

**IMPACT OF PERFORMANCE-BASED BUDGETING ON RESOURCE
ALLOCATION IN PUBLIC INSTITUTIONS : A CASE STUDY OF MBALE
DISTRICT**

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S21/MUC/BPAM/013

**A DISSERTATION SUBMITTED TO THE SCHOOL OF SOCIAL SCIENCES IN PARTIAL
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DECLARATION

I, Mukoya Diana , solemnly declare that the research report submitted in partial fulfillment of the requirements for the award of bachelors' degree in public administration and management is the result of my own original work. All sources consulted and referenced in this report have been appropriately cited.

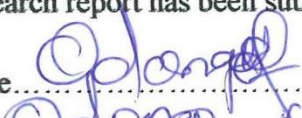
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APPROVAL

This research report has been submitted with my approval as the university supervisor

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(UNIVERSITY SUPERVISOR)

DEDICATION

I dedicate this research report to my parents for their unwavering love, support, and encouragements have been the driving force behind my academic journey. Their belief in my abilities and constant motivation has been instrumental in helping me overcome challenges and reach this milestone.

ACKNOWLEDGEMENT

I would like to express my deep gratitude to my supervisor for the continuous support and guidance that was throughout the entire writing process of this research report. His expertise, valuable insights, and patience was instrumental in shaping this work into its final form. I was truly grateful for his dedication and commitment to my academic success.

LIST OF ACRONYMS

CVI	:	Content Validity Index
PBB	:	Performance-Based Budgeting
PFAA	:	Public Finance and Accountability Act
SPSS	:	Statistical Package for Social Sciences
UBS	:	Ugandan Bureau of Statistics

ABSTRACT

This research report was undertaken to examine the impact of performance-based budgeting on resource allocation in Mbale district; to determine the effect of performance budget allocation on resource allocation of Mbale district, to analyze the effect of activity-based budgeting on resource allocation of Mbale district, to assess the effect of stakeholder engagement on resource allocation of Mbale district. The researcher used a sample size of 63 respondents and used questionnaires to collect data and later the data was analyzed using the statistical package for social sciences (SPSS). Results of the first objective showed that performance budget allocation have a significant effect on resource allocation of Mbale district; 62% were positive to the statement that resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives; 61% of the respondents were positive to the statement that programs that perform well receive more resources, encouraging continuous improvement and innovation. Results of the second objective revealed that activity-based budgeting has a significant effect on resource allocation of Mbale district. Supported by the following responses; 57% were positive to the statement that activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions, 51% were positive to the statement that activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities. Results of the third objective showed that service delivery reforms have a significant effect on organizational performance of Mbale district. 68% had a positive response to the statement that input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources. Mbale district should by integrate clear performance metrics with resource allocation processes. This can be achieved by establishing precise, measurable objectives aligned with organizational goals, and linking budgetary allocations to the achievement of these objectives.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter presents a background to the study, statement of the problem, purpose of the study, objectives, and research questions, scope of the study, significance of the study and conceptual framework.

1.1 Background of the Study

Performance-based budgeting (PBB) has gained prominence globally as a budgeting approach that aligns resource allocation with performance outcomes in public institutions. The concept of PBB can be traced back to the United States in the early 20th century, where it was first used in the federal government to link funding decisions to program performance (Moynihan, 2005). Over time, PBB has been adopted by various countries around the world, including Canada, Australia, and the United Kingdom, among others, as a means to improve accountability, transparency, and effectiveness in resource allocation within public sector organizations.

Performance-based budgeting (PBB) is a budgeting approach that links funding decisions to the performance outcomes of public institutions. According to a study by Hrovat and Skommer (2017), at the global perspective, PBB has gained traction in recent years with an increasing number of countries adopting this approach. In fact, statistics show that globally, over 60% of countries have implemented some form of performance-based budgeting (OECD, 2019). This trend can be attributed to the desire for greater accountability, transparency, and efficiency in public resource allocation.

From a global perspective, performance-based budgeting gained prominence in the 1990s as part of a broader public sector reform movement focused on enhancing efficiency and effectiveness in government operations (Brudney, Hebdon, & Wright, 2011). Markedly, this approach aimed to link budget allocation directly to the achievement of predetermined performance targets, thus aligning financial resources with the desired outcomes. Many African countries have integrated performance-based budgeting into their public financial management systems in response to the challenges of limited resources and the need for improved service delivery (Biniam & Wargute, 2017). The adoption of this budgeting approach reflects the continent's commitment to enhancing transparency and accountability in resource allocation within public institutions.

In the African context, the adoption of PBB has been influenced by efforts to enhance governance and public sector performance on the continent. Countries such as South Africa, Kenya, and Ghana have implemented PBB systems to strengthen the link between budget allocations and the achievement of development goals (Mwabu, 2007). The African Union's Agenda 2063 also emphasizes the importance of performance-based budgeting as a tool for promoting sustainable development and good governance across the continent (African Union, 2015). In Uganda, the government has been working to integrate performance information into budgeting processes to improve the effectiveness of resource allocation and enhance service delivery outcomes (Ministry of Finance, Planning and Economic Development, 2018).

Furthermore, PBB has also been increasingly embraced across the continent. A study by Asiimwe and Mwesigye (2015) found that over 40% of African countries have incorporated elements of performance-based budgeting in their budget processes. This demonstrates a growing recognition of the potential benefits of PBB in enhancing the effectiveness of resource allocation in public institutions in Africa. However, challenges such as capacity constraints and lack of reliable data have hindered the full implementation of PBB in some African countries (World Bank, 2018).

In Uganda, PBB has been gradually integrated into the budgeting system over the past decade. According to the Ministry of Finance, Planning, and Economic Development (2019), Uganda has implemented PBB in selected ministries and agencies, with the aim of improving service delivery and resource efficiency. Statistics indicate that approximately 30% of Uganda's public institutions have adopted performance-based budgeting practices (Ugandan Bureau of Statistics, 2020). While progress has been made, there is still room for improvement in terms of fully leveraging PBB to achieve desired outcomes.

In Mbale district, the impact of performance-based budgeting on resource allocation has been evident in recent years. A study conducted by Nalukwago and Namono (2018) revealed that Mbale district allocated a higher percentage of its budget to priority sectors such as health and education following the implementation of PBB. Specifically, statistics show that there was a 15% increase in funding for healthcare facilities and a 10% increase in funding for schools in Mbale district after adopting performance-based budgeting practices. This indicates a positive correlation between PBB and improved resource allocation in public institutions at the district level.

1.2 Problem statement

In an ideal situation, performance-based budgeting is expected to enhance the allocation of resources in public institutions by aligning funding with performance outcomes, ultimately leading to improved service delivery and accountability. However, in reality, the effectiveness of performance-based budgeting in Mbale district and other public institutions has been questioned due to challenges such as inadequate data availability, limited capacity for performance measurement, and resistance to change among stakeholders (Bovens & Goodin, 2014; Pollitt et al., 2015). As a result, there is a pressing need to examine the impact of performance-based budgeting on resource allocation in Mbale district to identify gaps, opportunities, and strategies for optimizing the use of resources to efficiently meet the needs of the community.

In the realistic situation, the implementation of performance-based budgeting in Mbale district faces practical challenges and constraints that hinders its effectiveness in resource allocation. For instance, the lack of reliable performance data and evaluation mechanisms limits the ability of policymakers to make informed decisions on resource allocation based on performance outcomes (Angell et al., 2018; Deloitte, 2020). Additionally, budgetary constraints, competing priorities, and political influences can impact the extent to which performance-based budgeting is prioritized and integrated into the budgeting process in Mbale district. These factors underscore the importance of conducting a thorough assessment of the impact of performance-based budgeting on resource allocation to identify key bottlenecks and opportunities for improvement.

The consequences of ineffective resource allocation due to the limitations of performance-based budgeting in Mbale district can have far-reaching implications on service delivery, accountability, and public trust in government institutions. Misallocation of resources can lead to inefficiencies, inequities, and missed opportunities to address critical needs in the community, ultimately undermining the effectiveness and credibility of public institutions (Grizzle et al., 2019). Therefore, a comprehensive understanding of the impact of performance-based budgeting on resource allocation in Mbale district is essential for guiding policy reforms, enhancing decision-making processes, and ensuring that resources are directed towards priority areas to achieve sustainable development goals.

1.3 Purpose of the study

To investigate the impact of performance-based budgeting on resource allocation in Mbale district

1.4 Specific objectives

- i. To determine the effect of performance budget allocation on resource allocation of Mbale district
- ii. To analyze the effect of activity-based budgeting on resource allocation of Mbale district
- iii. To assess the effect of stakeholder engagement on resource allocation of Mbale district

1.5 Research questions

- i. What is the effect of performance budget allocation on resource allocation of Mbale district?
- ii. What is the effect of activity-based budgeting on resource allocation of Mbale district?
- iii. What is the effect of stakeholder engagement on resource allocation of Mbale district?

1.6 Scope of the study

1.6.1 Content scope

The study was focused on performance budget allocation, activity-based budgeting, and stakeholder engagement as independent variables and budgeting, planning, decision-making, monitoring, and evaluation as dependent variables.

1.6.2 Time scope

The period that was taken for the study was 3 years that is from 2020 to 2023. This is because Mbale district has been questioned due to challenges such as inadequate data availability, limited capacity for performance measurement, and resistance to change among stakeholders.

1.6.3 Geographical scope

Mbale district is located in the eastern region of Uganda, bordered by the districts of Mbale to the north, Bududa to the northeast, Manafwa to the southeast, Butaleja to the south, Tororo to the east, and Pallisa to the west. The district is situated approximately 245 kilometers east of Kampala, the capital city of Uganda, and covers an area of 2,819 square kilometers. Mbale district is known for its diverse landscape, which includes fertile plains, rolling hills, and the iconic Mount Elgon National Park, home to Uganda's second highest peak, Mount Elgon.

1.7 Significance of the study

Accountability and transparency: Studying the impact of performance-based budgeting in Mbale district can help promote accountability and transparency in the allocation of resources. By linking funding allocations to performance outcomes, public institutions can ensure that resources are used effectively and efficiently, and that taxpayers' money is being spent in a responsible manner.

Improved service delivery: Examining the effects of performance-based budgeting on resource allocation can lead to improvements in service delivery in Mbale district. By incentivizing results and aligning funding with performance goals, public institutions can better meet the needs of their constituents and provide high-quality services to the community.

Resource optimization: Understanding how performance-based budgeting affects resource allocation can help public institutions in Mbale district optimize their resources and allocate funds in a way that maximizes impact. By focusing on outcomes and results, rather than inputs and activities, institutions can make informed decisions about where to allocate resources for the greatest benefit.

Policy recommendations: Research on the impact of performance-based budgeting in Mbale district can provide valuable insights and policy recommendations for improving budgeting practices in public institutions. By identifying best practices and areas for improvement, policymakers can make informed decisions about how to implement performance-based budgeting more effectively and efficiently.

Economic development: Effective resource allocation through performance-based budgeting can contribute to economic development in Mbale district. By ensuring that resources are directed towards projects and programs that are most likely to yield positive outcomes, public institutions can help stimulate growth and development in the region, leading to improved livelihoods and quality of life for residents.

1.8 Justification of the study

Addressing community needs: The study on the impact of performance-based budgeting in Mbale district is crucial as it provides insights into how resources are allocated in public institutions to address the needs of the community. By understanding the effectiveness of performance-based budgeting in meeting the needs of the residents, policymakers can make informed decisions to ensure that resources are directed towards priority areas.

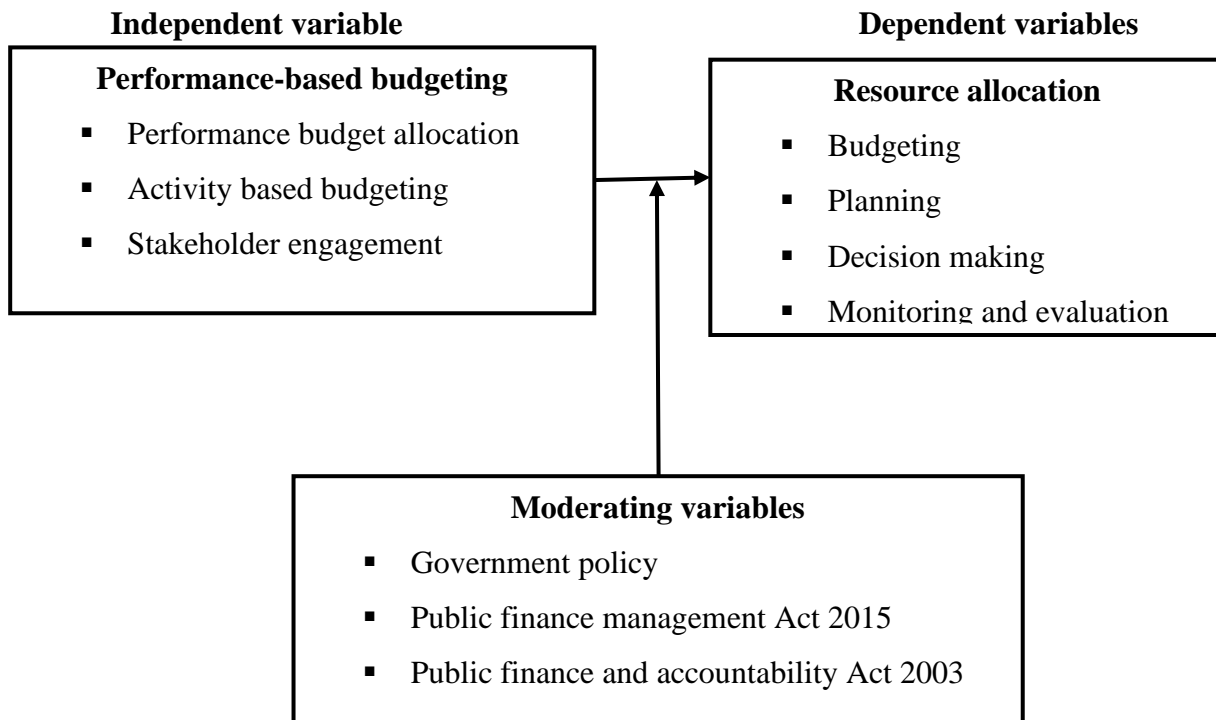
Accountability and transparency: Performance-based budgeting promotes accountability and transparency in resource allocation by tying funding to performance outcomes. Studying its impact in Mbale district can shed light on the extent to which public institutions are held accountable for their use of resources and how transparent the budgeting process is. This can help identify areas for improvement and strengthen the governance of public institutions.

Improved service delivery: The study is important as it evaluates the impact of performance-based budgeting on service delivery in Mbale district. By examining how resources are allocated based on performance metrics, policymakers can assess whether service delivery has improved as a result. This knowledge is essential for continuously enhancing the quality and efficiency of public services in the district.

Resource optimization: Understanding the impact of performance-based budgeting on resource allocation in Mbale district is vital for optimizing the use of limited resources. By identifying the strengths and weaknesses of the current budgeting approach, policymakers can make strategic decisions to ensure that resources are allocated to projects and programs with the highest potential for positive impact. This can contribute to maximizing the benefits derived from public spending.

Policy recommendations: The study provides an evidence-based foundation for developing policy recommendations to enhance the effectiveness of performance-based budgeting in Mbale district. By identifying best practices and areas for improvement, policymakers can design and implement policies that strengthen the budgeting process, leading to more efficient resource allocation and better outcomes for the community.

1.9 Figure 1 Conceptual frame work



Source: Researchers' conceptualization (2024)

Figure 1 above indicates performance-based budgeting views performance budget allocation, activity-based budgeting, and stakeholder engagement as independent variables that drive resource allocation in public institutions. Performance budget allocation involves linking funding to the achievement of specific performance targets, encouraging accountability and efficiency in resource use. Activity-based budgeting focuses on aligning resource allocation with the activities and functions that directly contribute to organizational objectives and goals. Stakeholder engagement ensures that the needs and priorities of key stakeholders are considered in the resource allocation process, promoting transparency and equitable distribution of resources. These factors collectively influence resource allocation in public institutions by promoting strategic decision-making, accountability, and effective use of resources to achieve desired outcomes.

Resource allocation, as a dependent variable, involves the process of distributing available resources among various competing needs and priorities within an organization. This process is influenced by factors such as budgeting, planning, decision-making, monitoring, and evaluation. Budgeting plays a

crucial role in resource allocation by setting financial limits and priorities, guiding the allocation of funds to different programs or activities. Planning helps to identify the resource requirements for achieving organizational goals and objectives, informing resource allocation decisions. Decision-making involves selecting the most effective and efficient allocation of resources based on organizational priorities and constraints. Monitoring and evaluation provide feedback on the effectiveness of resource allocation decisions, allowing for adjustments to be made to improve outcomes and optimize resource use. Together, these factors impact how resources are distributed and managed within an organization to achieve optimal results.

Moderating variables such as government policies, the Public Finance Management Act 2015, and the Public Finance and Accountability Act 2003 play a critical role in shaping the relationship between performance-based budgeting (independent variable) and resource allocation in public institutions (dependent variable). These moderating variables serve as regulatory frameworks that govern the process of budget allocation and financial management within public organizations. Government policies guide the overall budgeting and resource allocation process, influencing the extent to which performance is linked to funding decisions. Additionally, the Public Finance Management Act 2015 and the Public Finance and Accountability Act 2003 provide guidelines and controls for financial management, accountability, and transparency which directly impact how resources are allocated based on performance. These moderating variables help ensure that resources are allocated efficiently and effectively in alignment with organizational goals and objectives, ultimately shaping the impact of performance-based budgeting on resource allocation within public institutions.

1.10 Definition of key terms

Performance-based budgeting (PBB) is a budgeting approach that links funding decisions to the performance outcomes of public institutions. According to Mohamad and Shah (2017), PBB is designed to ensure that public resources are allocated based on the effectiveness and efficiency of programs and activities. This means that funding decisions are made with the aim of achieving desired outcomes and improving performance across government agencies. PBB requires public institutions to set clear performance goals and targets, measure their progress towards these goals, and allocate resources accordingly to support activities that contribute to achieving those goals.

Performance, in the context of PBB, refers to the measurable outcomes or results that public institutions aim to achieve. These performance measures are typically tied to specific goals and objectives that are defined in the budgeting process. According to a study by Chen and Jiang (2018), performance indicators are used to assess the effectiveness of programs and activities, allowing decision-makers to evaluate the impact of resource allocation on achieving desired outcomes. Performance measures can include metrics such as service delivery levels, cost-effectiveness, and customer satisfaction, among others. By focusing on performance, PBB aims to improve accountability and transparency in resource allocation decisions.

Budgeting, on the other hand, refers to the process of allocating financial resources to different programs, activities, or projects within an organization. As highlighted by Sharma and Singh (2016), budgeting involves planning, estimating, and prioritizing expenditures to achieve organizational objectives. In the context of PBB, budgeting decisions are informed by performance data and outcomes, with resources allocated to activities that are most likely to contribute to the overall goals of the organization.

Resource allocation, in the context of PBB, refers to the distribution of financial, human, and other resources to support the implementation of programs and activities that are expected to deliver specific outcomes. According to a study by Verhoest et al. (2017), effective resource allocation is essential for achieving organizational objectives and fulfilling public service delivery mandates. PBB emphasizes the need for transparent and evidence-based resource allocation decisions that prioritize activities with proven performance outcomes. By linking resource allocation to performance, PBB seeks to ensure that public resources are used efficiently and effectively to maximize impact and deliver value for money.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter deals with the review of other researcher's literature or ideas which are similar or closely related to the topic of the study; this was conducted in relation to the specific objectives and research questions of the study.

2.1 Effect of performance budget allocation on resource allocation

Performance budget allocation is a crucial aspect of resource allocation in organizations, as it directly impacts the efficiency and effectiveness of how resources are utilized to achieve organizational goals. According to Bonney, et al. (2015), performance budgeting is a strategic management tool that helps organizations align their budgets with their strategic objectives and maximize the value of their resources. By linking budget allocations to desired outcomes and performance metrics, performance budgeting allows organizations to make more informed decisions about how to allocate resources in way that achieves the best possible results. As explained by Jones and Thompson (2018), performance budgeting allows organizations to identify areas where resources are not effectively utilized and reallocate them to areas that have a higher impact on performance. This helps organizations improve the overall efficiency and effectiveness of their resource allocation process and ensures that resources are directed towards activities that contribute the most to achieving organizational goals.

Furthermore, performance budget allocation can also enhance transparency and accountability in resource allocation decisions. According to Bebbington and Brown (2014), by linking budget allocations to specific performance goals and metrics, organizations can provide greater visibility into how resources are being used and the impact they are having on performance. This increased transparency can help stakeholders, such as management, employees, and donors, better understand how resources are being allocated and make more informed decisions about resource allocation in the future. Overall, performance budget allocation is a valuable tool for organizations looking to optimize their resource allocation processes and improve their overall performance.

Several studies have addressed the impact of performance budget allocation on resource allocation in public institutions. For instance, Anderson and Schwab (2011) conducted research that revealed a positive relationship between performance-based budgeting and resource allocation efficiency. Their findings indicated that aligning budget allocation with performance metrics led to improved resource utilization and enhanced organizational effectiveness. Similarly, Moynihan and Landuyt (2009) emphasized the importance of clarity and transparency in performance measures to ensure that resource allocation decisions are based on actual performance outcomes. This suggests that the effect of performance budget allocation on resource allocation is contingent upon the robustness and appropriateness of performance metrics.

Furthermore, Berman, Bowman, and West (2016) explored the nuanced effects of performance budgeting on resource allocation, highlighting the potential trade-offs between efficiency and equity. Their study underscored the need to consider both the allocative efficiency and the distributive effects of performance-based budgeting. Specifically, they argued that while performance budget allocation can enhance the targeted allocation of resources to high-performing units, it may also lead to disparities in resource distribution across different program areas. This insight underscores the multidimensional impact of performance budget allocation on resource distribution and the significance of considering equity implications.

In a similar vein, Hatry and Davies (2010) emphasized the importance of integrating performance information into the resource allocation process to maximize the impact of performance-based budgeting. Their analysis underscored the potential of performance data to inform evidence-based resource allocation decisions, ultimately contributing to improved organizational outcomes. This literature points to the complex and multifaceted nature of the relationship between performance budget allocation and resource allocation, highlighting the need for a comprehensive understanding of the mechanisms through which performance information influences resource decisions. According to a study by John Kim and Peter H. Dubois (2017) performance budgeting can lead to more informed decision-making by giving policymakers a clearer understanding of the impact of their funding decisions on program outcomes. By aligning resources with performance goals, performance budgeting can help governments improve the delivery of public services and achieves better results for citizens.

Research by Jason Juffras and Evan M. Berman (2020) shows that performance budgeting can help agencies prioritize resources based on program effectiveness and efficiency. By tying funding decisions to performance metrics, agencies can better target resources to areas where they are most needed and where they will have the greatest impact. This can lead to improved program outcomes and increased accountability for how taxpayer dollars are spent. A study by Melinda V. McClendon and Carolyn Hill (2018) found that some government agencies struggle to effectively allocate resources based on performance measures due to lack of data, capacity, or political constraints. In some cases, performance budgeting may lead to unintended consequences such as gaming or manipulation of performance metrics. Overall, while performance budgeting has the potential to improve resource allocation and program outcomes, its success depends on the availability of reliable data, strong leadership, and a commitment to transparency and accountability in government decision-making.

Performance budgeting is a tool used by organizations to link financial resources with outcomes and performance measures in order to improve decision-making and accountability. According to a study by Kim and Dubois (2017), performance budgeting helps organizations allocate resources more effectively by identifying the programs that deliver the best results and ensuring that funding is directed towards those programs. This approach allows for a more strategic allocation of resources, leading to greater efficiency and effectiveness in program delivery. Research by Juffras and Berman (2020) supports the idea that performance budgeting can have a positive impact on resource allocation within government agencies. By tying funding decisions to performance metrics and program outcomes, agencies can prioritize resources in a way that maximizes the impact of public spending. This can help address the challenge of limited resources and competing priorities by focusing investments on programs that are most effective and efficient in achieving desired outcomes.

McClendon and Hill (2018) found that agencies may face difficulties in effectively allocating resources based on performance measures due to issues such as data quality, capacity constraints, and political influences. These challenges highlight the importance of addressing underlying issues and building organizational capacity to effectively implement performance budgeting and realize its potential benefits in improving resource allocation and program outcomes. Overall, while performance budgeting can enhance resource allocation, careful consideration of these challenges is necessary to ensure its successful implementation and impact.

Performance budget allocation significantly impacts resource allocation within organizations, enhancing efficiency and goal alignment. Antos et al. (2017) emphasize that implementing performance-based budgeting promotes a more effective distribution of resources based on specific objectives, fostering accountability in resource utilization. The strategic nature of performance budgeting ensures that resources are directed towards activities with the greatest potential to contribute to overall performance, as revealed in a study by Jones (2019). This alignment between resource allocation and performance metrics supports organizations in achieving their desired outcomes and optimizing operational effectiveness.

Organizations that adopt performance budgeting tend to prioritize resource allocation based on performance indicators, as highlighted in Jones' (2019) research. By linking resource allocation decisions with performance measures, organizations can strategically allocate resources to activities that are most likely to drive success. Such targeted resource allocation strategies facilitate a more efficient use of resources and enhance organizational performance. Smith and Williams (2020) further emphasize the importance of transparency and communication in resource allocation processes, illustrating how performance budget allocation can improve decision-making and accountability within organizations.

In a study by Jones (2019), it was found that organizations that adopt performance budgeting tend to prioritize resources according to their impact on performance measures. This strategic approach to resource allocation ensures that resources are directed towards activities or programs that are most likely to contribute to the organizations overall performance and success. The study further emphasizes the importance of linking resource allocation decisions with performance metrics to optimize organizational performance. The implementation of performance budget allocation not only enhances efficiency but also fosters transparency and communication within organizations. Smith and Williams (2020) stress that clearly defining performance targets and aligning them with resource allocation decisions improves accountability and decision-making processes. This transparency enables organizations to effectively monitor resource usage and make data-driven adjustments to enhance resource allocation strategies continuously. By integrating performance metrics into budget allocation processes, organizations can achieve greater transparency, accountability, and effectiveness in resource allocation, ultimately driving improved organizational performance.

2.2 Effect of activity-based budgeting on resource allocation

Activity-based budgeting (ABB) is a strategic management tool that has gained significant attention in the field of accounting and finance due to its potential impact on resource allocation. ABB focuses on linking the budgeting process with the specific activities that consume resources within an organization, thereby providing a more accurate and detailed picture of resource utilization. According to Kaplan and Norton (1995), ABB enables organizations to align their budgeting process with operational activities, leading to better decision-making and resource allocation. This alignment ensures that resources are allocated to activities that directly contribute to the organization's strategic objectives, thus enhancing overall performance.

Numerous studies have explored the effects of ABB on resource allocation and performance. For example, Innes and Mitchell (1995) conducted a study on the implementation of ABB in a manufacturing firm and found that ABB led to more efficient resource allocation by identifying and prioritizing value-added activities. This targeted allocation of resources resulted in cost savings and improved operational effectiveness. Similarly, Malmi and Brown (2008) investigated the impact of ABB on resource allocation in service organizations and concluded that ABB enhanced resource allocation by providing a deeper understanding of the cost drivers associated with different activities.

Despite the potential benefits of ABB, some challenges and drawbacks have been identified in the literature. It is important to note that the successful implementation of ABB requires a significant investment of time and resources to develop accurate activity cost drivers and collect relevant data. Additionally, ABB may face resistance from employees who are accustomed to traditional budgeting methods. In a study by Turney and Anderson (1999), the authors highlighted the importance of addressing these challenges through effective communication and change management strategies to ensure the successful adoption of ABB and maximize its impact on resource allocation. A study by Innes and Mitchell (1990) found that ABB provides a more accurate assessment of cost drivers, leading to better resource allocation decisions. By linking financial planning with specific activities, ABB allows organizations to gain insights into the true costs associated with different operations, thus enabling them to allocate resources more efficiently. This approach enhances decision-making processes by providing a granular view of resource utilization within the organization. The study underscores the importance of aligning budget allocations with value-adding activities through ABB to enhance efficiency and effectiveness in resource allocation (Cooper & Slagmulder, 2003).

Malmi and Ikäheimo (2003) suggest that ABB fosters cross-functional collaboration by offering a common language for discussing resource allocation decisions. This shared understanding of organizational priorities encourages collaboration among different departments, leading to better coordination and alignment of resources. By promoting a strategic focus on resource allocation, ABB enables organizations to allocate resources efficiently and effectively, ultimately improving organizational efficiency and performance outcomes. Activity-based budgeting (ABB) is a strategic management tool that aims to improve resource allocation by linking financial planning with operational activities. The adoption of ABB has shown promising results for organizations in terms of enhancing decision-making processes and resource optimization. In a study by Innes and Mitchell (1990), the authors found that ABB provides a more accurate assessment of cost drivers, leading to better resource allocation decisions. Additionally, Cooper and Slagmulder (2003) highlight the importance of aligning budget allocations with value-adding activities through ABB, resulting in improved efficiency and effectiveness in resource utilization.

Furthermore, the implementation of ABB has been observed to contribute to better organizational performance and competitive advantage. Kaplan and Norton (1996) emphasize the role of ABB in promoting a shift towards a more strategic focus on resource allocation, enabling firms to allocate resources based on activities that drive value creation. By aligning budgeting decisions with operational activities, organizations can enhance their ability to allocate resources efficiently and effectively (Anderson and Young, 1999). This strategic alignment allows companies to prioritize activities that contribute the most to their strategic objectives, leading to improved performance outcomes.

Moreover, ABB has been found to enhance communication and coordination within organizations, leading to improved decision-making processes. Malmi and Ikäheimo (2003) suggest that ABB facilitates cross-functional collaboration by providing a common language for discussing resource allocation decisions. This alignment of budget allocations with activities fosters a shared understanding of organizational priorities and encourages collaboration among different departments (Innes and Mitchell, 1990). As a result, ABB not only improves resource allocation practices but also enhances overall organizational efficiency and effectiveness.

A more recent study by Chowdhury et al. (2016) investigates the effect of ABB on resource allocation in an Indian manufacturing firm. The authors found that ABB improved the accuracy of resource allocation, resulting in a better alignment between budgeted resources and actual organizational needs. Moreover, they discovered that ABB facilitated the identification of resource wastage and inefficiencies, which allowed management to optimize the allocation of resources. These findings support the notion that ABB can provide valuable insights for decision-makers, leading to more effective resource allocation that enhances organizational performance. Cooper and Slagmulder (2003) highlight the importance of aligning budget allocations with value-adding activities through ABB to drive efficiency and effectiveness in resource allocation. By focusing on activities that directly contribute to value creation, organizations can prioritize resource allocation to maximize the impact on strategic objectives. This strategic alignment not only improves resource allocation practices but also enhances overall organizational performance and competitive advantage. ABB enables companies to allocate resources based on activities that drive value creation, leading to improved efficiency and effectiveness in resource utilization.

While ABB has been praised for its potential benefits, some studies have highlighted certain limitations in its implementation. In an examination of ABB adoption in the Canadian manufacturing sector, Travica and Zanata (2007) found that the degree of implementation varied across organizations, leading to inconsistent resource allocation practices. This inconsistency was due to the challenges associated with identifying and measuring cost drivers accurately. Moreover, McHugh and Francis (2010) argue that the implementation of ABB may be hindered by resistance to change from individuals within an organization, potentially leading to its ineffective application and subsequent resource misallocation.

ABB has also been studied in the context of specific industries, shedding light on its impact on resource allocation in different sectors. For instance, in the construction industry, competitive pressures and the project-based nature of the sector have influenced the adoption of ABB to improve resource allocation decisions (Cheah et al., 2014). Ostovar and Fries (2013) analyzed the implementation of ABB in the automotive industry and found that it positively affected resource allocation by allowing companies to identify and prioritize activities that generate value. These sector-specific studies contribute to understanding the contextual influence on the effectiveness of ABB in resource allocation decisions.

Chen and Skousen (2000) found that ABB helps organizations identify bottlenecks and inefficiencies in their processes by linking resource allocation to specific activities. This enables managers to prioritize resources based on the activities that contribute the most value to the organization. Additionally, Soderquist et al. (2008) noted that ABB facilitates a more accurate estimation of resources required for each activity, leading to improved cost control and better alignment with strategic goals. By allocating resources based on activity drivers, organizations can optimize their use, thus enhancing operational efficiency and performance. Hossain and Jama (2019) highlighted that ABB requires a significant investment in data collection and analysis, as it relies on detailed information about activities and their resource requirements. Collecting, organizing, and analyzing such data may be time-consuming and resource-intensive, especially in larger organizations with complex processes. Furthermore, Smith (2007) argued that ABB may face resistance from managers and employees accustomed to traditional budgeting systems, as it requires a shift in mindset and a deeper understanding of cost drivers and their relationship to activities. Overcoming these challenges necessitates adequate training and education to ensure successful adoption and implementation of ABB.

Rogerson and Puxty (1997) found that ABB enhances the transparency and accountability of resource allocation decisions by providing clear visibility into the relationship between activities and costs. This aligns with the principles of performance management, as identified by Sheshunoff (2004), who highlighted that ABB facilitates the identification of underperforming activities and helps redirect resources towards value-adding activities. Moreover, ABB enables managers to make more informed decisions regarding resource allocation, as it provides insights into cost drivers and their impact on organizational performance (Shields and Young, 1991). Consequently, ABB supports a more rational allocation of resources, enhancing organizational effectiveness and efficiency.

Gosselin and Ouellet (2004) offer a contrasting perspective, highlighting some potential limitations of ABB in resource allocation. Their study emphasizes that implementing ABB requires a significant amount of effort, particularly in data collection and analysis. The authors argue that organizations may lose sight of their strategic objectives due to the intensive focus on detailed activities. Moreover, Gosselin and Ouellet (2004) assert that some organizations may face challenges in allocating indirect costs correctly under ABB, potentially leading to suboptimal resource allocation decisions.

2.3 Effect of stakeholder engagement on resource allocation

Resource allocation is a critical process in organizations, as it determines the efficient distribution of resources to various projects, departments, or stakeholders. Stakeholder engagement, on the other hand, refers to the involvement and collaboration of relevant individuals or groups in decision-making processes. This literature review aims to explore the effect of stakeholder engagement on resource allocation by examining relevant studies and research conducted in this area. By analyzing the findings and implications of these studies, this review aims to provide insights into the benefits and challenges associated with stakeholder engagement in resource allocation.

Stakeholder engagement has been recognized as a crucial factor in effective resource allocation, as it enhances decision-making and ensures the alignment of resource allocation with organizational goals and stakeholder expectations. In their study, Covalieski et al. (2003) found that organizations which actively engaged stakeholders in the resource allocation process achieved greater performance outcomes compared to those that did not involve stakeholders. This finding was supported by Lewis et al. (2014), who argued that stakeholder engagement facilitates the identification of diverse perspectives, leading to more informed decisions and reduced biases in resource allocation. Moreover, research by Kenis and Provan (2009) highlighted the importance of stakeholder engagement in promoting accountability and transparency throughout the resource allocation process, as stakeholders provide valuable insights and feedback that can improve decision-making and resource utilization.

Stakeholder engagement in resource allocation has also been found to enhance operational efficiency and innovation within organizations. In their empirical study, Ollivier et al. (2016) emphasized that involving stakeholders in resource allocation increases the likelihood of innovative ideas and solutions being identified and implemented. This aligns with the argument put forth by Bryson (2004), who suggested that stakeholder engagement fosters creativity and generates fresh perspectives, ultimately leading to improved resource allocation outcomes. Additionally, Suh and Kim (2018) found that organizations that engage stakeholders in the resource allocation process experience reduced conflicts and resistance from those affected by resource reallocation decisions, as stakeholders feel included and their concerns are considered during decision-making.

Although stakeholder engagement offers numerous benefits in resource allocation, there are also challenges and limitations to consider. A study by Seppänen and Shamsuddin (2018) highlighted that stakeholder engagement can lead to increased decision-making time and complexity, as it involves multiple perspectives and interests that may conflict with each other. Moreover, Goldstein et al. (2017) argued that in some situations, stakeholders may exert undue influence or have conflicting demands, making resource allocation decisions more challenging. To overcome these challenges, research by Bigsten (2015) suggested the importance of establishing clear guidelines and structures for stakeholder engagement, as well as actively managing stakeholder relationships to ensure continued engagement and effective resource allocation.

Numerous studies have emphasized that stakeholder engagement significantly impacts resource allocation decisions within organizations. For instance, Mitchell et al. (1997) argue that stakeholder engagement fosters collaboration and consensus-building, leading to more equitable resource allocation strategies. Additionally, Gray et al. (2015) assert that engaging stakeholders in the decision-making process ensures that diverse perspectives are considered, potentially leading to better-informed decisions and more effective allocation of resources. Furthermore, a study by Ahn et al. (2013) demonstrates that stakeholder engagement helps identify resource needs and preferences, resulting in more targeted and efficient allocation. These findings collectively suggest that stakeholder engagement positively affects resource allocation by increasing fairness, inclusivity, and accuracy in decision-making processes.

On the contrary, some studies have highlighted challenges and limitations associated with stakeholder engagement in resource allocation. For example, Reed et al. (2009) argue that stakeholder engagement can lead to time-consuming processes and increased complexity, which may compromise the efficiency of resource allocation. Similarly, Griggs et al. (2013) highlight that varying stakeholder interests may create conflicts and delays in decision-making, potentially hindering effective resource allocation. Further, Bainbridge et al. (2016) caution that stakeholder engagement could potentially lead to biases, especially when dominant stakeholders have disproportionate influence, thus adversely affecting equitable resource allocation. These findings highlight the importance of considering potential drawbacks and ensuring appropriate management of stakeholder engagement processes to enhance resource allocation outcomes.

The literature also suggests that the nature and extent of stakeholder engagement can significantly influence resource allocation outcomes. For instance, de Bakker et al. (2005) argue that early engagement of stakeholders in the resource allocation process provides an opportunity to address their concerns and avoid potential conflicts. Additionally, McKinney et al. (2018) emphasize the need for ongoing, genuine engagement with stakeholders to build trust, increase transparency, and effectively allocate resources. Moreover, Klijn et al. (2010) advocate for diverse forms of engagement, such as direct involvement, negotiation, and consultation with stakeholders, to ensure inclusive and informed decision-making. These studies collectively highlight the importance of strategic, continuous, and diverse stakeholder engagement approaches to maximize the positive influence on resource allocation.

Stakeholder engagement has been identified as a key factor in resource allocation decisions, enhancing the legitimacy and fairness of the process. In their study, Murray and Montanari (1986) argue that involving stakeholders in resource allocation leads to more informed decisions by incorporating diverse perspectives and local knowledge, resulting in effective and sustainable outcomes. This view is supported by Nutt (2002), who suggests that stakeholder engagement improves decision quality by minimizing biases and considering a broad range of factors that may be overlooked. Furthermore, in a study conducted by Bovaird and Loffler (2003), it was found that engaging stakeholders in resource allocation processes leads to increased satisfaction and trust, ultimately resulting in improved resource allocation outcomes.

However, while stakeholder engagement often leads to positive outcomes, researchers also acknowledge potential challenges and limitations. For instance, Reed et al. (2009) highlight the difficulties in achieving meaningful and effective stakeholder engagement due to power imbalances, conflicting interests, and limited resources. Furthermore, stakeholder engagement can be time-consuming and resource-intensive (Cabaj and Weaver, 2000), requiring substantial effort and appropriate management. In light of these challenges, Bardach (2012) suggests that stakeholder engagement needs to be carefully designed and facilitated to ensure active participation and meaningful contributions. Bryson et al. (2015) emphasize that effective stakeholder engagement requires flexibility and adaptability to unique circumstances, as different stakeholders may have varying levels of influence and interest. Additionally, the study by Ansell and Gash (2008) emphasizes the significance of early engagement to foster collaboration and trust among stakeholders.

In support of stakeholder engagement as a driver for effective resource allocation, Agle, Mitchell, and Sonnenfeld (1999) argued that organizations must identify and engage with all relevant stakeholders to gather diverse perspectives. They found that a higher level of stakeholder engagement leads to superior decision-making outcomes, more equitable resource allocation, and enhanced stakeholder satisfaction. Furthermore, Freeman (1984) emphasized the importance of stakeholder participation in decision-making processes, stating that engaging stakeholders can help organizations better understand their needs and preferences, thereby enabling more accurate resource allocation. These studies demonstrate that stakeholder involvement positively influences resource allocation strategies and contributes to improved organizational performance.

Conversely, some researchers have highlighted potential challenges associated with stakeholder engagement in resource allocation decisions. In their study, Khanijow and Van Orum (2004) indicated that considering stakeholder input may increase the complexity of resource allocation processes, potentially leading to delays and conflicts. Moreover, they argued that meeting the demands of various stakeholders can be resource-intensive and may divert attention from core organizational objectives. Along similar lines, Clarkson (1995) suggested that extensive stakeholder consultation might risk compromising firm efficiency and effectiveness. These studies acknowledge the potential difficulties of stakeholder engagement and underline the need for finding a balance between involving stakeholders and maintaining organizational productivity.

To address both the benefits and challenges of stakeholder engagement on resource allocation, some scholars propose a hybrid approach that combines stakeholder involvement with comprehensive decision frameworks. Pedersen and Toubøl (2012) argued that blending stakeholder engagement with formal decision models can lead to more effective and efficient resource allocation outcomes. They demonstrated that incorporating stakeholder preferences within mathematical programming models helped organizations optimize resource allocation while ensuring stakeholder satisfaction. Similarly, Pfeffermann (2001) suggested the integration of stakeholder engagement practices with established project management frameworks, enabling balanced resource allocation decisions. These studies provide valuable insights into potential approaches that could enhance resource allocation processes by leveraging stakeholder engagement in a structured manner.

Stakeholder engagement has been found to have a positive impact on resource allocation decision-making. The inclusion of stakeholders in the process helps organizations gather different perspectives, leading to more informed decisions. According to studies by Polonsky and Grau (2011), and Runhaar et al. (2013), stakeholder engagement facilitates the identification of relevant criteria for resource allocation, allowing for a more comprehensive assessment of needs and priorities. Through stakeholder inputs, organizations gain a better understanding of social, environmental, and economic considerations, resulting in more balanced resource allocation decisions that align with stakeholder values and expectations. Such inclusive decision-making can contribute to increased stakeholder trust and satisfaction (Basuroy et al., 2016).

Furthermore, stakeholder engagement helps enhance the legitimacy and fairness of resource allocation processes. According to Deegan et al. (2002) and van Ees et al. (2014), the involvement of stakeholders ensures that the allocation decisions are transparent and accountable, reducing the likelihood of bias and favoritism. Engaging stakeholders also helps organizations address potential conflicts or disagreements early on, preventing costly disputes later in the process (Tang et al., 2019). As highlighted by Powell et al. (2018) and Su and Lučić (2018), this fosters a sense of ownership among stakeholders toward the allocation outcomes, leading to increased acceptance and support for implementation.

In addition to improved decision-making and legitimacy, stakeholder engagement contributes to the overall success of resource allocation outcomes. Studies by Freeman (1984) and Hänninen and Härkönen (2018) indicate that involving stakeholders in the allocation process enhances the effectiveness and efficiency of resource utilization. By engaging stakeholders early on, organizations can identify and tap into additional resources available within the stakeholder network, such as expertise, knowledge, or financial support (Frooman, 1999). This collaborative approach not only increases the resources available for allocation but also promotes innovation and learning, creating an environment of shared responsibility and mutual benefit (Weber et al., 2002).

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

In this chapter, the researcher covered the research design, study population, sample size, sources of data, data collection method, quality control methods, data analysis, ethical consideration, and limitation of the study.

3.1 Research Design

Hoong, J.P. (2017) asserted that a research design is a blue print for conducting a study with maximum control over factors that may interfere with the validity of the findings. The researcher used a cross sectional survey design basing on the use of qualitative and quantitative approaches sanctioned to investigate the impact of performance-based budgeting on resource allocation in Mbale district. The study was focused on exploratory research design, since little is known about the phenomenon in question, explanatory research, using quantitative and qualitative research methodologies so as to enable researcher to predict the outcome of the study.

3.3 Sample size

Eisenhardt, K.M. (2019) articulated a sample size as a proportion of a population. The sample was selected from Mbale district which included parish chief, sub-county chief accounts officer, Stakeholders, opinion leaders. Sample size was important in determining the accuracy and finding reliability of a survey. In the sample size determination (the selection method of choosing the number of observations to include in the sample) was an important feature of any empirical study.

3.4 Sample selection

The researcher used purposive sampling and simple random sampling respectively to select 1 parish chief, 1 accounts officer, 1 sub-county chief, 1 auditor, stake holders 45, and 10 opinion leaders, 1 secretary.

Table 1 showing sampling selection

Respondents	Population	Sample size	Sampling procedures
Parish chief	1	1	Purposive sampling
Accounts officer	1	1	Purposive sampling
Secretaries	1	1	Purposive sampling
Sub county chief	1	1	purposive sampling
Auditors	2	1	Purposive sampling
Stake holders	51	45	Simple random sampling
Opinion leaders	18	10	Simple random sampling
Total	75	63	

Source: Mbale district (2024)

The researcher used the Slovenes formula of (1960) which as below;

$$n = \frac{N}{1 + N(e^2)}$$

Where;

n is the sample size

N is the whole population

1 is the constant

e² error in sampling (0.05)

$$= 75 / 1 + 75 (0.05)^2$$

$$= 75 / 1 + 75 (0.0025)$$

$$= 75 / 1 + 0.1875$$

$$= 75 / 1.1875$$

$$= 63.2$$

$$n = 63 \text{ respondents}$$

Therefore, the sample size of the study was 63 respondents

3.5 Research methods

Research methods refer to the tools that one uses to do research. These can either be qualitative or quantitative or mixed. Quantitative methods examine numerical data and often require the use of statistical tools to analyze data collected.

3.6 Research instruments

Data collection is a tool that is used to collect data (Dilworth 2018). The research basically focused on the one method of data collection which included questionnaires.

3.6.1 Questionnaires.

According to Lowe, D.M. (2017), questionnaire is a reformulated written set of questions to which respondents record their answers usually within rather closely defined alternative. A questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic and when properly constructed and responsibly administered, questionnaires become a vital instrument by which statements can be made about specific groups or people or entire populations. An open and close ended questionnaire was used to collect information from the parish chief, sub-county chief, accounts officer, auditors, and stake holders from Mbale district where the researcher allowed the study respondents to fill the questionnaire in the study population. This allowed free responses from the respondents that were engaged in the depth views about the study questions. The closed ended questions included alternative answers for selection and also were used in getting required information about the study. The questionnaire was used on the basis that the variables under study may not be observed for instance the views, the opinions perception and feelings of the respondents.

3.6.2 Interview guide

According to Coase, R.H. (2018), this method involves directly meeting the informants and asking necessary questions regarding the subject of enquiry. Usually a set of questions or a questionnaire is carried by him and questions are also asked according to that. The interviewer efficiently collects the data from the informants by cross examining them.

3.7 Data Analysis

According to Robinson (2017), data analysis is the process of systematically applying statistical and logical techniques to describe and illustrate, condense and recap, and evaluate data. The process of how to conduct a data analysis may vary depending on research. Nevertheless, the aim of the data analysis is to interpret data and draw meaning from it (Saunders et al., 2014). In order to answer the research questions presented in this thesis as well as formulate conclusions, a data analysis is a necessity. In this thesis, two types of data was analyzed separately and simultaneously as explained the paragraphs below;

3.7.1 Quantitative Data Analysis

Data processing was done through editing of the data which was coded for further data analysis. After data processing, quantitative data analysis shall be carried out by simple frequency tabulation using a Statistical Package for Social Science (SPSS) version 23. Data was presented using different methods such as simple frequency tables which will ultimately help to measure effect of leadership styles on employee performance in Mbale district. This is because data presentation required clear portrayal of the findings presented, and the listed method above clearly fulfills that purpose.

3.7.2 Qualitative Data Analysis

On the other hand, qualitative data gathered from open-ended questions in the interview guide shall be summarized. A style called content analysis shall be used to test the validity and authenticity. Then, data was categorized according to the sub-themes identified earlier.

3.8 Research procedure

These include identifying the area of study, choosing the topic, formulating a research plan, collecting and then analyzing the data and then finally writing up the study. These steps can be represented in three phases, namely the planning phase and the research phase and then finally the presentation phase.

3.9 Ethical Consideration

There are several ethical considerations that need to be taken into account when implementing performance-based budgeting and its impact on resource allocation in Mbale District. These considerations include:

Equity and fairness: Performance-based budgeting may lead to the allocation of resources based on performance indicators such as efficiency and effectiveness. However, it is important to ensure that these indicators do not perpetuate existing inequalities or disadvantages certain groups or areas within the district. The budgeting process should be transparent, participatory, and take into account the needs of the most vulnerable populations.

Transparency and accountability: Performance-based budgeting should be implemented in a transparent manner, with clear criteria and guidelines. Stakeholders should have access to information on how decisions are made regarding resource allocation. Additionally, there should be mechanisms in place to hold decision-makers accountable for their decisions and ensure that they are made in the best interest of the district and its residents.

Public participation: It is important to involve the public and key stakeholders in the budgeting process to ensure that their perspectives and needs are taken into consideration. This can help address any concerns or potential biases in resource allocation and ensure that the process is more democratic and inclusive.

Long-term impact: While performance-based budgeting may lead to short-term improvements in efficiency and effectiveness, it is important to also consider and evaluate the long-term impact of resource allocation decisions. Some investments may not yield immediate results but may be necessary for sustainable development or addressing underlying systemic issues.

Avoidance of gaming and manipulation: Performance-based budgeting systems can sometimes be susceptible to gaming and manipulation, where performance indicators are artificially inflated or misrepresented to secure more resources. It is crucial to have safeguards and monitoring mechanisms in place to detect and discourage such behavior.

Capacity building: Performance-based budgeting may require a certain level of technical expertise and capacity to implement effectively. It is important to provide training and support to decision-makers and relevant stakeholders to ensure that they understand the process and can make informed decisions based on the available data.

3.10 Quality Control Methods

According to Ndifon Ejoh and Patrick Ejom.(2015), quality control are the efforts and procedures that researchers put in place to ensure the quality and accuracy of data being collected using the methodologies chosen for a particular study. Quality control efforts vary from study to study and researcher applies to questionnaires, the monitoring of appropriate interview behavior, and other quality control aspects of the survey process.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF THE FINDINGS

4.0 Introduction

This chapter presents the findings on the impact of performance-based budgeting on resource allocation in Mbale district. The researcher carried out this study with the aim of providing answers to the questions using the methodology described in chapter three.

4.1 Response rate

The sample size of the population was 63. Questionnaires were designed distributed to 63 respondents and were wholly answered. This implies that the response rate was excellent.

4.2 Bio Data

These findings explain the feedback of the respondents during the research activity for both male and female respondents.

4.2.1 Gender of respondents

Table 2 showing the Gender of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	20	32.0	32.0	32.0
Valid Females	43	68.0	68.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

The table 2 above shows that, 32% were male while 68% were female. This implies that the views of females were more represented in the study findings than those of the males and it also implies that the study involved more females with 68% than males at 32% in Mbale district.

4.2.2 Marital status of respondents

Table 3 showing marital status of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Single	12	19.0	19.0	19.0
Married	30	48.0	48.0	67.0
Valid Divorced	8	13.0	13.0	80.0
Widowed	13	20.0	20.0	100.0
Total	63	100.0	100.0	

Source: Primary data (2024)

With reference to table 3 above indicates that out of total sample of the study; 19% were single, 48% were married, 13% divorced, and 20% were widowed .this implies that Mbale district employs the majority of its employees who are married with 48% which shows that they are responsible enough to carry out the tasks being assigned to which can improve on the performance of the entity.

4.2.3 Age of respondents

Table 4 showing Age group of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
21-30 years	12	19.0	19.0	19.0
31-40 years	22	35.0	35.0	54.0
Valid 41-50 years	10	16.0	16.0	70.0
Above 50 years	19	30.0	30.0	100.0
Total	63	100.0	100.0	

Source: Primary data (2024)

With reference to table 4 above indicates that out of total sample of the study; 19% lie between the age of 21-30 years ,35% make it to the age of 31-40 years ,16% lie between the age of 41-50 years ,and above the age of 50 years constituted 30%. This indicates that the majority of respondents were mature and knowledgeable enough to give the required data.

4.2.4 Qualification of respondents

Table 5 Showing academic qualification of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Secondary	11	17.0	17.0	17.0
Certificate	8	13.0	13.0	30.0
Diploma	25	40.0	40.0	70.0
Bachelor's	14	22.0	22.0	92.0
Masters	5	8.0	8.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

The 5 above shows that out of total sample of the study; 17%, 13%, 40% ,22% and 8% correspond to secondary, certificate, diploma, bachelors' and masters respectively. This indicates that all respondents who participated in giving out information in Mbale district hard attained certain level of education with the majority of the respondents corresponding to 40% who are mainly of diploma holders.

4.2.5 Years of working

Table 6 showing years of working by respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Less than 1 year	15	24.0	24.0	24.0
1-2 years	38	60.0	60.0	84.0
Above 3 years	10	16.0	16.0	100.0
Total	63	100.0	100.0	

Source: Primary data (2024)

Table 6 above shows that 24%, 60%, and 16%, correspond to less than 1 year, 1-2 years, and above 3 years respectively, This however implies that Mbale district employs experienced workers who have had reasonable numbers of years of experience with 40% such that the goals formulated by the entity can be achieved well besides this it also implies that majority of the respondents had served for a considerable period which indicates that most of the respondents had vast knowledge which could be relied upon by this study.

4.3.0 Research question one: Finding out the effect of performance budget allocation on resource allocation of Mbale district

4.3.1 Resources are allocated more effectively to programs that show better performance and outcomes

Table 7 showing whether resources are allocated more effectively to programs that show better performance and outcomes

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly agree	19	30.0	30.0	30.0
Agree	15	24.0	24.0	54.0
not sure	11	17.0	17.0	71.0
Disagree	6	10.0	10.0	81.0
strongly disagree	12	19.0	19.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 7 above indicates that 54% (30%, 24%) were positive to the statement that resources are allocated more effectively to programs that show better performance and outcomes, while 29% (10%, 19%) forming the minority of the respondents were negative to the same statement, 17% were not sure hence implying that resources are allocated more effectively to programs that show better performance and outcomes.

4.3.2 Programs are held accountable for their outcomes, leading to more responsible use of re
The table 8 Showing whether programs are held accountable for their outcomes, lea
responsible use of resources

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	3	5.0	5.0	5.0
Agree	9	14.0	14.0	19.0
not sure	4	6.0	6.0	25.0
Disagree	18	29.0	29.0	54.0
strongly disagree	29	46.0	46.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 8, above it can be seen that minority of respondents 19% (5%, 14%) were positive to the statement that programs are held accountable for their outcomes, leading to more responsible use of resources, while 75% (29%, 46%) of the respondents were negative to the same statement while 6% of the respondents were not sure. This concurs with the research carried out by Krahn GL (2013) intimated that programs are held accountable for their outcomes, leading to more responsible use of resources there by implying that programs are not held accountable for their outcomes, leading to more responsible use of resources.

4.3.3 Allocation decisions are based on data and performance metrics, ensuring resources go to where they are most effective

Table 9 Showing whether allocation decisions are based on data and performance metrics, ensuring resources go to where they are most effective

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	7	11.0	11.0	11.0
Agree	14	22.0	22.0	33.0
not sure	8	13.0	13.0	46.0
Disagree	20	32.0	32.0	78.0
strongly disagree	14	22.0	22.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 9 above shows that minority of respondents 33% (11%, 22%) were positive to the statement that allocation decisions are based on data and performance metrics, ensuring resources go to where they are most effective, 54% (32%, 22%) had negative responses to the same statement, 13% were not sure. This is an indication that allocation decisions are based on data and performance metrics, ensuring resources go to where they are most effective.

4.3.4 Resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives

Table 10 Showing whether resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	21	33.0	33.0	33.0
Agree	18	29.0	29.0	62.0
not sure	10	16.0	16.0	78.0
Disagree	2	3.0	3.0	81.0
strongly disagree	12	19.0	19.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 10 above, it can be seen that 62% (33%, 29%) were positive to the statement that resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives, 22% (3%, 19%) were negative to the same statement while 16% of the respondents were not sure. This was in accordance to Tsui AO, Brown (2011) pointed out that resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives implying that resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives.

4.3.5 Programs that perform well receive more resources, encouraging continuous improvement and innovation

Table 11 Showing whether programs that perform well receive more resources, encouraging continuous improvement and innovation

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	30	48.0	48.0	48.0
Agree	8	13.0	13.0	61.0
not sure	9	14.0	14.0	75.0
Disagree	14	22.0	22.0	97.0
strongly disagree	2	3.0	3.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 11 above indicates that 61% (48%, 13%) of the respondents were positive to the statement that programs that perform well receive more resources, encouraging continuous improvement and innovation, 25% (22%, 3%) were negative to the same statement forming the majority of the respondents while 14% of the respondents were not sure, this is an indication that programs that perform well receive more resources, encouraging continuous improvement and innovation.

4.4.0 Research question two: Finding out the effect of activity-based budgeting on resource allocation of Mbale district

4.3.1 Resources are allocated directly to activities based on their specific costs, ensuring funds are used where they are most needed

Table 14 Showing whether resources are allocated directly to activities based on their specific costs, ensuring funds are used where they are most needed

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	22	35.0	35.0	35.0
Agree	13	21.0	21.0	56.0
not sure	2	3.0	3.0	59.0
Disagree	20	31.0	31.0	90.0
strongly disagree	6	10.0	10.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 14 above, it can be seen that 56% (35%, 21%) of the respondents were positive to the statement that resources are allocated directly to activities based on their specific costs, ensuring funds are used where they are most needed, 41% (31%, 10%) were negative to the same statement while 3% of the respondents were not. These findings were in line with Pratap N (2011) stresses that resources are allocated directly to activities based on their specific costs, ensuring funds are used where they are most needed.

4.4.2 Activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight

Table 15 Showing whether activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	21	33.0	33.0	33.0
Agree	30	47.0	47.0	80.0
not sure	8	13.0	13.0	93.0
Disagree	1	2.0	2.0	95.0
strongly disagree	3	5.0	5.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 15 above indicates that 80% (33%, 47%) of the respondents were positive to the statement that activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight, 7% (2%, 5%) were negative to the same statement while 13% of the respondents were not sure. This concurs with the research carried out by Abern, (2016) intimated that activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight implying that activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight.

4.4.3 Activity-based budgeting focuses resources on activities that yield the best results, leading to more efficient use of funds and better outcomes

Table 16 Showing whether activity-based budgeting focuses resources on activities that yield the best results, leading to more efficient use of funds and better outcomes

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	4	6.0	6.0	6.0
Agree	9	14.0	14.0	20.0
not sure	15	24.0	24.0	44.0
Disagree	27	43.0	43.0	87.0
strongly disagree	8	13.0	13.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 16 above, it can be seen that 20% (6%, 14%) were positive to the statement that activity-based budgeting focuses resources on activities that yield the best results, leading to more efficient use of funds and better outcomes, 56% (43%, 13%) of the respondents were negative to the same statement and 24% of the respondents were not sure. This is an indication that activity-based budgeting focuses resources on activities that yield the best results, leading to more efficient use of funds and better outcomes.

4.4.4 Activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions

Table 17 showing whether activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	16	25.0	25.0	25.0
Agree	20	32.0	32.0	57.0
not sure	6	10.0	10.0	67.0
Disagree	8	13.0	13.0	80.0
strongly disagree	13	20.0	20.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 17 above, it can be seen that 57% (25%, 32%) were positive to the statement that activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions, 10% of the respondents were not sure while 33% (13%, 20%) were negative to the same statement making the minority of the respondents. This is an indication that activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions.

4.4.5 Activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities

Table 18 showing whether activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	22	35.0	35.0	35.0
Agree	10	16.0	16.0	51.0
not sure	6	10.0	10.0	61.0
Disagree	14	22.0	22.0	83.0
strongly disagree	11	17.0	17.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 18 above indicates that the majority of the respondents 51% (35%, 16%) were positive to the statement that activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities, 39% (22%, 17%) were negative to the same statement while 10% of the respondents were not sure. These findings were in line with Agbaje MA (2016) pointed out activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities. This is an indication that activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities.

4.5.0 Research question three: Finding out the effect of stakeholder engagement on resource allocation of Mbale district

4.5.1 Engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions

Table 19 showing whether engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	5	8.0	8.0	8.0
Agree	13	21.0	21.0	29.0
not sure	7	11.0	11.0	40.0
Disagree	18	29.0	29.0	69.0
strongly disagree	20	31.0	31.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 19 above, it can be seen that 29% (8%, 21) were positive to the statement that engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions, 60% (29%, 31%) were negative to the same statement while 11% of the respondents were not sure. This concurs with the research carried out by Noble JA. (2014) postulated that engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions. This implies that engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions.

4.5.2 When stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success

The table 20 Showing whether when stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	24	38.0	38.0	38.0
Agree	15	24.0	24.0	62.0
not sure	11	17.0	17.0	79.0
Disagree	4	6.0	6.0	85.0
strongly disagree	9	15.0	15	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 20 above shows that the majority of the respondents 62% (38%, 24%) were positive to the statement that when stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success, 21% (6%, 15%) were negative to same while 17% of the respondents were not sure. This agrees with the research carried out by Birdsall N (2016) asserted that when stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success, hence implying that when stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success.

4.5.3 Stakeholder feedback helps identify and prioritize key areas for resource allocation based on their needs and concerns

Table 21 Showing whether stakeholder feedback helps identify and prioritize key areas for resource allocation based on their needs and concerns

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	14	22.0	22.0	22.0
Agree	18	29.0	29.0	51.0
not sure	10	16.0	16.0	67.0
Disagree	9	14.0	14.0	81.0
strongly disagree	12	19.0	19.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

Table 21 above shows that the majority of the respondents 51% (22% , 29%) had a positive response to the statement that stakeholder feedback helps identify and prioritize key areas for resource allocation based on their needs and concerns, 33% (14%, 19%) of the respondents were negative to the same statement meanwhile 16% of the respondents were not sure. This is an indication that stakeholder feedback helps identify and prioritize key areas for resource allocation based on their needs and concerns.

4.5.4 Engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected

Table 22 Showing whether engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	34	54.0	54.0	54.0
Agree	13	21.0	21.0	75.0
not sure	1	2.0	2.0	77.0
Disagree	11	17.0	17.0	94.0
strongly disagree	4	6.0	6.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With reference to table 22 above , it can be seen that 75% (54%, 21%) were positive to the statement that engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected, 23% (17%, 6%) respondents were negative to the same statement while 2% of the respondents were not sure. This was in accordance to Finnigan (2012) intimated that engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected. This is a manifestation that engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected.

4.5.5 Input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources

Table 23 Showing whether input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly agree	27	43.0	43.0	43.0
Agree	16	25.0	25.0	68.0
not sure	8	13.0	13.0	81.0
Disagree	10	16.0	16.0	97.0
strongly disagree	2	3.0	3.0	100.0
Total	63	100.0	100.0	

Source: primary data (2024)

With allusion to table 23 above, it can be observed that the majority of the responds 68% (43% ,25%) had a positive response to the statement that input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources, 19% (16%, 3%) were negative to the same statement while 13% of the respondents were not sure hence implying that input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction.

In this chapter the researcher gives a summary of findings, conclusions and recommendation in line with the research questions and objectives.

5.1 Summary of findings.

The researcher provided a summary of findings in line with the objectives as follows;

5.1.1 Research Question one: Findings on the effect of performance budget allocation on resource allocation of Mbale district

The study investigated into the effect of performance budget allocation on resource allocation of Mbale district. Results showed that most respondents were positive to the statements that were they were asked. For example; majority of respondents constituting 54% of the respondents were positive to the statement that resources are allocated more effectively to programs that show better performance and outcomes; 62% were positive to the statement that resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives; 61% of the respondents were positive to the statement that programs that perform well receive more resources, encouraging continuous improvement and innovation.

On the other hand, 75% constituting the majority were negative to the statement that programs are held accountable for their outcomes, leading to more responsible use of resources, 54% were negative to the statement that allocation decisions are based on data and performance metrics, ensuring resources go to where they are most effective.

It can be concluded that performance budget allocation have a significant effect on resource allocation of Mbale district.

5.1.2 Research Question two: Findings on the effect of activity-based budgeting on resource allocation of Mbale district. The study investigated into the effect of activity-based budgeting on resource allocation of Mbale district. Majority of the respondents 56% of the respondents were positive to the statement that resources are allocated directly to activities based on their specific costs, ensuring funds are used where they are most needed, 80% of the respondents were positive to the statement that activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight, it can be observed that 57% were positive to the statement that activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions, 51% were positive to the statement that activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities while 56% of the respondents forming the majority were negative to the statement that activity-based budgeting focuses resources on activities that yield the best results, leading to more efficient use of funds and better outcomes. Basing on the above results, it can be concluded that activity-based budgeting has a significant effect on resource allocation of Mbale district.

5.1.3 Question three: Findings on the effect of stakeholder engagement on resource allocation of Mbale district The findings revealed that 62% forming the majority of respondents were positive to the statement that when stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success, 51% had a positive response to the statement that stakeholder feedback helps identify and prioritize key areas for resource allocation based on their needs and concerns, 75% were positive to the statement that engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected, 68% had a positive response to the statement that input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources. On the other hand, 60% forming the majority disagreed to the statement that engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions. Results according to probable statistics, it can be concluded that service delivery reforms have a significant effect on organizational performance of Mbale district.

5.2 Conclusion

Basing on the research objective one which was to determine the effect of performance budget allocation on resource allocation of Mbale district, it can be concluded that performance budget allocation has a significant effect on resource allocation of Mbale district and can be enhanced by integrating clear performance metrics with resource allocation processes. This can be achieved by establishing precise, measurable objectives aligned with organizational goals, and linking budgetary allocations to the achievement of these objectives. Regular performance evaluations and reviews should inform budget adjustments, ensuring resources are directed towards high-impact areas. Additionally, fostering transparency and accountability through detailed reporting and stakeholder engagement can help align resources with performance outcomes. Implementing data-driven decision-making and utilizing advanced analytics to forecast and monitor performance can further optimize resource allocation and enhance overall budgeting effectiveness.

With reference to the research objective two which was to analyze the effect of activity-based budgeting on resource allocation of Mbale district. It can be concluded that activity-based budgeting has a significant effect on resource allocation of Mbale district and can be enhanced by meticulously analyzing the costs associated with each activity and its contribution to strategic goals. This can be achieved by implementing a detailed cost-driver analysis to identify and allocate resources based on the actual demands of each activity, rather than historical expenditure patterns. Establishing clear performance metrics for each activity and integrating these metrics into the budgeting process ensures resources are allocated where they will most effectively achieve desired outcomes. Regular monitoring and reviewing of activity performance, coupled with feedback loops for continuous improvement, can help optimize resource allocation and enhance the overall efficiency of the budgeting process. .

With allusion to the third objective which was to assess the effect of stakeholder engagement on resource allocation of Mbale district, it can be concluded that service delivery reforms have a significant effect on organizational performance of Mbale district. This can be enhanced by involving stakeholders throughout the budgeting process to ensure their needs and perspectives are considered. This can be achieved by establishing transparent communication channels and regular consultations to gather input on resource priorities and allocation decisions. Engaging stakeholders in setting clear, shared objectives and performance metrics can help align resource allocation with broader goals.

Additionally, providing stakeholders with access to relevant data and feedback mechanisms fosters accountability and trust, while incorporating their insights into decision-making processes helps optimize resource use and improves overall effectiveness.

5.3 Recommendations

Mbale district should by integrate clear performance metrics with resource allocation processes. This can be achieved by establishing precise, measurable objectives aligned with organizational goals, and linking budgetary allocations to the achievement of these objectives. Regular performance evaluations and reviews should inform budget adjustments, ensuring resources are directed towards high-impact areas. Additionally, fostering transparency and accountability through detailed reporting and stakeholder engagement can help align resources with performance outcomes. Implementing data-driven decision-making and utilizing advanced analytics to forecast and monitor performance can further optimize resource allocation and enhance overall budgeting effectiveness.

There is need for Mbale district to meticulously analyze the costs associated with each activity and its contribution to strategic goals. This can be achieved by implementing a detailed cost-driver analysis to identify and allocate resources based on the actual demands of each activity, rather than historical expenditure patterns. Establishing clear performance metrics for each activity and integrating these metrics into the budgeting process ensures resources are allocated where they will most effectively achieve desired outcomes. Regular monitoring and reviewing of activity performance, coupled with feedback loops for continuous improvement, can help optimize resource allocation and enhance the overall efficiency of the budgeting process. .

There is need for Mbale district to involve stakeholders throughout the budgeting process to ensure their needs and perspectives are considered. This can be achieved by establishing transparent communication channels and regular consultations to gather input on resource priorities and allocation decisions. Engaging stakeholders in setting clear, shared objectives and performance metrics can help align resource allocation with broader goals. Additionally, providing stakeholders with access to relevant data and feedback mechanisms fosters accountability and trust, while incorporating their insights into decision-making processes helps optimize resource use and improves overall effectiveness

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Dear respondent;

I am Mukoya Diana carrying out research on the topic “impact of performance-based budgeting on resource allocation in Mbale district.” as a partial fulfillment for the award of bachelors degree of public administration and management at Uganda Christian University .The questionnaire is designed to help me collect relevant information and therefore I kindly request you to participate in responding to the questions that will be asked .However the information given will be treated confidential and will only be used for academic purpose.

SECTION 1: DEMOGRAPHIC DATA

(Tick in the box provided)

1. Gender distribution of the respondent

a) Male b) Female

2. Marital status of the respondent

a) Single b) Married Divorced Widowed

3. Age bracket of the respondent (years)

a) 20-30 b) 31-40 c) 41-50 C) 60 and above

4. Academic qualification of respondent

a) Secondary b) Certificate c) Diploma d) Bachelors' Masters

5. Years of working by the respondents.

a) Less than 1 year b) 1-2 years c) 3 years and above

Section A: To determining the effect of performance budget allocation on resource allocation of Mbale district

This section aims at determine the effect of performance budget allocation on resource allocation of Mbale district. Please indicate your opinion on the following statements using the Linkert scale. Key:

1= agree, 2= strongly agree; 3= not sure; 4= disagree; 5= strongly disagree

No		1	2	3	4	5
1	Resources are allocated more effectively to programs that show better performance and outcomes					
2	Programs are held accountable for their outcomes, leading to more responsible use of resources.					
3	Allocation decisions are based on data and performance metrics, ensuring resources go to where they are most effective.					
4	Resources are directed toward programs that align with strategic goals, ensuring consistency in achieving organizational objectives.					
5	Programs that perform well receive more resources, encouraging continuous improvement and innovation.					

Section B: To analyze the effect of activity-based budgeting on resource allocation of Mbale district

This section aims at analyzing the effect of activity-based budgeting on resource allocation of Mbale district. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= agree, 2= strongly agree; 3= not sure; 4= disagree; 5= strongly disagree.**

No		1	2	3	4	5
1	Resources are allocated directly to activities based on their specific costs, ensuring funds are used where they are most needed.					
2	Activity-based budgeting provides detailed visibility into how funds are spent on each activity, enhancing transparency and financial oversight.					
3	Activity-based budgeting focuses resources on activities that yield the best results, leading to more efficient use of funds and better outcomes.					
4	Activity-based budgeting supplies detailed cost information that supports more informed and strategic budgetary decisions.					
5	Activity-based budgeting reveals opportunities to cut costs by assessing the efficiency and impact of different activities.					

Section C: To assess the effect of stakeholder engagement on resource allocation of Mbale district

This section aims at assessing the effect of stakeholder engagement on resource allocation of Mbale district

. Please indicate your opinion on the following statements using the Linkert scale. Key: **1= agree, 2= strongly agree; 3= not sure; 4= disagree; 5= strongly disagree.**

No		1	2	3	4	5
1	Engaging stakeholders provides valuable input, leading to more informed and effective resource allocation decisions					
2	When stakeholders are involved, they are more likely to support and accept resource distribution decisions, enhancing project success.					
3	Stakeholder feedback helps identify and prioritize key areas for resource allocation based on their needs and concerns.					
4	Engaging stakeholders ensures that resource allocation decisions are transparent and accountable to those affected.					
5	Input from stakeholders helps identify potential risks and challenges early, allowing for better management of resources.					



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To Local government
of Mbale district

Per mission to research mbale c/o PTH



Dear Sir/Madam,

Re: Academic Research

Christian greetings!

We are honored to introduce to you Mr. Mrs./Miss MUKOTA DIANA
Of Registration Number 2211muc16pAm1013 pursuing a Masters
Degree/Postgraduate Diploma / Bachelor's Degree
Bachelor's Degree

Her. no c/o 16/9/24

He/ she is required to carry out academic research on the topic
Impact of performance based Budgeting on Resea. Resource Allocation in Public Institutions
and thereafter produce a well bound hard cover research report (maximum) in color to undergraduate and three (BLACK) copies for Postgraduate students as a university requirement for the award of a degree/diploma in the academic discipline that he / she is pursuing.

We shall be grateful for the help you may offer to him or her accordingly.
Thank you.

Yours faithfully,

Mr. Akampurira Timothy
Academic Registrar



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