of the staff. This can be explained by the finding in the same Table that the management style was more aristocratic, (88.9%) and authoritarian, (75%) than collegial, (66.7%). This kind of management style perhaps made it difficult for some staff to accept decisions that affected them negatively yet were being taken by a few people on the management team. They could have responded by resigning.

Table 19: UMU mission according to the staff

| Response to UMU mission | Proportion of staff |
|-------------------------|---------------------|
| Quality teaching | 5 (71.4%) |
| Character building | 1 (14.3%) |
| Social service | 1 (14.3%) |
| Total | 7 (100.0%) |

The finding here was that UMU’s mission was “quality teaching”. This concurs well with **Table 14** where the findings show that the students’ major attraction to UMU was the “good learning environment”. With quality teaching more students could be attracted to the University and therefore management could obtain more funds through tuition, the main source of funding for UMU.

Table 20: Influence Catholic morality according to students

| Students’ response | Proportion of students |
|---------------------------|------------------------|
| Yes, it is influential | 36 (47.4%) |
| Not really | 28 (36.8%) |
| No, it is not influential | 12 (15.8%) |
| Total | 76 (100.0%) |

Table 20 shows that the students perceived Catholic morality to be influential. Those who answered in the affirmative said it inculcated ethical values and understanding in the lives of the students. They further observed that Catholic morality was influential only indirectly through the teaching of Ethics. Other students noted that even though Catholic morality was somehow enforced, through different activities, it was only up to the concerned Christians. One student said that at the university, students do as they please since they were all adults. However, he observed that the Christian influence though subtle is a force to reckon with.

Other students who considered Catholic morality not to be influential noted that it was not doing much not even enough to influence the behavior of students at campus. This they said could be observed from special Christian occasions like candlelight where few

students would attend, and that even on Sundays a good number of students do not go for Mass or attend church services.

Table 21: Adequacy of departmental equipment according to the staff

| Response to whether the department was adequately equipped | Proportion of staff |
|--|---------------------|
| Yes | 3 (15.0%) |
| No | 6 (30.0%) |
| Fairly | 11 (55.0%) |
| Total | 20 (100.0%) |

Table 21 depicts the finding that Faculty departments were only fairly equipped, as shown by 55%. Tuition being the main source of funding and students not being able to pay in time can partly tell why departments are only fairly equipped with the necessary facilities. Management would need to find others ways to get the funds to have enough equipment at the various departments. It should however be noted that the financial resource could never be enough.

Table 22: Degree of remuneration according to the staff

| Response to whether staff was adequately remunerated | Proportion of staff |
|--|---------------------|
| Adequate | 3 (15.0%) |
| Not adequate | 17 (85.0%) |
| Total | 20 (100.0%) |

Table 22 shows that at UMU, there was no adequately staff remuneration with 85% indication of that. Management has got to find other ways of funding if it is to adequately remunerate its staff.

Table 23: Performance monitoring as perceived by staff

| Response to who monitors performance | Proportion of staff |
|--------------------------------------|---------------------|
| Senate | 4 (21.1%) |
| Council | 7 (36.8%) |
| Episcopal Conference | 1 (5.3%) |
| Vice Chancellor | 7 (36.8%) |
| Total | 19 (100.0%) |

According to **Table 23**, both the University Council and the Vice Chancellor were equally important in monitoring performance. The Episcopal Conference, the Trustee of the University was insignificantly considered with regard to monitoring performance of their University. This can imply that management and monitoring are placed in the hands of both the vice-chancellor and the Council that carry out the daily duty of management.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

In this final chapter, the findings from chapter four are discussed, conclusions drawn and recommendations made in line with the study objectives. The general objective of this study was to investigate the financial resourcing mechanisms available for private universities and examine their implications to the general management of the same universities in Uganda with reference to Uganda Martyrs University, UMU, as the case of study.

Discussion

The study was carried out and the objectives achieved through the use of questionnaires, interviews and documents. The objectives were:

- i. to identify financial resourcing mechanisms, which included
 - a) the sources of financial resources for UMU
 - b) the ways of resourcing for the same resources
- ii. to examine the implications of the mechanisms to the management of UMU.

Respondents included the University Financial Officer, the University Internal Auditor, the Director, Institute of Ethics and development Studies, the Former Deputy Vice Chancellor, two members of the University Council, the University Executive Secretary, the Dean of the Faculty of Business Administration and Management, the Dean of Faculty of Agriculture, two Heads of department, two senior lecturers, five other lecturers, 76 students, and ten alumni and alumnae.

Sources and ways of sourcing for financial resources and their effects on management

Tuition

The study revealed that the major source of financial resources for UMU was tuition. Although in the interview, the financial officer was not willing to give how much of the annual budget was being covered by tuition, he confirmed that tuition was the largest source of income for the university. Other sources like the University commercial activities, donations, and fundraising drives were not so predictable according to him.

This means that the University has a narrow funding base, which is not diversified. Yet organizations should diversify their resourcing mechanisms well knowing that even the nature of funding environment in any particular community affects resourcing practices. For example, the finding in **Table 3** indicate that most students were being sponsored by Corporations (36.8%) and businesspersons (25%). The University was getting funding from such sources through a tuition payment mechanism. The University can hope to source from these sources only if the economy is doing well. Increased taxes, inflation, recession or any serious economic malfunction would negatively affect business and once the business community is not making good profit it could not take sponsoring students at university as a major priority. Individual parents, on the other hand, would instead continue to ensure that their children get a good education, and so they would still labor to pay the tuition for their children even when the economy may not be doing so well. Unfortunately most of Ugandan parents are peasants most of whom are too poor to afford the tuition. The results revealed that the peasants sponsored the least number of students at UMU (18.4%) as indicated in **Table 3**. Depending on such parents to sustain a university may be like depending on fluid base.

A university almost entirely dependent on such a funding mechanism would find it difficult to operate and eventually to attain its mission. As Kasozi (2003:60) noted, “A major indicator of institutional capacity is the amount of resources available for use in enhancing the institution's mission”. UMU, as the finding in **Table 7** revealed, did not have adequate funding to sufficiently run University programs properly. This is attested to by what Bongila (2001) found out, that funding sources and strategies were some of the most serious challenges facing African private universities. Departments at UMU were only “fairly equipped” with the necessary facilities as shown by the findings in **Table 21**. No wonder then that the staff was not satisfied with the kind of remuneration available, as indicated by **Table 22** where 85% of the staff was not satisfied with their pay. Such levels of dissatisfaction can kill morale and enthusiasm of the staff and eventually negatively reflect on the general performance of the institution. As the saying goes, “a hungry man is an angry man” and an angry hungry man is not easily manageable.

To increase the amount of funding obtainable from tuition, the University management team should either raise tuition, or introduce more programs and courses and admit more students. The options have got management implication. On average, an undergraduate program at UMU goes for 3.8 million shillings per annum. It is the most expensive university in Uganda today. Raising such fees would eliminate and scare away other than attract students to the university. Such an option is not likely to be popular with most stakeholders today, given the economic hardship most of the population is experiencing on top of the stiff competition in the higher education sector. Management ought to devise other means to raise more funds. As Kilemi Mwiria (1992), pointed out, universities must look for funding possibilities if they are

to remain afloat. Nkata (2001) and Ngabirano (2003) called this one of the biggest challenges to management of private universities in Uganda today.

Prior to the option to charge higher fees in order to raise more funds from tuition management ought to first make a qualitative difference that would attract students and poke them to pay a little more for that quality present only at UMU. To make that difference, management has got to incur capital expenses, to hire highly qualified staff, put in place infrastructure and structures equip them with the necessary facilities that would make a desired difference in the educational services offered at the university. Indeed UMU seemed set for this line since 71.4% of its staff perceived the mission of the university as being “quality teaching” (**Table 19**).

The other option is to increase enrolment to reduce the unit costs and to benefit from economies of scale. As noted in the literature review, a World Bank study in 1994, found out that the unit costs in institutions with fewer than 1000 students were 50% higher than in institutions with at least 4000 students. (World Bank 1994). This means that in order for a private university in Uganda to be viable it ought to raise enrolment to increase the volume of fees collectable so as to be able to sustain the institution.

UMU seemed to have a totally different view from that of the World Bank. The Dean of the Faculty of Ethics and Management agreed that the current enrolment of 400 residential students was low, but was quick to add that with lower numbers quality teaching and learning would most certainly take place and the University would then attain its mission of “*quality teaching*” and academic excellency as indicated by **Table19**. In a similar interview, the Financial Officer also supported small numbers to ensure high quality education and then later

append a high price to the high quality services rendered. They reasoned that in that way, the University would be able to raise enough fees from the users who will be willing to pay the premium price.

The challenge however, remains that before the university can make itself a name it must build that name using financial resources. How could it be able to raise enough funds that would be used to set up structures that would improve the quality of service rendered? Surely for the University to insist on “small numbers” it must have another means of raising the necessary income, which some officials probably did not want to disclose or did not know themselves.

The mode of tuition payment at UMU was by installments. Payments were usually not made in full, and when made they were not made in time as revealed by **Table 4** where 56.6% of the proportion of students was not able to pay in time. Most students paid their dues towards the end of a semester, according to the University Auditor, because those not paid up could not be allowed to sit for examinations. This implies that money does not come in especially when it is needed most, that is, at the beginning of the semester.

The management implication is that as delays in service delivery and flaws in planning and implementation of programs become inevitable management becomes inefficient. Plans can remain unimplemented within their schedule due to lack of funds. Management has got to look somewhere else to get the funds to run the university before the students can pay up or things have to go astray. Once managers are unable to meet their financial obligations, the university can easily go into crisis. All its plans can be jeopardized. If management fails to pay salaries and wages of its workers, for example, the workers may not hesitate to go on strike any time. Being a private institution, such an incident can ward off potential customers/students and

sponsors as it can fundamentally damage the image of the University and potentially expose it to the jaws of stiff competition both of which are undesirable elements.

Another implication brought about by tuition as being the main stream source of income is that those who contribute it, the customers, in this case, the students and their sponsors, are precious **stakeholders** [*“People that have an interest in or are affected by, an organization”* (Boddy & Paton, 1998:114)] since the ability to generate and control financial resources is a major source of power. **Power**, *the ability to control and cause others do something they otherwise might not have done* (Jennifer & Gareth, 2002), is vital in organizational management because it is a principal means of controlling and directing organizational activities. If, for example, a Corporation a businessperson funds a Faculty, the Faculty would expect the funder to dictate terms somehow, and the funder would expect the Faculty to pay heed. The funder may demand that the university advertises the funding Corporation and provide it with a monopolistic market for its products or services, for instance. In such a case, management would not be free and independent in the way it would be running the university.

Traditionally, when university education was state-funded, management was accountable to government as the only major and influential stakeholder. University management had to listen to the demands of government, whatever the case. Government had so much power because it provided so much of the financial resources that ran the universities. Not so with private universities like UMU today, where students are the main contributors of financial resources through payment of fees .It is now harder because management has got to satisfy the students, the founders, the government, the sponsors of students, the donors, the teachers, the employees,

the local community all of whom are stakeholders in the success or failure of a private university like UMU.

Different stakeholders may have different expectations from management. Already the findings in **Table 3** indicate that Corporations are an important power base at UMU since they sponsor most of the students there. Sponsors, students and other important stakeholders would directly or indirectly make demands and dictate the direction the university would take in one way or another. They would influence programs and the management style of the private institution since they would all need to have a say in the affairs of the institution, to take part in decision-making so as to make themselves felt. Meetings would drag on and decisions be delayed. If all this is positive and towards the achievement of the mission, goals and objectives of the university, well and good. A problem crops up for management if different stakeholders have values and goals different from those of the University, and perceived as being geared toward the derailment of the institution. Management has got to beware of the different interests, demands and expectations and try to balance them all with a view of obtaining the objectives of the university, knowing that “neglecting influential stakeholders is likely to damage an organization” (Boddy & Paton,1998:115).

Since tuition was the main source of funding for the university, students who paid the tuition seemed to be taken as the major stakeholders and therefore, their needs and wants tended to catch more attention of the university management. That implies that management would go an extra mile to satisfy them. Students can be attracted to the university say through low fees, high quality service, easy accessibility, social life, variety of programs offered and so on. The management style has to be one that fits the customer mix of teenage undergraduates, married

people, working class, graduates students, the religious and atheists all together as students at the same university. To do just that there could be a price to pay for management.

At Uganda Christian University in 2000, for example, some students opposed the rigorous Christian morality that they perceived as was being imposed on them. They told the administration that they had come to a secular university not a Protestant Theological College. (*The New Vision*, Monday 13th November 2000). This implies that if a private university is largely dependent on its students for funding, management might have to compromise some of its values to suit the demands of the students, the endeared customers. That may explain why only less than a half (47.4%) of the students considered Catholic morality to be influential in the affairs of the University, notwithstanding UMU being a Catholic founded University (**Table 20**).

The study findings also revealed that students were more satisfied than the academic staff, for example. Students had a voice in the way they were being managed, and 77.6% as indicated in **Table 16** show this view. Other result findings in **Table 13** indicate that students' proposals to the top management team were being taken seriously as represented by 63.2%. Still all students, despite the various degrees of satisfaction, were satisfied with the kind of education provided at UMU as presented in **Table 15**. They acknowledged by 94.8% that what they were getting out of UMU was worth the fees (**Table 7**).

The princely treatment accorded to students by the university management seemed to indicate that everything had to be done in order to satisfy the students whose tuition was the main source of income for the university. They had to be carefully handled. All this would be fine if students' demands and needs are not derailing the institution from its cherished objectives.

Management, dependant on students' tuition as the main source of income, might make compromises and concessions to please and appease students at the expense of the University vision, mission goals and objectives.

The situation was rather different with the staff according to the research findings. Results in **Table 11** indicate that while students found the dominant management style at UMU to be more Collegial (48.7%) and Aristocratic (39.5%), the staff found it to tend more to being Aristocratic (45%) and Authoritarian (40%). While students were being involved in the way they were being managed (**Table 16**), the staff findings show that the staff was not usually consulted, as represented by 55%.

The above findings may mean that students, who were the major source of funding through the payment of tuition, had more "power", [the ability to control and cause others do something they otherwise might not have done (Jennifer & Gareth, 2002)] than their lecturers. The lecturer in a private university may not be the proud no nonsense boss he/she used to be in a public university where the state was the major contributor for the running funds. There seems to be a rapport between the teacher and the student in a private university. The partnership appears to be brought about by the fact of direct interdependence between the lecturer and the student. The former guides and the latter directly pays for the service rendered. Management is also aware that the services of the lecturer cannot be paid for unless the student pays for them. Management would be unemployed if it had no lecturers, for students would not come; lecturers would not come if they were not paid and if there were no students; unless students come and pay both lecturers and management would have no use. Therefore, students are the major factor at a private university hence their being treated carefully at UMU than their teachers were can be understood.

The situation at UMU is however, different from successful American private universities where tuition contributes less than half of the total income as shown in the **Table 1** example. Such institutions have got diversified sources of funds and they employ a variety of strategies to obtain financial resources from mainly the private sector and also from the public sector without hampering the smooth management of the same institutions.

It can be concluded therefore that at UMU tuition was the main source of income and in being so it influenced the way management treated students. It generally influenced the management style at the University.

It can be recommended that in order to increase the amount of funding obtainable from tuition, the University management team should either raise tuition, or introduce more programs and courses and admit more students or do both. Increased enrolment has been used by other universities to reduce the unit costs and benefit from economies of scale.

Admitting international students would help in increasing enrolment. International students, would, in some way, raise the status of the university too. It would also increase the customer mix. If quality is assured a premium price can be attached to the offered programs, leading to more funds being raised. This is the case with most of the renowned universities already mentioned in USA.

Another recommendation is that UMU should make a desirable difference on which to tag a premium price and still attract quality students, who would be eager to pay a little more for the value added. It can concentrate on its already strong faculty of Business Administration and Management to begin with, popularize it, make it the best Business school and then charge a little more.

Donations

Donation is another form of philanthropy and a source of financial resources. From documentation information availed to this researcher donation was found to be another important source of financial resources for UMU. In the *UMU Annual Report 1996*, the University heavily depended on donations that amounted to 49% and 60% of the total annual budget for 1995 and 1996 respectively. Capital donations in 1996 made up 44.4% of the annual capital funds and Donations Fund was 29% of the net working capital (2.519.409.028/=) for the University, according to the same report, for the year ending 30th June 1996. The Finance Officer told the researcher in the interview that the local contribution in form of donations was very small and therefore the University heavily depended upon tuition and international donors. “We know this is not healthy financially but we have not much choice at the moment”, said the University Financial Officer.

As Nkata (2001) said, universities need to widen their financial bases by attracting the support of both the public and private sector. According to former deputy Vice Chancellor of UMU, the University designs means and ways to appeal to the public and friends here and abroad to contribute towards various university programs. “The university Public Relations Office endeavors to establish a clear image with the public and potential donors through the print and electronic media but as you know, there are almost no people just there waiting for a call to give to UMU” He said that individuals and organizations had been called upon through good public relations to make donations but results were not good.

UMU was built on donations from home and abroad but cannot stand on donations for posterity since donations are not a sure way of dependence. In the view of the University Financial Officer, Brother Mugema, donations were not a reliable source of income. “They come once in a while and often with conditions called “the intention of the donor””.

The management implication here is that donors can withdraw or withhold funding. Donors also usually work upon the person of the CEO. Who the chief manager is matters a lot for donors to give, to continue the support, withhold it or withdraw it altogether. They can give only as long as they have what to give and if they want to. They are unpredictable. Yet university financial resources must be planned well ahead of time, not to be treated like the weather, where what is forecast today is likely to change in the next hour. As management continues to look for donations it has to plan for any eventualities. Unfortunately, the University has no Trust Funds (*where an amount of money is deposited to be used for business and then later the university to gain from the dividends*), neither does this university have an Endowment Fund (*where donors pledge to contribute a specific amount of funds or supplies for a long time*).

The conclusion about donation as a source of funding for UMU is that it is a good means of diversifying the financial resourcing base and it is a mechanism that UMU has reaped a lot from in its development goals.

It is therefore recommended that the Public Relations Office should continue to take the University to the people through good public relations avenues using the print, electronic and other media to appeal to people's minds and hearts to donate to the university in one way or another without conditions that would weaken management in its struggle to achieve goals set by the institution. A Trust Fund, Endowment Fund, Alumni Fund and other such means can be established so that donations are channeled through such organizations to avoid building "personality cults" or making an institution dependent on a personality who can dictate to management.

Grant proposals

Grant proposals were found to be another source of income for UMU. While what Bongila (2001) and Hayward(1991) said may be true for some other universities, that many university administrators, faculty deans, heads of department were not familiar with writing grant proposals to financial agencies, and that most African university administrators did not possess the information on the available sources of funds like foundation guidelines, it was not true with Uganda Martyrs' University. From an interview, the University Financial Officer emphasized that the university authorities were well aware of writing grant proposals and they employed that very strategy as one of the means of sourcing for finances. He even noted his experience that "Project proposals are written but very few honored".

UMU managers were also very knowledgeable about such financial institutions as the World Bank, the African Development bank. "These are lending institutions not grant donors", said the Financial Officer. He said, for example, that the European Development Bank extends loans at a low interest rate of 3%. However, the rate rises as the bank channels the loans through the Bank of Uganda, which further directs the same loan to commercial banks. Since commercial banks are not charitable organizations, the interest rate goes up to 12% or even more. A young private university like Nkozi then finds it very difficult to borrow at such a rate to develop its infrastructures and structures.

Short courses

Short courses taken in the evening and at the weekends are a source of income for universities. UMU accommodates not more than 400 students at campus. "Many who would have liked to join cannot due to lack of accommodation. Our being in the rural area, prevents us from providing short evening courses for workers", as the University Financial Officer narrated in an

interview. “Transporting lecturers to Lubaga where the University rents space for teaching increases costs and makes the courses and programs more expensive than the same offered by Nkumba, Mukono, Kampala University, Kampala International University (KIU) which are in the heart of earning people who are also eager to improve their education standards and credentials”. To survive, UMU must make a big difference such that students can go there and be willing to pay a premium cost for what they get from there.

Admitting international students

This would increase the customer mix. Such students, would, in some way, raise the status of the university since one of its aims according to the Financial Officer, is to be international. If quality is assured a premium price can be tagged to the offered programs, leading to more funds being raised. This is the case with most of the renowned universities already mentioned. Sourcing for financial resources from abroad also becomes possible and a lot easier since a university gets ‘ambassadors’, its international alumni. Uganda Martyrs’ University is looking closely at the possibility.

Uganda Martyrs’ University admits students both nationals and international only on academic merit. There is no quota reserved for international students, as it is the case in public universities in Uganda. This is partly because the university wants to have as many foreign students as there are local ones, and secondly because foreign students are able to pay all their dues and in time. Do not be surprised that one day the international students might exceed the nationals just as it is the case at Kampala International University, KIU (derogatorily referred to as *Kenyans In Uganda!*). Such a trend may not augur well with the national education objectives, an implication to management caused by the need to have funds to run the university.

UMU has only got 400 resident students. All the lecturers and other administrative officials interviewed agreed that the number was too low although some preferred the low enrolment for the sake of maintaining quality. “We want to be known and be sought for high quality,” said the Director Institute of Ethics and Development Studies. Such low numbers can be maintained at a big price, unfortunately.

Most lecturers were not happy with their remuneration. Sadly some of the qualified lecturers the university had invested in left for other private universities in the city which offered better pay. These city universities have an enrolment of at least 1000 students in each one as compared with UMU lean four hundred.

Alumni giving

Apart from fees and commercial activities, successful American private universities are involved into Philanthropy (*an act or instance of deliberate generosity; a contribution made in the spirit of humanitarianism*). Universities design means and ways through which alumni and the public contributes towards various university programs. Individuals and organizations can be called upon to invest in universities through trust funds, for instance. A university can also establish a department for fund raising, which plans how to do it successfully. From the three known major education institutional sources of financial resources, namely: *the State*, *the parents* (or guardians or sponsors) of students and *the general community*, successful American private institutions use various strategies, ways, practices and methods, to obtain fees, grants, endowments, donations, trust funds, scholarships, loans, tax exemptions, scholars all of which would contribute to the financial resources, which are vital for the survival of any institution. UMU would borrow a leaf from such success stories as of Harvard, Johns Hopkins, Georgetown and others.

However, it should be noted that the funding environment in Uganda is much different from that in United States of America. According to this researcher, the USA can manage to use methods like alumni giving, endowment and trust funds, for instance, because of its economic capacity, which Uganda is ages away from. The majority of the people in USA, apart from having a heart to give, have the money to give and the impetus to do so. The tax system in USA favors giving to institutions of learning as non-profit organizations. For instance a corporation or an individual who donates to a university gets tax incentives. In that way a donor is even eager to give to be recognized by the recipient institution, which in most cases is his/her *Alma Mater*, and at the same time to get a tax reduction. If Ugandan Parliament enacted a favorable tax law in this line, it would enable private universities to have a sure source of funding since taxes are forever.

It can be agreeable that most African University leaders have almost no experience of alumni giving as a considerable source of funding as Bongila (2001) stressed. Yet in USA there is no way an alumnus can excuse himself from belonging to alumni organizations where he has to make financial contributions toward the development of his former college or university.

It should however, be noted as Professor Charles Pinches from the Jesuit University of Scranton in Pennsylvania, USA, and pointed out, that this kind of organization seems to be foreign to Africans. Ugandans, in this case, have other ways of social organization like the clan system, say in Buganda. In America and Europe, one's *Alma Mater* (former school) is as close to one's heart as a clan is to a Muganda. Unlike in the West, here once one leaves school that is all, in most cases. Remembering a former school and feel it is an obligation to contribute financially to its development is new to Ugandan culture. Moreover, most Ugandan graduates do not get jobs to be proud of and to report back to former schools to brag about! So failure to

make use of the alumni is not only a challenge for university leaders but also a factor in the cultural set up of the society.

The financial resourcing environment in Uganda is rather hostile and not conducive for private universities to resort to alumni giving as a major funding mechanism at the moment. However, it can be nurtured for it is a potential source of funding. Results from the study indicate that both the students and staff at UMU did not consider alumni giving as a major fundraiser for the university. Only 5.3% of staff and 4.1% of students perceived it as a fundraiser, (Table 5). It is as if to prove the point that alumni's giving is not yet a developed financial resourcing mechanism for UMU.

Furthermore, Uganda Martyrs University Nkozi, is barely ten years old. It is so young that her alumni are still junior officers wherever they are. It does not yet have financially successful alumni, well placed at the leadership ladder such that they can influence corporate decisions to lead to corporate giving to their former university. So the university cannot expect any significant contribution from them for the time being.

Note should be taken that there are very few companies in Uganda that are big enough to offer sizeable donations or endowment to the universities. The financial environment matters a lot. No such wealthy people, as was the case for some successful world private institutions. For example, Stanford, a US senator, wanted to be remembered by providing the financial capital that built Stanford University marble buildings in 1891. Students there did not contribute a penny for their studies and comfort until 1920 when a minimal fee of \$120 annually was paid to ensure sustainability of the university (www.stanford.edu). The American and European successful private universities have

been in existence for decades, some for centuries. Their alumni are all over the world, holding powerful positions too. US President Bush studied at Harvard; former President Clinton is an alumnus of Georgetown Catholic University. Being premium institutions, such universities attract mostly those from financially strong backgrounds on one hand, and on the other, the academically exceptionally good and almost destined to succeed in life careers generally speaking. Coupled with alumni giving as a sacred traditional and cultural practice, the secret of alumni giving becomes a lucrative means of financial resourcing mechanism for Western universities, which is not the case in Uganda.

Commercial activities

The commercial activities that could be visibly seen at UMU were a guesthouse, a farm with a few animals and a canteen on a very small scale. Proper financial resource management dictates that available resources must be made better use of, wastage and misuse avoided and redundant resources should be organized and utilized. The university buys most of its foodstuffs and stationery. Students have got to travel to Kampala or Masaka for serious shopping, for having their photos taken and printed and so on. The conclusion that can be drawn from this finding is that UMU has got only limited commercial activities that can act as a source of income for the university.

Since the university has only limited commercial activities and at a small scale, it can be recommended that it invests in activities like a big shopping mall where there would be a modern bookshop, printing press, gift shop, tailor shops, salons, photo studios, dry cleaning facilities, a documentation center or secretarial bureau offering printing, faxing emailing, binding, photocopying and other services run by private investors who would

pay rent to the university. Investment can also be made in hostel accommodation, since one of the reasons why even after ten years of existence enrolment has remained low is because of lack of accommodation. The University can lease some land to private developers to put up the hostels and pay rents to the university if running such business may be difficult for the University to do it itself.

Communications companies like Celtel, MTN that may have booths within the University should be charged a fee for using University premises to make their money. They are not doing the University a favor. Soft drink companies such as Coca cola, Pepsi, that sell their products within the campus should also pay the university for providing them with a market for their products.

A consultancy bureau can be another source of funding for the University. At Makerere, for example, consultancy was unstructured and being conducted at departmental if not personal level (Opio Okello, 1999). A university is a font of knowledge. District departments, private corporations and individuals would come seeking expert advice and consultation fees have to go to the university coffers.

The University has got a Faculty of Architecture. Using it as a core and specialized unit the university can begin a building unit that can be contracted to bring money and experience to the university.

Conclusions

Conclusions 1

According to the findings, the study concluded that UMU greatly depended on tuition as the major source of funding. The funding base is narrow, exposing the institution to financial disasters if there happens to be a negative change in the funding environment.

Conclusion 2

It was found out that there was more managerial power in the hands of a few stakeholders who mainly acquired and organized financial resources than others who did not. This means that the dominant management style at UMU was aristocratic.

Recommendations:

Recommendations 1:

In order for UMU to survive and perform efficiently and effectively, it ought to diversify its financial resourcing strategies and to widen its funding base so as to raise more financial resources. It can increase enrolment, introduce more programs and short courses that answer the needs of potential customers (students). This way, the university is likely to raise more funds in terms of tuition. It is also recommended that the Public Relations Office be more active and keen about finding means and ways of taking the university to the people through the media and through extension work, so as to make the public here and abroad, willing and even eager to contribute financial resources toward university programs in terms of donations, endowment, trust funds, alumni giving, fund raising drives and so on.

Recommendation 2:

To avoid the danger of the University being taken “captive” by a few financially influential stakeholders, the University policy making bodies like the Board of Trustees and the University Council should formulate policies that involve and specifically empower more stakeholders, that include among others: the dioceses, the parents, the alumni, the donors, the senate and others, such that power as well as responsibility is spread over a wide stratum of stakeholders so that no one individual stakeholder, or a

specific one group of stakeholders can become threateningly too powerful to run the institution at will. This will safeguard against derailment from the university purpose.

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APPENDIX VI

Reliability for staff questionnaire

| | Mean | Std Dev | Cases |
|-------------|--------|---------|-------|
| 1. ADEQFUND | 3.8889 | .6764 | 18.0 |
| 2. REMUNERT | 1.8333 | .3835 | 18.0 |
| 3. CONSULTD | 1.5556 | .5113 | 18.0 |
| 4. MONITOR | 3.0556 | 1.6618 | 18.0 |
| 5. INVOLVEM | 2.0000 | .4851 | 18.0 |
| 6. STYLE | 2.2778 | .6691 | 18.0 |
| 7. EXPRESSN | 1.4444 | .5113 | 18.0 |

| | | | | |
|----|----------|--------|-------|------|
| 8. | HAPPY | 2.2222 | .5483 | 18.0 |
| 9. | FUNDRAIS | 3.0000 | .3430 | 18.0 |

N of

| | | | | |
|----------------|---------|----------|---------|-----------|
| Statistics for | Mean | Variance | Std Dev | Variables |
| SCALE | 21.2778 | 10.0948 | 3.1772 | 9 |

Item-total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item- Total Correlation | Alpha if Item Deleted |
|----------|-------------------------------------|---|--|-----------------------------|
| ADEQFUND | 17.3889 | 8.7222 | .2290 | .5489 |
| REMUNERT | 19.4444 | 8.8497 | .4813 | .5174 |
| CONSULTD | 19.7222 | 8.6830 | .3817 | .5205 |
| MONITOR | 18.2222 | 4.0654 | .4877 | .5163 |
| INVOLVEM | 19.2778 | 9.3889 | .1583 | .5641 |
| STYLE | 19.0000 | 8.8235 | .2072 | .5545 |
| EXPRESSN | 19.8333 | 8.9706 | .2817 | .5404 |
| HAPPY | 19.0556 | 8.2908 | .4761 | .4964 |
| FUNDRAIS | 18.2778 | 9.8595 | .0546 | .5781 |

Reliability Coefficients

N of Cases = 18.0

N of Items = 9

Alpha = .5689

Reliability of student questionnaire

| | Mean | Std Dev | Cases |
|-------------|--------|---------|-------|
| 1. PAYTIME | 1.5616 | .4996 | 73.0 |
| 2. BIGFUNDZ | 2.4110 | .5734 | 73.0 |
| 3. WORTHIT | 1.4521 | .8172 | 73.0 |
| 4. SATISFID | 1.4247 | .4977 | 73.0 |
| 5. VOICE | 1.2192 | .4166 | 73.0 |
| 6. SERIOUS | 1.3562 | .4822 | 73.0 |
| 7. MGTSTYLE | 1.6301 | .6974 | 73.0 |

N of

| Statistics for | Mean | Variance | Std Dev | Variables |
|----------------|---------|----------|---------|-----------|
| SCALE | 11.0548 | 4.3858 | 2.0942 | 7 |

Item-total Statistics

| | Scale Mean if Item Deleted | Scale Variance if Item Deleted | Corrected Item- Total Correlation | Alpha if Item Deleted |
|----------|-------------------------------------|---|--|-----------------------------|
| PAYTIME | 9.4932 | 3.8090 | .1678 | .5269 |
| BIGFUNDZ | 8.6438 | 3.2881 | .3698 | .4491 |
| WORTHIT | 9.6027 | 3.5205 | .0644 | .6143 |
| SATISFID | 9.6301 | 3.8752 | .1342 | .5378 |
| VOICE | 9.8356 | 3.6670 | .3418 | .4759 |
| SERIOUS | 9.6986 | 3.3801 | .4361 | .4354 |
| MGTSTYLE | 9.4247 | 2.7755 | .4838 | .3786 |

Reliability Coefficients

N of Cases = 73.0

N of Items = 7

Alpha = .5319

