

**THE IMPACT OF E-FUND TRANSFER ON DELIVERY OF SERVICES IN LOCAL
AUTHORITIES OF UGANDA: CASE STUDY OF MBARARA DISTRICT**

**BY
KASIIMWE FORTUNATE
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**A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND
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DECLARATION

I, Kasiimwe Fortunate, hereby declare that this work is my own and that it has never been submitted to any university or institution of learning for any award.

Signature: 

Kasiimwe Fortunate

Date: 20/08/2019

APPROVAL

This is to confirm that this work was done under my supervision and is now ready to be submitted to the examining body of Kampala International University with my approval.

Signature: _____



Timbirimu Micheal

Date: _____

21/08/19

DEDICATION

I dedicate this report to my beloved parents my brothers and sisters plus the entire family for the financial and moral support they have rendered to me throughout my academic journey. I pray that the Almighty God reward them abundantly.

ACKNOWLEDGEMENT

I first thank the Almighty God by his grace, love and mercy that I have made it up to the end of the road.

I would like to thank my family for the financial support throughout the entire research and all the people who have supported me in one thing or another towards the successful completion of this report.

I also extend my special thanks to my research supervisor Mr. Timbirimu Micheal for his general support and guidance in dealing with numerous consultations.

Great thanks go to my dear friends and all my course mates for all the support, love, courage, and morale that greatly influenced my life and enabled me reach the highest point. Thanks so much my dear friends and I know you owe me a lot.

May the Almighty God reward you all abundantly!!

TABLE OF CONTENTS

DECLARATION	i
APPROVAL	ii
DEDICATION.....	iii
ACKNOWLEDGEMENT	iv
TABLE OF CONTENTS	v
LIST OF TABLES.....	ix
LIST OF ABBREVIATIONS.....	x
ABSTRACT	xi
CHAPTER ONE.....	1
GENERAL INTRODUCTION	1
1.0 Introduction.....	1
1.1 Background to the Study	1
1.1.1 Historical Perspective	1
1.1.2 Theoretical Perspective.....	2
1.1.3 Conceptual Perspective.....	3
1.1.4 Contextual Perspective	4
1.2 Statement of the Problem.....	5
1.3 Objectives of the Study.....	6
1.3.1 General Objective	6
1.3.2 Specific Objectives	6
1.4 Research Questions.....	6
1.5 Research Hypotheses	6
1.6 Scope of the Study	7
1.6.1 Content Scope.....	7
1.6.2 Geographical Scope.....	7
1.6.3 Time Scope	7

1.7 Significance of the Study	7
1.7 Justification of the Study	8
1.8 Conceptual Framework.....	8
1.9 Definition of Key Terms.....	9
CHAPTER TWO	10
LITERATURE REVIEW	10
2.0 Introduction.....	10
2.1 Theoretical Review.....	10
2.1.1. The Financial Intermediation Theory of Banking	10
2.1.2 The Fractional Reserve Theory of Banking.....	10
2.1.3 The Credit Creation Theory of Banking.....	11
2.2 Electronic Fund Transfer and Effectiveness of Service Delivery of Local Governments	11
2.3 Electronic Fund Transfer and Efficiency of Service Delivery of Local Governments	14
2.4 Electronic Fund Transfer and Development of Local Governments.....	16
2.5 Conclusion of Literature Review	17
CHAPTER THREE	18
RESEARCH METHODOLOGY	18
3.0 Introduction.....	18
3.1 Research Design	18
3.2 Area of Study.....	18
3.3 Study Population.....	18
3.4 Sample size	18
3.5 Sampling Techniques.....	19
3.6 Data Collection Procedure.....	19
3.6.1 Instruments of data collection.....	20
3.7 Quality Assurance.....	20

3.7.1 Validity of the Instrument.....	20
3.7.2 Reliability	21
3.8 Measurement of Variables.....	22
3.9 Data Processing and Analysis.....	22
3.10 Ethical Considerations.....	23
3.11 Limitations of the Study	23
CHAPTER FOUR	24
PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS OF STUDY	24
4.0 Introduction.....	24
4.1 Response Rate.....	24
4.2 Demographic Data of Respondents	25
4.2.1 Sex Distributions of Respondents.....	25
4.2.2 Age Distributions of Respondents	26
4.2.3 Distributions of Respondents by Education Level	27
4.2.4 Distributions of Respondents by Designation	28
4.2.5 Distributions of Respondents.....	29
4.2.6 Distributions of Respondents by Number of Years in Service in Mbarara	29
4.3 Use of EFT in Making Payments and Effectiveness of Service Delivery	30
Table 4.8: Use of EFT in Making Payments	31
4.4 Use of EFT in Making Payments and Efficiency in Service Delivery	35
4.5 Use of EFT in Making Payments on development in Mbarara District	39
4.6 Intervening Variables.....	43
4.7 Conclusion	45
CHAPTER FIVE	46
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS	46
5.0 Introduction.....	46

5.1 Summary of Findings	46
5.1.2 Use of EFT in Making Payments and Efficiency in Service Delivery	46
5.1.3 Use of EFT in Making Payments on development in Mbarara District	47
5.2 Conclusion	47
5.3 Recommendations.....	47
5.4 Areas for Further Research.....	48
REFERENCES	49
APPENDICES	54

LIST OF TABLES

Table 3.1: Sample Size of Respondents	19
Table 4.1: Response Rate	24
Table 4.2 shows the sex distribution of the respondents of this study.	25
Table 4.3 shows the age distribution of the respondents of this study.	26
Table 4.4 shows the distribution of the respondents of this study by education level.	27
Table 4.5 shows the distribution of the respondents of this study by designation.	28
Table 4.6 shows the distribution of the respondents by number of years in Public Service. ...	29
Table 4.7: Distribution of Respondents by Number of years of Service in Mbarara	30
Table 4.8: Use of EFT in Making Payments	31
Table 4.9: Effectiveness of Service Delivery in Mbarara District.....	32
Table 4.10: Model Summary	33
Table 4.11: Effect of Use of EFT in Payments on Effectiveness of Service Delivery.....	34
Table 4.12: Level of Efficiency in Service Delivery in Mbarara District	36
Table 4.13: Model Summary	38
Table 4.14: Effect of Use of EFT in Making Payments on Efficiency in Service Delivery ...	38
Table 4.15: Level of Development in Mbarara District Local Government	40
Table 4.16: Model Summary	41
Table 4.17: Effect of Use of EFT on development in Mbarara District	42
Table 4.18: Analysis of the Intervening Variables	43
Table 4.19: Model Summary	44
Table 4.20: Effect of Intervening Variables on Service Delivery in Mbarara.....	45

LIST OF ABBREVIATIONS

ACH	-	Automated Clearing House
ACODE	-	Advocacy Coalition for Development and Environment
ATM	-	Automatic Teller Machine
GoU	-	Government of Uganda
EFT	-	Electronic Fund Transfer
MoFPED	-	Ministry of Finance Planning and Economic Development
MoLG	-	Ministry of Local Government
MoPS	-	Ministry of Public Service
STP	-	Straight Trough Processing

ABSTRACT

The study sought to examine the effect of Electronic Fund Transfer (EFT) on Service Delivery in Local Governments of Uganda using a case study of Mbarara District. The specific objectives of the study were to; establish the effect of EFT on effectiveness of service delivery; examine the effect of EFT on efficiency of service delivery; and assess the effect of EFT on development of Mbarara District Local Government. The study adopted a descriptive research design with both quantitative and qualitative approaches. The study targeted 128 people who included the following categories: heads of departments and technical staff of Mbarara District Local Government. The sample size of the study was 97, having been obtained from the population using the Sloven formula. Data was collected from the respondents using structured questionnaires and face to face interviews. The collected data was analyzed using descriptive and inferential statistics. The findings of the study indicated that the use of EFT in making payments accounted for only 59.8% of effective service delivery in Mbarara District. The sig value was found to be 0.000 which was well below 0.05 (the standard). This implies that there was a strong significant effect of use of EFT in making payments on the effectiveness of service delivery in Mbarara District Local Government. The use of EFT in making payments accounted for only 10.8% efficiency Mbarara District. The sig value was 0.002 which was also less than 0.05 (the standard). This implies that there was also a strong significant effect of use of EFT in making payments on efficiency in service delivery in Mbarara District Local Government. The use of EFT in making payments accounted for only 2.2% of the development in Mbarara District Local Government. The sig value was found to be 0.173 which was more than 0.05 (the standard). This implies that there was an insignificant effect of use of EFT in making payments on the level of development in Mbarara District Local Government. The study concluded that there was a strong significant effect of use of EFT in making payments on the effectiveness of service delivery; there was also a strong significant effect of use of EFT in making payments on efficiency in service delivery. However, there was an insignificant effect of use of EFT in making payments on the level of development. The study recommended among others that administration of Mbarara District Local Government should ensure that resources meant for public get to them as planned by removing the barriers in the distribution channels; and that administration should check on worker absenteeism and monitor the provision of services to the public.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

In today's dynamic and rapidly changing workplace and globalized economy, development of organizational performance is an issue of growing concern. The ability to achieve and maintain high performance and productivity in organizations is a key challenge facing management. The study set out to examine the effect of Electronic Fund Transfer (EFT) on Service Delivery in Local Governments of Uganda: case study of Mbarara District. This chapter presents the background to the study, the statement of the problem, the general and specific objectives of the study, the research questions, significance, justification and scope of the study, the conceptual framework and the definition of key operational terms.

1.1 Background to the Study

Local governments have an important role in people's daily lives and therefore, successful local governments represent a key ingredient for developing nations. Thus, many economists consider local governments and institutions as being similar to an engine in determining the economic, social and political progress. The background of this study is structured under four perspectives:

1.1.1 Historical Perspective

Wire transfers of money originated in the 19th century and since then they have become one of the most successful methods of transferring money across the world. The Electronic Fund Transfer (EFT) is one of the recent forms of money transfers. The EFT became possible due to the advancements in telecommunication technology and at the same time, the payments sector was entering a new era. The origins of the electronic funds transfer (EFT) industry can be traced back to the introduction of the first automated teller machine (ATM) in the mid-1960s. The ATM was able to handle account transfers, accept deposits, and dispense cash using a standard magnetic stripe card and personal identification number (PIN). With the introduction and acceptance of ATMs, U.S. financial institutions entered the era of EFT systems.

Historically, the core of consumer EFT networks has been the ATM and associated access cards. ATM networks were first established as proprietary systems that were owned by a bank or payments processor and that served a limited geographic area. In some cases, the proprietary systems were shared with other financial institutions to expand the network, but the proprietary bank provided the ATM processing. While sharing of ATM networks created economies of scale, its primary benefit was stimulating consumer demand. Financial institutions' customers discovered that their ATM/debit cards could be used to access their accounts at the financial institutions where they held accounts and at local financial institutions where they did not. Initially, these networks were local, since the McFadden Act legally prohibited expansion into other states. This changed in 1985 when the U.S. Supreme Court upheld an earlier U.S. Court of Appeals decision that ATMs did not represent bank branches, thereby allowing interstate EFT networks to develop (Independent Bankers' Association, 1985).

1.1.2 Theoretical Perspective

There are several theories that attempt to explain funds transfers and financial transactions in the banking industry. In this study, three theories will be adopted to underpin the study. These are the three theories of banking that were dominant at different times. First is the currently prevalent Financial Intermediation Theory (FIT) of banking which states that banks collect deposits and then lend these out, just like other non-bank financial intermediaries. The second and older Fractional Reserve Theory (FRT) of banking which states that each individual bank is a financial intermediary without the power to create money, but the banking system collectively is able to create money through the process of 'multiple deposit expansion' (the 'money multiplier'). The third is the Credit Creation Theory (CCT) of banking, which was predominant a century ago. This theory does not consider banks as financial intermediaries that gather deposits to lend out, but instead argues that each individual bank creates credit and money newly when granting a bank loan. The theories differ in their accounting treatment of bank lending as well as in their policy implications. The theories have been expounded on in chapter two to show their relevance to the EFT and organizational performance of local governments of Uganda.

1.1.3 Conceptual Perspective

Electronic funds transfer (EFT) is the electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff. The term covers a number of different payment systems, for example: cardholder-initiated transactions, using a payment card such as a credit or debit card; direct deposit payment initiated by the payer; direct debit payments for which a business debits the consumer's bank accounts for payment for goods or services; wire transfer via an international banking network such as SWIFT; electronic bill payment in online banking, which may be delivered by EFT or paper check; and in transactions involving stored value of electronic money, possibly in a private currency.

In EFT, the transactions are processed by the bank through the Automated Clearing House (ACH) network, the secure transfer system that connects all financial institutions. For payments, funds are transferred electronically from one bank account to the billing company's bank, usually less than a day after the scheduled payment date. The growing popularity of EFT for online bill payment is paving the way for a paperless universe where checks, stamps, envelopes, and paper bills are obsolete. The benefits of EFT include reduced administrative costs, increased efficiency, simplified bookkeeping, and greater security. However, the number of companies who send and receive bills through the Internet is still relatively small.

Generally, the term EFT refers to the application of computer and telecommunication technology in making or processing payments. The term itself does not refer to a specific product. Rather, it is a descriptor that defines payment vehicles that use electronic networks instead of cash or checks to conduct a transaction. EFT networks are divided into two main types: wholesale and consumer. Wholesale EFT networks are typically used by financial institutions for large-dollar electronic transfers. Consumer EFT networks handle a variety of electronic payment services used by consumers and generally move small-dollar amounts. Anything connected to finances has some implications to organizational management and ultimately to service delivery.

The concept of service delivery is connected to the ideas of effectiveness and efficiency. Service delivery comprises the actual output or results of an organization as measured against its intended outputs (Upadhaya, Munir & Blount, 2014). According to Richard et al. (2009) service delivery encompasses three specific areas of organizational outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.).

The nature of service delivery and its measurement has been a topic for both scholars and practitioners since organizations were first formed. How to determine if the efforts of the organization are being put to their best use and are achieving the desired outcomes is at the heart of several disciplines. Accountants devote their attention to fairly presenting the historical financial performance of organizations, while the management disciplines focus on how to improve current and future service delivery. The primary variables used in research and practice to represent the overall service delivery construct can be categorized into several distinct groupings. The four primary categories of overall service delivery variables used in empirical research include (i) accounting measures, (ii) operational measures, (iii) market based measures, and (iv) survival measures. In this study, the independent variable is Electronic Fund Transfer which is hinged on financial information. Therefore, this study focused on the accounting measures in assessing the service delivery of local governments. Accounting measures are those that rely upon financial information reported in income statements, balance sheets, and statements of cash flows. Accounting measures can be further subcategorized into profitability measures, growth measures, leverage, liquidity, and cash flow measures, and efficiency measures.

1.1.4 Contextual Perspective

Government of Uganda (GoU) implemented Electronic Funds Transfer (EFT) as the principal method for effecting all payments from 1st July 2007. As already indicated, EFT is a payment method where movement of funds from one bank account to another is by means of electronically communicated payment instructions. Prior to go live, Ministries, Departments, Agencies and Local Governments (MDAs & LGs) were requested to clean the bank account information of all their suppliers and employees to enable straight through processing (STP) of all payments to their respective bank accounts. Due to the tight

implementation deadline set by Bank of Uganda, bank account information on the GoU payroll could not be verified and updated on the payroll within the given time frame. A decision was therefore taken by Government to defer straight through processing of salaries to a later date after a thorough review of the salary payment procedures.

A joint implementation task force composed of Technical Officers from the Ministries of Public Service (MoPS), Finance, Planning and Economic Development (MoFPED) and Local Government (MoLG) was setup to undertake a review of the current salary payment procedures to enable Straight Through Processing (STP) of salaries for all MDAs & LGs and ensure readiness by 30th June 2008. Following consultations with stakeholders, new salary payment procedures been introduced and guidelines developed to facilitate implementation with effect from 1st July 2008. In an effort to reduce cost and improve security and efficiency, government of Uganda, through MoFPED (2008) directed local governments to pay their suppliers directly to their bank accounts. The directive covered all types of payments including vendor payments, payments for services, tax payments, awards salaries and any other payments that the local government can make like sponsorships. Mbarara District, as one of the local governments of Uganda, adopted the EFT payment system. It is now coming to ten years since local governments have been implementing the EFT payment system in their financial transactions. However, the level of service delivery still remains low in Mbarara District local Government. According to the score card published by Advocates Coalition for Development and Environment (ACODE, 2015), the effectiveness, efficiency and development of Mbarara District Local Government is below expectation. There is scanty literature on the effect that the EFT system may have had on the service delivery of the local governments and particularly of Mbarara District. One pertinent question was whether or not the local governments had reduced cost and improved security and efficiency of service delivery? It was on this basis that this study sought out to examine the effect of EFT on service delivery of local governments of Uganda.

1.2 Statement of the Problem

Local governments in Uganda play a critical role in delivering services to the public. Over recent decades scholars have been empirically examining the relationship between local government management and performance, locating such studies in economic, contingency, and resource-based theoretical frameworks. Currently, local governments in Uganda are

implementing the Electronic Fund Transfer (EFT) financial management system with a purpose of improving service delivery.

Mbarara District Local Government is one of those districts that have been implementing the EFT system for almost a decade now. However, the reality was that the effectiveness, efficiency and development of Mbarara District was below expectation (ACODE, 2015). There has not been any empirical study that has been done to establish the effect of the EFT system on service delivery of local governments and Mbarara District Local government in particular. There was scanty literature on whether use of EFT has improved on the effectiveness, efficiency and growth of local governments of Uganda. It was in view of this fact that this study sought out to examine the effect of EFT on service delivery of local governments of Uganda using the case of Mbarara District Local Government.

1.3 Objectives of the Study

The study was based on a general objective and specific objectives

1.3.1 General Objective

The study set out to examine the effect of Electronic Fund Transfer (EFT) on Service Delivery in Local Governments of Uganda using a case study of Mbarara District.

1.3.2 Specific Objectives

- i. To establish the effect of EFT on effectiveness of service delivery of Mbarara District Local Government.
- ii. To examine the effect of EFT on efficiency of service delivery of Mbarara District Local Government.
- iii. To assess the effect of EFT on development of Mbarara District Local Government.

1.4 Research Questions

- i. What is the effect of EFT on effectiveness of Mbarara District Local Government?
- ii. What is the effect of EFT on efficiency of Mbarara District Local Government?
- iii. What is the effect of EFT on development of Mbarara District Local Government?

1.5 Research Hypotheses

- i. There is no significant effect of EFT on effectiveness of service delivery of Mbarara District Local Government.

- ii. There is no significant effect of EFT on efficiency of service delivery of Mbarara District Local Government.
- iii. There is no significant effect of EFT on development of Mbarara District Local Government.

1.6 Scope of the Study

1.6.1 Content Scope

The study focused on the Electronic Fund Transfer system (as the independent variable), service delivery (as the dependent variable) and the intervening variables that affect the interplay. The constructs under the independent variable included; Cardholder-initiated transactions, using a credit or debit card, direct deposit payment, direct debit payments, wire transfer via a network, electronic bill payment, and stored value of electronic money. The dependent variable comprised of effectiveness of local governments, efficiency of local governments and development of local governments. However, the success of EFT in ensuring good financial management may be affected by the intervening variables which may comprise; Level of Financial Literacy, Level of Financial Discipline of the staff, Political influence, Administrative efficiency and the general economic environment. The findings of the study were discussed in accordance with this conceptual framework.

1.6.2 Geographical Scope

The study was conducted in Mbarara District Local Government which was found in Western Uganda. It is situated 300 kilometers from Kampala.

1.6.3 Time Scope

The study focused on the period running from 2012 to 2017/18. This was because, it was during this period that Mbarara District Local Government had been implementing the EFT system in all its financial transactions with various stakeholders as highlighted in the background to this study.

1.7 Significance of the Study

- i. The findings from this study may highlight the importance of EFT in the enhancement of financial management which is vital in realization of efficiency in service delivery.
- ii. The study will identify the effect of EFT on service delivery which can be a basis

for better execution of set targets and achievement.

- iii. The findings may be used as a basis for further research by the academia on issues auditing and revenue planning, collection and management.

1.7 Justification of the Study

Given that the general objective of the study was to find out the effect of EFT on service delivery in Mbarara District Local Government; it follows that in order to achieve this objective, substantial information about EFT and service delivery was required as a basis for determining the effect. Such information cannot be obtained without empirical study. On the other hand, the fact that there was an established EFT system with clear mandate but service delivery had been found to be poor, one needs to carry out an empirical study to establish the kind of effect of the EFT on service delivery in Mbarara District Local Government. This could help change the situation which cannot be changed by simply capacity building or sensitization of responsible persons. It requires an understanding of the factors at play. Therefore, it was been found imperative that such a study is carried out so that a wide understanding of the factors at play are determined for the better utilization of the EFT system for better service delivery of the local government.

1.8 Conceptual Framework

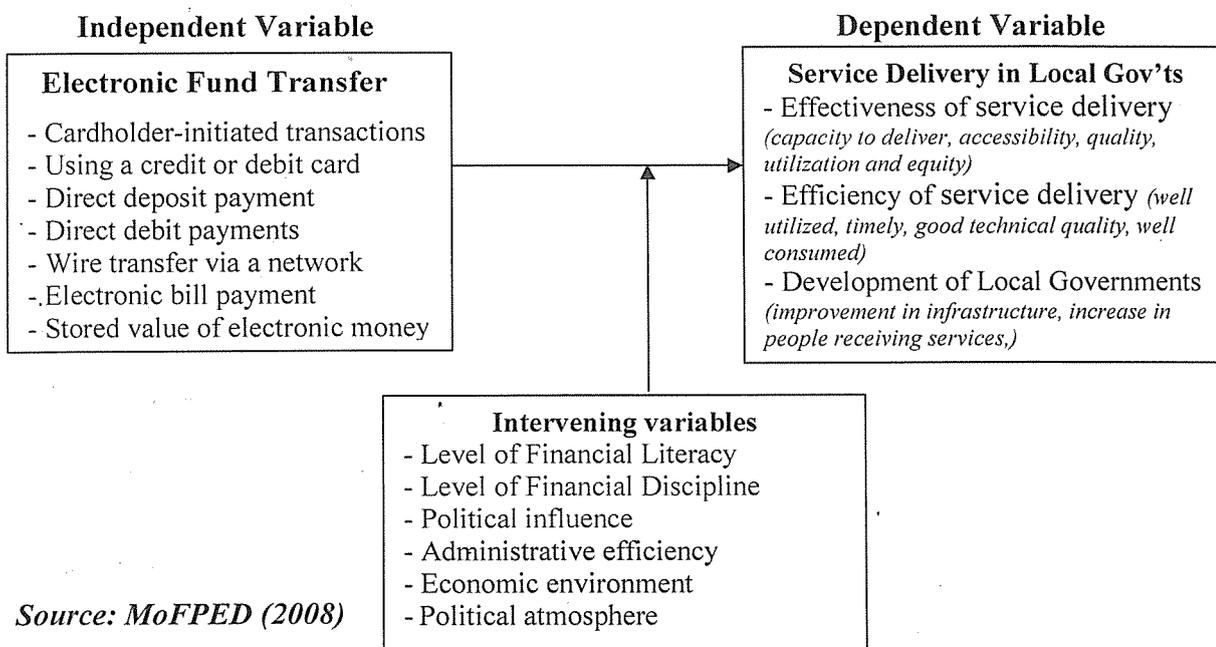


Fig. 1.1: Conceptual Framework

Figure 1.1 shows the interplay between the independent variable – Electronic Fund Transfer (EFT) with its constructs and the dependent variable – service delivery with its constructs too. The service delivery was measured in terms of effectiveness, efficiency and development in the local government. Effectiveness in this case was focused on the capacity to deliver, accessibility, quality, utilization and equity of the services in the local government. On the other hand, efficiency was assess how well utilized, timely, good technical quality, well consumed the services have been in the local government. Finally, development in the local government considered the improvements in infrastructure, increase in people receiving services offered by Mbarara district local government. The conceptual framework also highlights the intervening variables that may have silent effect on the interplay between the independent and dependent variable. The study considered the following to be the intervening variables: Level of Financial Literacy, Level of Financial Discipline, Political influence, Administrative efficiency and Economic environment in Mbarara district local government. The collection, analysis of data, the discussion and interpretation of findings was based on this conceptual framework.

1.9 Definition of Key Terms

Electronic Fund Transfer (EFT) - is the electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, via computer-based systems, without the direct intervention of bank staff.

Service Delivery - Service delivery comprises the actual output or results of an organization as measured against its intended outputs

Effectiveness – Concerns the capacity to deliver, accessibility, quality, utilization and equity of the services.

Efficiency – Concerns how well utilized, timely, nature of technical quality, and well consumed the services have been.

Development – Concerns the improvements in infrastructure, increase in people receiving services offered by the organization.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Local governments of Uganda are now considered the drivers of economic growth. There is now increasing development of information communication technology (ICT) that is being provided a suitable ground for the improvement of the local governments' service delivery. This chapter presents a review of related literature. The review is preceded by the theoretical review of the literature. The review has been done in accordance with the research objectives.

2.1 Theoretical Review

As already indicated, there are several theories that focus on banking and financial transaction management from which this study can borrow. These are discussed below.

2.1.1. The Financial Intermediation Theory of Banking

The presently dominant financial intermediation theory holds that banks are merely financial intermediaries, not different from other non-bank financial institutions: they gather deposits and lend these out. In the words of recent authors, banks create liquidity by borrowing short and lending long (Dewatripont, Rochet and Tirole, 2010), meaning that banks borrow from depositors with short maturities and lend to borrowers at longer maturities. The financial intermediation theory of banking is publicized by highly ranked economics journals, and also includes some well-known economists. Earlier proponents of this theory include Von Mises (1912), who stated that the activity of the banks as negotiators of credit is characterized by the lending of other people's, that is, of borrowed, money. Banks borrow money in order to lend it; ... Banking is negotiation between granters of credit and grantees of credit. Only those who lend the money of others are bankers; those who merely lend their own capital are capitalists, but not bankers.

2.1.2 The Fractional Reserve Theory of Banking

This theory of banking also argues that each bank is a financial intermediary. However, it disagrees with the former theory concerning the collective, macroeconomic role of banks: it argues that, together, the banking system creates money, through the process of multiple deposit expansion. Thus when Gurley and Shaw (1955) argued that banks and non-bank financial institutions are largely similar in that they were both financial intermediaries able to

'create financial claims,' they were challenged during the 1950s and 1960s in influential journals by, among others, Culbertson (1958) and Aschheim (1959), many of whom were supporters of the fractional reserve theory. Phillips (1966) citation of the credit or money multiplier rendered him one of the earlier and most influential economists to formulate the mechanics of fractional reserve banking. According to Phillips (1966) what is true for the banking system as an aggregate is not true for an individual bank that constitutes only one of many units in that aggregate.

2.1.3 The Credit Creation Theory of Banking

The third theory of banking is at odds with the other two theories by representing banks not as financial intermediaries; neither in aggregate nor individually. Instead, each bank is said to create credit and money out of nothing whenever it executes bank loan contracts or purchases assets. So banks do not need to first gather deposits or reserves to lend. Since bank lending is said to create new credit and deposit money, an increase in total balances takes place without a commensurate decrease elsewhere. Therefore according to this theory, over time bank balance sheets and measures of the money supply tend to show a rising trend in time periods when outstanding bank credit grows; unlike with the financial intermediation theory, where only existing purchasing power can be re-allocated and the money supply does not rise. Supporters include Hartley (1916), Schumpeter (1912), Hahn (1920) and others. There were more supporters of this theory in the era of widespread bank note issuance by commercial banks, but our concern here is with writers that considered individual banks to be creators of credit and money even if they do not engage in note issuance. No doubt, Bankers do collect sums from a vast number of persons, but the peculiar essence of their business is, not to lend that money to other persons, but on the basis of this bullion to create a vast superstructure of Credit; to multiply their promises to pay many times: these Credits being payable on demand and performing all the functions of an equal amount of cash.

2.2 Electronic Fund Transfer and Effectiveness of Service Delivery of Local Governments

Technology is changing all organizations' functional areas and their important tasks, ranging from advertising to paying bills. Technology has also attracted significant attention in the last few years. This high profile attention has resulted in significant progress towards strategies, requirements and development of technological applications (Upkar, 2002; Kalakota and

Robinson, 1999; Afshar et al., 2010). The earliest technological studies can be traced back to those published in 1994 (Cronin et al., 1994; Barker, 1994). Barker (1994) provided one of the first surveys on how small organizations used the Internet for organizational purposes. Cronin et al. (1994) discussed how technology might change while competitive intelligence was being gathered. They also discussed briefly how small organizations could benefit from such a tool. In the next year or so, more researches were published focusing on SMEs and e-commerce (Cockburn and Wilson, 1995; Dou, 1996; Fuller and Jenkins, 1995; Poon and Swatman, 1995). Since then, much has been published from the perspective of information systems, marketing and management cited in (Poon and Huang, 2004). Turban et al. (2002) defines e-commerce as: "An emerging concept which describes the process of buying, selling, or exchanging services and information via computer networks". Raymond (2001) defines e-commerce as: the functions of information exchange and commercial transaction support that operate on telecommunications networks linking business partners (typically customers and suppliers).

Although, there are many different types of e-commerce applications, we can also consider EFT as one of the prominent technological applications that have captured organizational interest in the recent past. EFT offers lower costs per financial transaction, especially with respect to transfers between accounts. At the same time, fewer mistakes occur in paperwork because fewer people handle the data. Customer satisfaction is heightened due to better access to order and promotional data. The old rules are breaking down. Companies now share information with competitors, producing "competition". Suppliers and buyers share information: Economic and cultural boundaries are disappearing – in some market segments businesses must be global (Johnson, 2003). This improves service delivery.

Service delivery is probably the most widely used dependent variable in organizational research today yet at the same time it remains one of the most vague and loosely defined constructs (Rogers et al., 1998). Measuring service delivery is difficult, especially when what has to be measured keeps changing (Hubbard, 2006). Many small and medium-sized enterprises are becoming ever more focused on their service delivery. Service delivery comprises the actual results or output of an organization as measured against its intended results or outputs. Typically, there are different ways to characterize various types of Service delivery in local governments. However, Dyer and Reeves (1995), proposed four possible

types of measurement for organizational performance in small and medium-sized manufacturing firms: i) Human resource outcomes (job satisfaction, absenteeism, turnover), ii) Organizational outcomes (quality, productivity, service), iii) Financial accounting outcomes (return on assets, profitability) and iv) Capital market outcomes, (stock price, growth, returns).

Pierre et al. (2009) argued that Service delivery encompasses three specific areas of firm outcomes: (a) Financial performance (profits, return on assets, return on investment, etc.); (b) Product market performance (sales, market share, etc.); and (c) Shareholder return (total shareholder return, economic value added, etc.). According to Shaker and Basem (2010) organizational performance indicators from relationship marketing perspective include: Increasing market share, retaining current customers, attracting new customers, creating loyal customers, increasing profit, Increasing return on investment, positive image. Venkatrman and Ramanujam (1986) argued that organizational performance have three dimensions: Financial performance, operational performance, and stakeholder performance. According to literature review, most common types of organizational performance measures that are used in recent empirical researches are: Financial or accounting performance, operational performance and market-based performance (Combs et al., 2005; Brealey et al., 2001; Helfert, 1994; Higgins, 1995; Penman, 2001; Carton and Hofer, 2006).

On the other hand, Service delivery may be assessed based on the financial aspects. Such performance is usually assessed with accounting-based measures (for example, profitability measures such as return on assets, return on investment, return on sales, return on equity), market-based measures (for example, stock market returns) or a mixture of accounting- and market-based measures (for example, price-earnings ratio). Accounting-based criteria are common in performance evaluations. Popular management journals (such as business week, management today) use profitability criteria for performance-league tables. Also, in academic performance studies profitability measures are the most often used (McGuire and Hill, 1986; Hubbard and Bromiley, 1995).

Accounting-based figures can be misleading because they might have been manipulated to look good. A lack of consistency in corporate accounting methods (for example, with regard to the treatment of inflation, inventory valuation, and depreciation or intangible assets) and a lack of standardization in international accounting conventions make interpretations as well

as comparisons between organizations difficult. A further shortcoming of all accounting-based performance measures is their backward-looking focus (Kaplan and Norton, 1992). Data of past years reveal little about the future potential of a firm. The “short-termism” of the accounting-based measures relates to another point of criticism. Profit can easily be raised in the short-term by cutting expenditures (for example, for advertising or research and development), but that kind of practice might be harmful in the long-run. Thus, the question is if “firm performance” is truly assessed when merely relying on accounting based measures (Ursula and Wilderom, 1997).

2.3 Electronic Fund Transfer and Efficiency of Service Delivery of Local Governments

The use of EFT marked the implementation of ICTs in the banking industry (Bank of Uganda, 2013). Bank of Uganda (BOU) implemented this payment instrument in August 2003 as a means of payment for both credit transfers and direct debits. Since then it has established itself as a speedy, safe, and convenient means of payment, hence the most widely used system for funds transfer between banks and corporate clients and vice versa, government and corporations, central government and local governments, etc. Hence it has eased service delivery. Since 2007, many schools adopted EFT for payment of school fees or tuition (Bank of Uganda, 2013). Its popularity gained prominence when Government instituted a regulation in 2007 requiring that a payment of UGX20,000,000 (twenty million) and above to its suppliers or employees must be routed through EFT. This was intended to ease service delivery and create efficiency.

Efficiency of local public spending is a topic of recent interest in public and urban economics. For practitioners, robust efficiency measures serve as performance benchmarks that help to discipline and improve local public management; for academic economists, the production function approach embedded in the efficiency measures allows to measure and explain the government’s bias to the production of publicly irrelevant outputs, and separate between competing explanations why the local governments increase public spending. In the last two decades, measuring efficiency in local governments became widespread particularly within individual European countries. Recent evidence is available from Belgium (Geys and Moesen, 2009), Finland (Geys et al. 2010; Kalb 2010), Italy (Boetti et al. 2010), Norway (Borge et al. 2008), Portugal (Afonso, Fernandes, 2008).

Out of Europe, recent studies cover, inter alia, the large U.S. cities (Grossman et al. 1999; Moore et al. 2005), Canadian municipalities (Pollanen 2005) as well as Australian municipalities (Worthington, Dollery 2002). There are three reasons to measure efficiency of local governments rather than central governments: (i) Unlike cross-country comparisons of public sector efficiency, single-country studies feature relatively consistent statistics and suffer less from unobserved heterogeneity, hence more likely comply with the restrictive assumption of a homogenous production function. (ii) Municipalities implement many “state-delegated” powers assigned by the central government, where the only room for manoeuvre is on the cost side. (iii) At the local level, policies are more means-focused than ends-focused also because of the absence of many instruments that address the main socio-economic (distributive) conflicts, such as income taxation, and therefore are more related to the provision of (local) public goods.

A study set out to empirically assess cost efficiency of 202 municipalities of extended scope in the Czech Republic over the period 2003–2008. This period features institutional and territorial stability, unlike the reform years 2000–2002. By measuring efficiency comprehensively instead by sector-specific scores, we avoid an issue of fungibility of spending and misclassification into spending categories that is quite frequent at the local level. To our knowledge, our study is a first comprehensive local government efficiency exercise in the new EU member states, and the second in the post-communist region (Hauner 2008). The analysis of determinants allows us to assess whether patterns of efficiency in municipalities of a post-communist country differ from those in the culturally and institutionally not so distant Western European countries (Belgium, Finland, or Germany); it also permits to briefly observe the evolution in performance and efficiency from 1990s to 2000s. The study applied both parametric and non-parametric efficiency measurement methods, and also explain why the most refined parametric method (stochastic frontier analysis with a time-variant Pseudo-Translog specification and determinants) is, at least in our setting, preferred to the best non-parametric method (data envelopment analysis with variable returns to scale and bias corrected by bootstrapping). We end up with efficiency scores and compare with alternative methodologies.

2.4 Electronic Fund Transfer and Development of Local Governments

The management of the available resources in local governments has been a topic of high interest in relation to development of local governments. Over the last 30 years there have been many empirical studies that have focused on the evaluation of efficiency in local governments from multiple points of view and contexts. As the main focus is local governments' efficiency, the initial search was done using combinations of the keywords "efficiency", "performance measurement", "local government" and "municipality".

At the global level, local governments are improving their service delivery by playing a very significant role in providing better cooperation together with the people at local level concerning community development. It shows that policy makers are committed to a high level of community participation for the community development. By doing so, this would work towards allowing local governments to retain strong state power (Jessop 2004; Newman et al. 2004). Local communities should involve and help each other to acquire new approaches in terms of community development. In other words, community development offers a practice that is a part of a process of social change based on the sharing of integrity, skills, knowledge and experience. However, this does not seem to be true of the situation in Mbarara district Local Government based on the ACODE (2015) report. This therefore justifies carrying out this study.

Green and Haines (2012) state community development as a planned effort to build assets that increase the capacity of residents to improve their quality of life. The authors added that these assets may include several forms of community capital such as physical, human, social, financial, environmental, political and cultural. In their study, they identified community development that is controlled by local government provides a better match between the assets and the needs of the communities, such as housing, financial capital, job skills and productivity. This too, does not seem to be true of the situation in Mbarara District Local Government and thus needs investigation.

Growth of local governments and community development fundamentally involve a series of actions and decisions that improves the situation of a community, not just economically, but as a strong functioning community (Cavaye, 2003). Cavaye argues that through action, participation and contact a community becomes more vital and this relies on strong networks, organizational ability, skills, leadership and motivation of the local government. It shows that

local government plays a significant role in bringing the best out of the community it serves in order to achieve productivity and sustainability. Community development's prior objective is to assist the communities in need of revitalization (Rebohlz, 2003). As Rubin (2000) explains that 'the organic theory of community development begins by premising the moral obligations to bring back the communities that the government and the private sector have abandoned'. However, community development is different in its holistic approach to development, adopting strategies that go beyond economic growth.

2.5 Conclusion of Literature Review

The review considered issues relating to EFT and service delivery of local governments. Particular focus was on effectiveness, efficiency and development of local governments in the face of technological developments of dealing with financial matters. The next chapter presents the methodology that the study used to collect, analyze and present findings about the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter outlines the research design that was used in the study, the population and selection of the sample for the study. The instruments of data collection, the procedure to used and the analysis of data that was collected have also been outlined in this chapter.

3.1 Research Design

The researcher adopted a descriptive research design with both quantitative and qualitative approaches. According to Mann (2009), the descriptive research design is appropriate and suitable for studies seeking to understand and discover explanations about a cross-section of respondents. In this study, the researcher intended to establish opinions on the effect of Electronic Fund Transfer (EFT) on Organizational Performance in Local Governments of Uganda using the case of Mbarara District. Thus, the descriptive research design was appropriate.

3.2 Area of Study

The area of study for this study was Mbarara District Local Government located in Mbarara Town Council in Eastern Uganda. The researcher chose Mbarara District Local Government because in terms of formation, it was the first district created from the then Mbale District.

3.3 Study Population

The population of study consisted of all employees of Mbarara District Local Government in the departments of Administration, Finance and Audit, Technical Services, Production and Human Resources. From the data accessed from Mbarara District Registry (2017), the population of study was 128 people.

3.4 Sample size

The researcher used the Sloven's formula stated below to determine the study sample size.

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

Where; n=sample size; e = the proportion of sampling error (0.05);

N=Population

As already indicated, the data from the District Registry (2017) indicates that the target population of study constituted 128 people. Thus, using Sloven's formula, the sample size of the study was as follows: Note: the error (e) is assumed to be 0.05.

$$n = \frac{128}{1 + 128(0.05)^2} = \frac{128}{1 + 128(0.0025)} = \frac{128}{1 + 0.32} = \frac{128}{1.32} = 97$$

The above sample size of 97 respondents were classified as indicated in Table 3.1 below.

Table 3.1: Sample Size of Respondents

Category of respondents	Population	Sample Size	Sampling Technique
Heads of Departments	09	09	Purposive sampling
Technical Staff (employees)	119	88	Simple random sampling
Total	128	97	

Source: Mbarara District Registry (2017).

3.5 Sampling Techniques

Purposive and simple random sampling was used to sample the respondents for this study. Purposive sampling was used to sample heads of departments because these are custodians of all information (Amin, 2005) about the activities in their departments. Simple random sampling was used to sample technical staff because according to Amin (2005), this method of sampling allowed equal chance to each person in the targeted population to be selected and avoids bias by the researcher.

3.6 Data Collection Procedure

An introduction letter from the university was useful in introducing the researcher to the Chief Administrative Officer (CAO) who then communicated to the Heads of Departments to provide opportunity to researcher to access staff and collect data. Furthermore, a supporting letter was attached to the questionnaires that were distributed to the respondents. Arrangements for the process of data collection was jointly agreed upon with the management before the process begins. This is to avoid suspicion and refusal to respond especially by staff.

3.6.1 Instruments of data collection

Questionnaire: Questionnaires are made of a set of items developed to address specific objectives in a study (Mugenda and Mugenda, 2003). A structured questionnaire was used in data collection because according to Amin (2005) a questionnaire is the most widely used data collection instrument in social research. The questionnaire items included demographic items relating to age, gender and education level, employment status and academic qualifications of the respondents. The questionnaire also included items to ascertain the effect of Electronic Fund Transfer (EFT) on Service Delivery in Mbarara District. The questionnaires were administered to the technical staff who were presumed literate as questionnaires require reading, understanding and writing the appropriate responses to the items. The instrument is flexible and easy to construct and analyze due to presence of specified responses (Mugenda & Mugenda, 2003). A four-point likert scale; i.e. 1 strongly disagree, 2 disagree, 3 indifferent, 4 agree and 5 strongly agree; were used.

Interview: Interviewing is a mutual face to face interaction between the interviewer and the interviewee (Kothari, 2003). An interview guide with open-ended items on the effect of Electronic Fund Transfer (EFT) on Service Delivery in Mbarara District were used in face to face interviews to obtain responses from Heads of Departments as key informants.

3.7 Quality Assurance

In research, it is important to ensure that the results of the study are authentic and reliable. This is only possible if the instruments of data collection contain items that are valid and the instrument is reliable. Thus, it was necessary to ascertain both the validity and reliability of the instruments of data collection.

3.7.1 Validity of the Instrument

Validity is the ability of an instrument to produce findings that are in agreement with the theoretical or conceptual values where the instrument measures what it is intended to measure; in this case, it should produce the respondents' opinions. It should produce results that reflect the true situation in the condition of the environment that it is supposed to measure (Mugenda & Mugenda, 2003). The data obtained in the study must accurately represent the variables of the study. To ensure that the items in the instrument were valid, the researcher designed them in consultation with an expert (supervisor). He requested at least three experts to rate the items as very relevant (VR) Relevant (R), somewhat relevant (SWR)

or not relevant (NR) to the study. With the ratings, the researcher computed the Content Validity Index (CVI) using the formula below:

$$CVI = \frac{VR+R}{\text{No. of Items in instrument}}$$

The value of CVI computed was 0.78 and was interpreted in accordance with GEORGE & MALLERY (2003) scale. According to GEORGE AND MALLERY scale (2003), an instrument is considered valid if the CVI computed is at least above 0.7 (70%). Therefore, since the CVI of the instrument was 0.78, it implied that it was acceptable for use in data collection.

3.7.2 Reliability

To assess the reliability of the instrument, the researcher carried out internal consistency reliability through a pilot study with a few people selected from the staff but those that were not part of the final respondents in the study. This was to avoid biasing the minds of respondents at the time of actual process of data collection. The data collected during the pilot trial were entered into the Statistical Package for Social Scientists (SPSS) computer package to compute the reliability of the instrument, using Chronbach Alpha method. Like in the case of validity, interpretation of the value of the coefficient obtained was done in accordance with the George & Mallery (2003) scale.

Reliability Statistics

Section	Cronbach's Alpha
Use of EFT in making payments	0.874
Effectiveness of Service Delivery	0.938
Efficiency of Service Delivery	0.744
Development of the Local Government	0.915
Intervening Variable	0.836
Average Alpha Value (Reliability)	0.861

Source: Primary data

The value of alpha obtained was 0.806 and like in the case of validity this was interpreted as good reliability in accordance with the GEORGE & MALLERY (2003) scale.

3.8 Measurement of Variables

For the questionnaire, the variables under EFT systems will be measured using ordinal scale and using a 4 point-likert scale format (Strongly Disagree = 1; Disagree = 2; Indifferent = 3; Agree = 4 and Strongly Agree = 5) adopted from Firdaus (2006) and modified according to the objectives of the study. The questionnaire was divided into sections based on each of the constructs in the independent variables and the dependent variable. In analyzing the responses from the likert scale of the questionnaire, means and standard deviation generated through the SPSS package was obtained and an appropriate scale to interpret the means was used.

Interpretation of results from the regression analysis was based on the standard regression (p-value = 0.05). If the computed value was below the standard, then variable had significant positive effect on organizational performance and if the computed value was above the standard then it meant that the variable has no significant effect on organizational performance.

3.9 Data Processing and Analysis

Since data and information for each research question was gathered from various sources and using different techniques, it was important to synthesize it or put it together in order to obtain a comprehensive picture of the situation regarding each research question in the study.

Quantitative Data: the quantitative data collected was analyzed using descriptive statistics generated by the Statistical Package for Social Scientists (SPSS). The descriptive statistics that was involved in the analysis of data included means from which indices were generated in order to run a regression that was used to establish the effect of EFT on service delivery in Mbarara District Local Government.

Qualitative Data: Analysis of qualitative data collected was based on the general themes and emerging categories of thought. The data were then be presented in simple, easy to understand statistical representations which include pie charts, bar graphs and tables.

3.10 Ethical Considerations

The researcher respected anonymity of the respondents by ensuring confidentiality of the respondents and the data provided. This was done through assurance that the information they provided was purely for academic purposes and that their identity was not be disclosed. This was highlighted in the introductory part of the questionnaire or before the interview sessions. Lastly but not least, objectivity was considered during report writing to avoid personal bias.

3.11 Limitations of the Study

Organizations are critical about security and disbursement of information pertaining to their operations. The likely limitation was in terms of accessing information that was considered classified by Mbarara District Local Government. The respondents, especially the technical staff may refuse to disclose information about their departments. However, it was hoped that the introduction letter from the university and an honest discussion on the significance of the study with the Chief Administrative Officer (CAO) created a harmonious environment and permission to assess such classified information. The other factor that could have been limiting was the response rate which may affect the reliability of the study. However, in case the response rate was low, more questionnaires were distributed to ensure that the appropriate sample is attained.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS OF STUDY

4.0 Introduction

This chapter now presents the data analysis and the findings of the study starting with the demographic data of the respondents and then the findings on the basis of these specific objectives.

4.1 Response Rate

Response rate (also known as completion rate or return rate) in survey research refers to the number of people who answered the survey divided by the number of people in the sample (ADAY, 1996). It is normally expressed in the form of a percentage. Before delving into the analysis of data collected, an assessment of the response rate was done. This was done by dividing the number of the respondents who were met (involved) and given the data collection tools or interviewed by the targeted categories of respondents in each case and Table 4.1 below presents the results.

Table 4.1: Response Rate

Category of respondents	Planned Number	Actual Number	% Response
Heads of Departments	09	05	5.1%
Technical Staff (employees)	88	88	90.7%
Total	97	93	95.8%

Source: Primary data

From Table 4.1, the response rate for various categories of respondents varied particularly depending on their schedule. The response rate for Heads of Departments was 5.1% of the total targeted sample of respondents while that for the technical staff was 90.7%. A survey's response rate is viewed as an important indicator of survey quality because according to Aday (1996), Babbie (1990), Rea and Parker (1997), higher response rates assure more accurate survey results. With an overall rate of return of 95.8% it implies that the survey quality was good (Rea and Parker, 1997). The variation in the response rate among different categories of respondents was due to different reasons depending on the category of

respondents. However, for most of them, it was because the respondents were quite busy and therefore difficult to access.

4.2 Demographic Data of Respondents

It was found necessary to first collect demographic data of the respondents of this study. Demographic data is useful in that it provides proof and evidence about not only the categories of respondents but also about the nature of respondents, the age, education level and experience. Such information is useful in providing faith in the data collected and improves on the reliability of the findings of a study. The demographic data of the respondents is therefore presented in the following tables.

4.2.1 Sex Distributions of Respondents

Table 4.2 shows the sex distribution of the respondents of this study.

Table 4.2: Sex Distribution of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	53	60.2	60.2	60.2
female	35	39.8	39.8	100.0
Total	88	100.0	100.0	

Source: Primary data (2019)

Table 4.2 shows results about the sex distribution of the respondents. The results revealed that there were more males (60.2%) than females (39.8%). This means more males have been employed by Mbarara District Local Government. This was a true reflection of the sex proportions within Mbarara District Local Government and thus the findings of this study are representative of the target population of study.

4.2.2 Age Distributions of Respondents

Table 4.3 shows the age distribution of the respondents of this study.

Table 4.3: Age Distribution of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
20-29	8	9.1	9.1	9.1
30-39	22	25.0	25.0	34.1
40-49	51	58.0	58.0	92.0
50 Above	7	8.0	8.0	100.0
Total	88	100.0	100.0	

Source: Primary data (2019)

From the data presented in Table 4.3 it was found out that 58.0% of the respondents were in the age bracket of 40-49 years, implying that majority of the respondents were mature people in their prime years of service to the district. Another 25.0% of them were in the age bracket of 30-39 years, while 9.1% of them were in the age bracket of 20-29 years and 8.0% of them were above 50 years of age. Maturity in age is linked to greater understanding of issues especially those concerning management of organizations such as Mbarara District Local Government. The fact that majority of the respondents were mature people in their prime years of service means their zeal to serve the organization was high and they have time to continue working. In other words, they need to protect their jobs while at the same time; they need positive recommendation for future jobs. Therefore, the data collected from such respondents can be taken to be reliable.

4.2.3 Distributions of Respondents by Education Level

Table 4.4 shows the distribution of the respondents of this study by education level.

Table 4.4: Distribution of Respondents by Education Level

	Frequency	Percent	Valid Percent	Cumulative Percent
Certificate	22	25.0	25.0	25.0
Diploma	29	33.0	33.0	58.0
Degree	30	34.1	34.1	92.0
Masters	7	8.0	8.0	100.0
Total	88	100.0	100.0	

Source: Primary data (2019)

From the results in Table 4.4, it was found out that 25% of the respondents had certificate level of education, 33.0% of them had diploma while 34.1% of them had degree qualifications. Finally, only 8.0% of the respondents had masters level of education. The implication in this case was that all the respondents gave informed responses as they understood the questions asked. Good education is paramount in terms of capability for people to do their work and to critically understand issues EFT and fund management within the organizational setting such as in Mbarara District Local Government. The next subsection presents the distribution of the respondents by designation.

4.2.4 Distributions of Respondents by Designation

Table 4.5 shows the distribution of the respondents of this study by designation.

Table 4.5: Distribution of Respondents by Designation

	Frequency	Percent	Valid Percent	Cumulative Percent
Administration	28	31.8	31.8	31.8
Finance	37	42.0	42.0	73.9
Human Resource	15	17.0	17.0	90.9
Production	8	9.1	9.1	100.0
Total	88	100.0	100.0	

Source: Primary data (2019)

From Table 4.5, it was found out that 31.8% of the respondents were serving in positions of administration in Mbarara District. 42.0% of them were serving in some financial management positions while 17.0% were under Human Resources and 9.1% were under production departments. This means that many of them were working in important positions where they ought to have knowledge about funds disbursement in the organization. This implied that they all had proper knowledge on issues of EFT and funds management in Mbarara District.

4.2.5 Distributions of Respondents

Table 4.6 shows the distribution of the respondents by number of years in Public Service.

Table 4.6: Distribution of Respondents by Number of years in Public Service

	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 years	8	9.1	9.1	9.1
6-10 years	29	33.0	33.0	42.0
11-15 years	14	15.9	15.9	58.0
Over 15 years	37	42.0	42.0	100.0
Total	88	100.0	100.0	

Source: Primary data (2019)

From Table 4.6, it was found out that 9.1% of the respondents had worked with Public Service for a period between 1-5 years. Another 33.0% of them had worked for between 6-10 years while 15.9% of them had worked with Public Service for between 11-15 years. Finally, 42.0% of the respondents indicated that they had worked with Public Service for more than 15 years. On the whole, majority of the respondents had worked with Public Service for more than 10 years. This implied that they had served the publics for a time long enough for them to understand the dynamics involved in management issues and especially financial disbursements in Public Service like in Mbarara District. Therefore, the data they provided was considered reliable.

4.2.6 Distributions of Respondents by Number of Years in Service in Mbarara

Table 4.7 shows the distribution of the respondents of this study by number of years in service in Mbarara District Local Government.

Table 4.7: Distribution of Respondents by Number of years of Service in Mbarara

	Frequency	Percent	Valid Percent	Cumulative Percent
1-5 years	8	9.1	9.1	9.1
6-10 years	29	33.0	33.0	42.0
11-15 years	14	15.9	15.9	58.0
Over 15 years	30	34.1	34.1	92.0
Missing	7	8.0	8.0	100.0
Total	88	100.0	100.0	

Source: Primary data (2019)

From Table 4.7, it was found out that 9.1% of the respondents had worked with Mbarara District for between 1-5 years. This means that many of them were recruited at least a five years ago and therefore had not served the organization long enough. Another 33.0% of them had worked for between 6-10 years while only 15.9% of them had worked for between 11-15 years and 34.1% had worked in Mbarara District for over 15 years. In as far as this study was concerned; those that had worked for at least over five years provided the best data since they had worked longest with district. This is due to the fact that the data they provided to a greater extent reflected the situation regarding EFT management in Mbarara District Local Government.

4.3 Use of EFT in Making Payments and Effectiveness of Service Delivery

Objective one of the study sought to examine the effect of use of EFT in making payments on effectiveness of service delivery of Mbarara District Local Government. In order to determine effect, data was collected on the use of EFT in making payments and also on effectiveness of service delivery and then a regression was run to determine the effect of use of EFT in making payments on effectiveness of service delivery of Mbarara District Local Government. Data collected on use of EFT in making payments and effectiveness of service delivery through the completed questionnaires was analyzed using the Statistical Package for

Social Scientist (SPSS) and the findings are presented in Table 4.8 and Table 4.9 respectively.

Table 4.8: Use of EFT in Making Payments

Use of EFT in Making Payments	SD	D	IND	A	SA	Mean	Std. Dev
Mbarara district makes vendor payments using EFT	8.0	8.0	0.0	25.0	59.0	4.19	1.267
Mbarara district makes payments for services using EFT	0.0	8.0	0.0	25.0	67.0	4.51	.858
Tax payments in Mbarara district are made using EFT	0.0	8.0	0.0	23.9	68.1	4.52	.857
Payments of employee salaries in Mbarara district are done using EFT	0.0	0.0	0.0	23.9	76.1	4.76	.429
Payments of contractors in Mbarara district is done using EFT	0.0	0.0	0.0	33.0	67.0	4.67	.473
Any other payments in Mbarara district are made using EFT	0.0	8.0	15.9	17.0	59.1	4.27	1.003
Overall Mean						4.49	

Source: Primary data (2019)

In analyzing data in Table 4.8, the proportion of respondents who strongly disagreed and that of those who disagreed were added together. This is because both had disagreed. Similarly, the proportion of respondents who strongly agreed and those who agreed were also added together because in any case, both had agreed. Therefore, from Table 4.8, it was revealed that 84.0% of the respondents agreed that Mbarara District made vendor payments using Electronic Fund Transfer (EFT). Only 16.0% of them disagreed that Mbarara District made vendor payments using EFT. Furthermore, 92.0% of them acknowledged that Mbarara District made payments for services using EFT. Similarly, majority (92.0%) of the respondents agreed that Tax payments in Mbarara District are made using EFT.

The results in Table 4.8 also indicated that all the respondents (100%) agreed that payments of employee salaries in Mbarara District are done using EFT. This was a clear indication that no salaries whatsoever, were made by either cheque or cash.

Similarly, the results also showed that all respondents also acknowledged the fact that payments of contractors in Mbarara District is done using EFT. It was also found out that 76.1% of the respondents agreed that any other payments in Mbarara District were made using EFT. At least 15.9% remained indifferent while 8.0% of them disagreed to this effect. The overall mean for all items on use of EFT in making payments in Mbarara District was found to be 4.49. From the likert scale used in the questionnaire, this was close to 4 which implied that on the whole, respondents agreed that Mbarara District Local government used EFT in making payments in all its transactions. The next table presents results on the effectiveness of service delivery in Mbarara District Local Government.

Table 4.9: Effectiveness of Service Delivery in Mbarara District

Effectiveness of Service Delivery	SD	D	IND	A	SA	Mean	Std. Dev
Service availability in Mbarara district is sufficient	0.0	9.1	0.0	65.9	25.0	4.07	.785
Service accessibility in Mbarara district is good	0.0	9.1	8.0	65.9	17.0	3.91	.783
Service delivery capacity in Mbarara district is sufficient	9.1	23.9	17.0	40.9	9.1	3.17	1.167
Service acceptability in Mbarara district is good	0.0	17.0	8.0	67.0	8.0	3.66	.856
Service safety in Mbarara district is adequate	9.1	15.9	0.0	58.0	17.0	3.58	1.210
Service equity in Mbarara district is adequate						3.33	1.122
Service quality in Mbarara district is good	9.1	15.9	15.9	51.1	8.0	3.82	.904
Service utilization in Mbarara district is good	0.0	17.0	0.0	67.0	15.9	3.72	1.103
Overall Mean						3.66	

Source: Primary data (2019)

Just like in the analysis of results in Table 4.8, it was found necessary to add the proportion of respondents who strongly disagreed and that of those who disagreed because both had disagreed. Similarly, it was also prudent to add the proportion of respondents who strongly agreed and those who agreed because in any case, both had agreed. So, from the data in

Table 4.9, it was found out that 90.9% of the respondents agreed that service availability in Mbarara District was sufficient. Only 9.1% of them disagreed to this effect. Similarly, majority (82.9%) of the respondents acknowledged that fact that service accessibility in Mbarara District was good. However, at least 9.1% of them disagreed while 8.0% remained indifferent. It is possible for some few people in the organization not to be aware of what could be going on. This represented the proportion of those who either disagreed or remained indifferent.

The results in Table 4.9 also showed that 50.0% of the respondents agreed that service delivery capacity in Mbarara District was sufficient. However, 33.0% of them disagreed while 17.0% remained indifferent. This implied that a significant proportion of the respondents could not ascertain whether or not service delivery capacity in Mbarara district was sufficient. On the other hand, 75.0% of the respondents acknowledged that service acceptability in Mbarara District was good. Only 17.0% of the respondents disagreed and 8.0% of them remained indifferent to this effect. Furthermore, another 75.0% of the respondents agreed that service safety in Mbarara District was adequate. The rest (25.0%) disagreed that service safety in Mbarara District was adequate. Finally, 82.9% of the respondents acknowledged the fact that service utilization in Mbarara District was good. The overall mean for all items on effectiveness of service delivery in Mbarara District was found to be 3.66 implying that most of the respondents tended to agree that there was effectiveness in service delivery in Mbarara District Local Government.

In order to determine the effect of the use of EFT in making payments on effectiveness of service delivery, a regression of use of EFT in making payments was run against effectiveness of service delivery using SPSS and the results are presented in Table 4.10 and Table 4.11.

Table 4.10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.773 ^a	.598	.594	.273

a. Predictors: (Constant), Use of EFT in Making Payments

From the results in Table 4.10, the value of R Square = 0.598 implying that the use of EFT in making payments accounted for only 59.8% of effective service delivery in Mbarara District. The overall effect of this is presented in Table 4.11 below

Table 4.11: Effect of Use of EFT in Payments on Effectiveness of Service Delivery

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.564	1	9.564	128.030	.000 ^b
	Residual	6.424	86	.075		
	Total	15.989	87			

a. Dependent Variable: Effectiveness of Service Delivery

b. Predictors: (Constant), Use of EFT in Making Payments

From the results in Table 4.11, it was revealed that the sig value was found to be 0.000 which was well below 0.05 (the standard). This implies that there was a strong significant effect of use of EFT in making payments on the effectiveness of service delivery in Mbarara District Local Government. This finding was in agreement with the data collected through face to face interviews. For example one of the respondents said;

“The use of EFT in making payments in Mbarara District Local Government has greatly reduced on delays in payment especially to the service providers. This has ultimately improved on the effectiveness of service delivery in the district. Service providers no longer have to wait at the district pleading with technical staff. Any delays in the system are normally technical in nature and I think the technical staff have always tried to explain the technical problems to the recipients of funds.”

Another respondent said;

“For me, I find use of EFT in making payments in Mbarara District Local Government a great relief to staff in the accounts department. This is because,

in the past, anybody who needed payment would wait upon the staff making it difficult for them to do their work. However, introduction of use of EFT has made things easy and those who are required to deliver services do it because payment is suctioned after evidence of service delivery. To me this has improved on the service delivery system in the district.”

These findings are in agreement with the literature reviewed. For instance, the results are in agreement with Carton and Hofer (2006) who noted that use of EFT had a significant effect on service delivery in commercial organizations. Although their study examined the effect of use of EFT in commercial organizations, the fact that it had a significant effect in service delivery implies that their findings are closely in agreement with what the present study in Mbarara District Local Government found out. The results were also in agreement with Penman (2001) who carried out a study of organizational performance in non-profit organizations that used e-payments of their service providers. Penman (2001) found out that there was improved performance of the organization when they introduced e-payment. It should be understood that e-payment is another form of EFT from the source to the receiver which is being used in Mbarara District Local Government.

Similarly, the findings were found to be in agreement with Shaker and Basem (2010) who studied organizational performance of community-based organizations in developing countries. They found out that the mode of payment affected service delivery. They tested both e-payment and traditional cash payment and found out that e-paymnet was faster and highly appreciated by the service providers that the traditional cash payment system. The recommended adoption of e-payment by community organizations for improved service delivery.

4.4 Use of EFT in Making Payments and Efficiency in Service Delivery

Objective two of the study sought to establish the effect of EFT on efficiency of service delivery of Mbarara District Local Government. In this case, it was important to ascertain the level of use of EFT in making payments and then run a regression with the level efficiency in service delivery order to determine the effect. Since the level of use of EFT in making payments had already been ascertained under objective one, it was not necessary to repeat that analysis. Instead, it was imperative to obtain descriptive statistics for level of

efficiency in service delivery. Table 4.12 presents the results on level of efficiency in service delivery in Mbarara District Local government.

Table 4.12: Level of Efficiency in Service Delivery in Mbarara District

Efficiency of Service Delivery	SD	D	IND	A	SA	Mean	Std. Dev
Resources meant for the public are well channeled to them as scheduled	0.0	17.0	0.0	40.9	42.0	4.08	1.053
Services meant for the public reach them as scheduled	0.0	17.0	8.0	48.9	26.1	3.84	1.004
There are no obstacles in accessibility of resources to the public	0.0	33.0	9.1	58.0	0.0	3.25	.925
Physical accessibility (number per given population)	0.0	25.0	25.0	50.0	0.0	3.25	.834
Availability of human resources that serves the public (medics, teachers, extension staff, etc)	0.0	8.0	17.0	59.1	15.9	3.83	.791
Worker absenteeism has reduced	0.0	15.9	0.0	75.0	9.1	3.77	.827
Weekly hours of work has improved	9.1	8.0	8.0	65.9	9.1	3.58	1.069
Availability of materials resources to the public (drugs, equipment, instructional materials, etc)	0.0	15.9	9.1	65.9	9.1	3.68	.852
Organizational quality (attitude, commitment, duration of service provision, etc)	0.0	8.0	17.0	56.8	18.2	3.85	.810
User friendliness in service provision	0.0	8.0	8.0	75.0	9.1	3.85	.687
Continued accessibility of services that require repeated provision (drugs)	0.0	0.0	0.0	90.9	9.1	4.09	.289
Uptake of services (medical, education, extension)	0.0	0.0	0.0	90.9	9.1	4.09	.289
Technical quality of services provided is good	0.0	0.0	9.1	58.0	33.0	4.24	.606
Public satisfaction of services provided is high	9.1	15.9	17.0	58.0	0.0	3.24	1.028
Overall Mean						3.48	

Source: Primary data (2019)

In analyzing data in Table 4.12, the proportion of respondents who strongly disagreed and that of those who disagreed were added together. This is because both had disagreed.

Similarly, the proportion of respondents who strongly agreed and those who agreed were also added together because in any case, both had agreed. Therefore, from Table 4.12, it was revealed that 82.9% of the respondents agreed that resources meant for the public were well channeled to them as scheduled. However, 17.1% of them disagreed to this effect. Similarly, majority (75.0%) of the respondents acknowledged that services meant for the public reached them as scheduled. At least 17.0% disagreed while 8.0% of them remained indifferent. Furthermore, 58.0% of the respondents agreed that there were no obstacles in accessibility of resources to the public. A reasonable proportion (33.0%) of the respondents disagreed and 9.1% of them remained indifferent to this effect.

The results in Table 4.12 also revealed that majority (75.0%) of the respondents acknowledged the availability of human resources that served the public (medics, teachers, extension staff, etc). However, 8.0% of them disagreed and 17.0% remained indifferent in this regard. The results also indicated that 75.0% of the respondents agreed that there was availability of materials resources to the public (drugs, equipment, instructional materials, etc). At least 15.9% of the respondents disagreed and 9.1% of them remained indifferent.

The results in Table 4.12 also showed that majority (84.0%) of the respondents acknowledged user friendliness in service provision in Mbarara District Local Government. Furthermore, all the respondents agreed that there was uptake of services (medical, education, extension) by the public. In the same way, 90.9% of the respondents acknowledged that the technical quality of services provided was good. Finally, 58.0% of the respondents agreed that public satisfaction of services provided was high. At least 25.0% of them disagreed while 17.0% remained indifferent in this regard. The overall mean for all items on efficiency in service delivery in Mbarara District Local Government was found to be 3.66. according to the likert scale used in the questionnaire, this was nearer to 4 implying that most of the respondents tended to agreed that level of efficiency in Mbarara District was high. However, in order to determine the effect of this level of use of EFT in making payments on efficiency in service delivery, a regression was run using SPSS and the results are presented in Tables 4.13 and 4.14.

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.329 ^a	.108	.098	.859

a. Predictors: (Constant), Use of EFT in Making Payments

From the results in Table 4.13, the value of R Square = 0.108 implying that the use of EFT in making payments accounted for only 10.8% efficiency Mbarara District. The overall effect of this is presented in Table 4.14 below

Table 4.14: Effect of Use of EFT in Making Payments on Efficiency in Service Delivery

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.689	1	7.689	10.430	.002 ^b
	Residual	63.402	86	.737		
	Total	71.091	87			

a. Dependent Variable: Efficiency of Service Delivery

b. Predictors: (Constant), Use of EFT in Making Payments

From the results in Table 4.14, it was found out that the sig value was 0.002 which was also less than 0.05 (the standard). This implies that there was also a strong significant effect of use of EFT in making payments on efficiency in service delivery in Mbarara District Local Government. This finding was in agreement with the data collected through face to face interviews. The analysis was done using content analysis and the results are presented verbatim. For example one of the respondents said;

“Whereas EFT is a relatively new mode of payment system in local governments, it has been found to be efficient because there are schedules of duties of officers, sometimes some individuals perform duties that are not

under their jurisdiction because of lack of close supervision. However, with EFT, the system is self-regulating and can be monitored through a web-based programme. This has improved on the efficiency of both payments and service delivery.”

Another respondent said;

“Use of EFT has greatly reduced congestion in the accounts office and at the same time improved of the time wastage by service providers chasing for their money. All they need to do is do their job and submit the required documentation which is a basis for generation of payment by the system. Without evidence of service delivery, payments cannot be transacted.”

The findings were found to be in agreement with evaluation studies by Bank of Uganda (2013) who evaluated to use of EFT in payment of public servants and school fees payment since 2007. They found out that many schools adopted EFT for payment of school fees or tuition and that service provision had become more efficient (Bank of Uganda, 2013). Similarly, an assessment by Kalb (2010) in service delivery in European local governments found out that for practitioners, robust efficiency measures resulting from use of electronic payments served as performance benchmarks that help to discipline and improve local public management; for academic economists, the production function approach embedded in the efficiency measures allows to measure and explain the government’s bias to the production of publicly irrelevant outputs, and also helped to separate between competing explanations why the local governments increase public spending.

4.5 Use of EFT in Making Payments on development in Mbarara District

Objective three of the study sought to establish the effect of EFT on development of Mbarara District Local Government. In this objective, it was necessary to establish the level of development in Mbarara District and then run a regression with the values from level of use of EFT earlier determined in objective one. Table 4.15 presents the results on level of development in Mbarara District Local government.

Table 4.15: Level of Development in Mbarara District Local Government

Development of the Local Government	SD	D	IN D	A	SA	Mean	Std. Dev
Number of children progressing from one level to another has improved	0.0	8.0	8.0	75.0	9.1	3.85	.687
Number of classrooms constructed has increased	0.0	8.0	0.0	67.0	25.0	4.09	.753
Number of schools with sufficient staffing has increased	0.0	25.0	17.0	40.9	17.0	3.50	1.050
Number of health centres with sufficient staffing has increased	0.0	25.0	8.0	48.9	18.2	3.60	1.056
Number of health centres with sufficient drugs has increased	0.0	17.0	15.9	33.0	34.1	3.84	1.082
Number of people receiving health services has increased	0.0	17.0	8.0	40.9	34.1	3.92	1.053
Number of people receiving extension services has increased	0.0	26.1	15.9	40.9	17.0	3.49	1.061
Length of graded road network (motorable) has increased	0.0	8.0	0.0	65.9	26.1	4.10	.759
Percentage of protected water sources has increased	0.0	0.0	8.0	67.0	25.0	4.17	.551
Overall Mean						3.84	

Source: Primary data (2019)

Just like in the analysis of results in Table 4.12 it was found necessary to add the proportion of respondents who strongly disagreed and that of those who disagreed because both had disagreed. Similarly, it was also necessary to add the proportion of respondents who strongly agreed and those who agreed because in any case, both had agreed. So, from the data in Table 4.15, it was found out that 84.0% of the respondents agreed that the number of children in schools progressing from one level to another had improved. Only 8.0% disagreed and another 8.0% remained indifferent in this regard. Similarly, 92.0% of the respondents acknowledged that the number of classrooms constructed in the schools had increased. This is an indicator of development in the local government. Furthermore, 67.0% of the

respondents agreed that the number of health centres in Mbarara District Local Government with sufficient staffing had increased. Only 25.0% of them disagreed while 8.0% remained indifferent on this matter.

The results in Table 4.15 further revealed that 75.0% of the respondents agreed that the number of people receiving health services in Mbarara District Local Government had increased. However, 17.0% of them disagreed and 8.0% remained indifferent to the fact that the number of people receiving health services had increased. Similarly, 67.9% of the respondents acknowledged that the number of people receiving extension services in Mbarara District Local Government had increased. In the same way, majority (92.0%) of the respondents agreed that the length of graded road network (motorable) in Mbarara District Local Government had increased. Only 8.0% of them disagreed that the length of graded road network (motorable) had increased.

Finally, 92.0% of the respondents acknowledged that the percentage of protected water sources in Mbarara District Local Government had increased. The overall mean for all items on development in Mbarara District Local Government was found to be 3.84 implying that most of the respondents agreed that development in Mbarara District Local Government had increased. However, in order to determine the effect of use of Electronic Fund Transfer (EFT) in making payments on development in Mbarara District Local Government, the mean values from use of EFT and development in Mbarara District Local Government were transformed and used to run a regression using SPSS and the results are presented below.

Table 4.16: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.147 ^a	.022	.010	1.076

a. Predictors: (Constant), Use of EFT in Making Payments

From the results in Table 4.16, the value of R Square = 0.022 implying that the use of EFT in making payments accounted for only 2.2% of the development in Mbarara District Local Government. The overall effect of this is presented in Table 4.17 below

Table 4.17: Effect of Use of EFT on development in Mbarara District

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.191	1	2.191	1.892	.173 ^b
Residual	99.582	86	1.158		
Total	101.773	87			

a. Dependent Variable: Development of the Local Government

b. Predictors: (Constant), Use of EFT in Making Payments

The data in Table 4.17 showed that the sig value was found to be 0.173 which was more than 0.05 (the standard). This implies that there was an insignificant effect of use of EFT in making payments on the level of development in Mbarara District Local Government. This finding was in agreement with the data collected through face to face interviews. For example one of the respondents said;

“I believe that meaningful development is a function of local government efforts and public input. If the people are not involved in their affairs, the development we talk about cannot be achieved.”

Another respondent said;

“In my opinion, improvements in payment system on its own may not lead to real development. The people have to effectively participate in the development process if they are to realize meaningful development.”

The findings were found to be in agreement with Cavaye (2003) who found out that developments in local governments and community development fundamentally involve a series of actions and decisions that improves the situation of a community, not just improvements in efficiency and effectiveness in payment systems, but as a strong functioning community. Cavaye argued that through action, public participation and contact a community becomes more vital and this relies on strong networks, organizational ability, skills, leadership and motivation of the local government. This implies that the people of Mbarara

needs to come out and participate in development programmes rather than think that everything will be done for them. It shows that local government plays a significant role in bringing the best out of the community it serves in order to achieve productivity and sustainability.

4.6 Intervening Variables

From the conceptual framework, it was envisaged that there was no ideality in the governance and management of finances and activities in Mbarara District Local Government. In this regard, the researcher considered that there were a number of intervening variables that could have influence on the entire governance and management processes in the district. Therefore, some items were designed and included in the questionnaire to find out if they really had some significant influence. The results from the analysis of the situation relating to intervening variables is presented in table 4.18.

Table 4.18: Analysis of the Intervening Variables

Intervening Variables	SD	D	IND	A	SA	Mean	Std. Dev
Level of Financial Literacy affects service delivery in Mbarara district	0.0	23.9	8.0	60.2	8.0	3.52	.947
Level of Financial Discipline affects service delivery in Mbarara district	0.0	33.0	0.0	59.1	8.0	3.42	1.036
Political influence affects service delivery in Mbarara district	9.1	15.9	0.0	50.0	25.0	3.66	1.268
Administrative efficiency affects service delivery in Mbarara district	9.1	15.9	0.0	51.1	23.9	3.65	1.260
Economic environment affects service delivery in Mbarara district	9.1	15.9	8.0	50.0	17.0	3.50	1.213
Overall Mean						3.55	

Source: Primary data (2019)

Just like in the analysis of results in Table 4.15 it was found necessary to add the proportion of respondents who strongly disagreed and that of those who disagreed because both had disagreed. Similarly, it was also necessary to add the proportion of respondents who strongly agreed and those who agreed because in any case, both had agreed. So, from the data in Table 4.18, it was found out that 68.2% of the respondents acknowledged that the level of financial literacy affected service delivery in Mbarara District. However, 23.9% of the respondents disagreed that the level of financial literacy affected service delivery in Mbarara District Local Government. At least 8.0% of them remained indifferent to this effect. Furthermore, 67% of the respondents agreed that level of financial discipline affected service delivery in Mbarara District Local Government. At least 33.0% of the respondents disagreed to this effect. Similarly, majority (75.0%) of the respondents acknowledged the fact that political influence affected service delivery in Mbarara District Local Government. The results further showed that 75.0% of the respondents agreed that administrative efficiency affected service delivery in Mbarara District local Government. Finally, it was found out that 67.0% of the respondents agreed that economic environment affected service delivery in Mbarara District Local Government. The overall mean of the items under intervening variables was found to be 3.55 implying that most of the respondents tended to agree that intervening variables also had effect on the overall governance and management of the affairs in Mbarara District Local Government.

In order to determine the magnitude of effect that can be attributed to intervening variables, a linear regression from the means was run using SPSS. The results are presented in table 4.19.

Table 4.19: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.502 ^a	.252	.244	.823

a. Predictors: (Constant), Use of EFT in Making Payments

From the results in Table 4.19, the value of R Square = 0.252 implying that the intervening variables affected service delivery in Mbarara District Local Government to a magnitude of 25.2%. The overall effect of this is presented in Table 4.20 below.

Table 4.20: Effect of Intervening Variables on Service Delivery in Mbarara

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	19.670	1	19.670	29.023	.000 ^b
Residual	58.285	86	.678		
Total	77.955	87			

a. Dependent Variable: Intervening Variable

b. Predictors: (Constant), Use of EFT in Making Payments

The data in Table 4.20 showed that the sig value was found to be 0.000 which was less than 0.05 (the standard). This implies that there was a strong significant effect of intervening variables on service delivery in Mbarara District Local Government. This finding was in agreement with the data collected through face to face interviews. For example one of the respondents said;

“Although EFT has improved effectiveness and efficiency in Mbarara, development has not improved in tandem with the effectiveness and efficiency. This is because of the weaknesses within the political and administrative collaboration.”

4.7 Conclusion

This chapter has presented the findings of the study according to each objective. The findings have also been compared with the available literature. The next chapter now presents the summary, conclusion and recommendations of the study.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter focuses on the summary of the results which is presented in arrangement of research question by research question, conclusions drawn from the study findings and recommendations based on the conclusions.

5.1 Summary of Findings

This subsection presents the summary of the findings, research objective by research objective.

5.1.1 Use of EFT in Making Payments and Effectiveness of Service Delivery

From the results of this study, it was found out that the average mean of all the responses on use of EFT in making payments in Mbarara District was found to be 4.49. From the likert scale used in the questionnaire, this was close to 4 which implied that on the whole, respondents agreed that Mbarara District Local government used EFT in making payments in all its transactions. Furthermore, it was found out that the overall mean for all items on effectiveness of service delivery in Mbarara District was found to be 3.66 implying that most of the respondents tended to agree that there was effectiveness in service delivery in Mbarara District Local Government. From the results in Table 4.10, the value of R Square = 0.598 implying that the use of EFT in making payments accounted for only 59.8% of effective service delivery in Mbarara District. The sig value was found to be 0.000 which was well below 0.05 (the standard). This implies that there was a strong significant effect of use of EFT in making payments on the effectiveness of service delivery in Mbarara District Local Government.

5.1.2 Use of EFT in Making Payments and Efficiency in Service Delivery

Given the data presented in Table 4.12, it was found out that the overall mean for all items on efficiency in service delivery in Mbarara District Local Government was found to be 3.66. according to the likert scale used in the questionnaire, this was nearer to 4 implying that most of the respondents tended to agreed that level of efficiency in Mbarara District was high. From the results in Table 4.13, the value of R Square = 0.108 implying that the use of EFT in

making payments accounted for only 10.8% efficiency Mbarara District. The sig value was 0.002 which was also less than 0.05 (the standard). This implies that there was also a strong significant effect of use of EFT in making payments on efficiency in service delivery in Mbarara District local Government.

5.1.3 Use of EFT in Making Payments on development in Mbarara District

From the data presented in chapter four, it was found out that the overall mean for all items on development in Mbarara District Local Government was found to be 3.84 implying that most of the respondents agreed that development in Mbarara District Local Government had increased. The the value of R Square = 0.022 implying that the use of EFT in making payments accounted for only 2.2% of the development in Mbarara District Local Government. The sig value was found to be 0.173 which was more than 0.05 (the standard). This implies that there was an insignificant effect of use of EFT in making payments on the level of development in Mbarara District Local Government.

5.2 Conclusion

From the study findings, it is concluded that;

- i. The use of EFT in making payments accounted for only 59.8% effectiveness in Mbarara District and there was a strong significant effect of use of EFT in making payments on the effectiveness of service delivery.
- ii. The use of EFT in making payments accounted for only 10.8% efficiency Mbarara District and there was a strong significant effect of use of EFT in making payments on efficiency in service delivery.
- iii. The use of EFT in making payments accounted for only 2.2% of the development in Mbarara District Local Government and there was an insignificant effect of use of EFT in making payments on the level of development.

5.3 Recommendations

- i. Mbarara District Local Government should make efforts to sensitize and involve the people in participation and monitoring of the development projects in the district if they are to realize meaningful development.

- ii. The district authorities should establish linkages with local leadership to support community projects that can enhance development in the communities.
- iii. Use of EFT should be maintained to further improvement in the financial management and reduction of corruption among their staff.
- iv. The fact that this study has highlighted the importance of EFT in the enhancement of financial management which is vital in realization of efficiency in service delivery, there is need for administration of Mbarara District Local Government to consider other factors that impede development. They should then design strategies for addressing such factors for realization of meaningful development in the communities.

5.4 Areas for Further Research

Since the study found out that use of EFT in payment had an insignificant effect on development in Mbarara District Local Government, further research should be carried out to establish the factors that hinder community development in the district.

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APPENDICES

APPENDIX I: QUESTIONNAIRE FOR TECHNICAL STAFF

Dear Respondent,

Request to Complete a Research Questionnaire.

I am Kasiimwe Fortunate, a bachelor student in College of economics and management doing Business Administration at Kampala International University, conducting a study on *“The Impact of E-Fund Transfer on Delivery of Services in Local Authorities of Uganda using the case of Mbarara District”* in Western Uganda. This is part of the requirements for successful completion of the course. You have been selected as a potential respondent in this study; and this is to request you to complete this questionnaire as honestly as possible. Your opinion will not only be respected but will also be treated with utmost confidentiality and the responses you will give will be strictly used for academic purpose only.

SECTION A: BIO DATA

Please mark with a tick on the appropriate response and tick only one option.

1. What is your gender

1= Male () 2= Female ()

2. What is your Age Bracket

1=20-29 () 2=30-39 () 3=40-49 () 4=50 and above ()

3. Please indicate your level of Education

1 =.Certificate () 2= Diploma () 3= Degree () 4= Masters ()

5= Others (specify).....

4. What is your designation department in this Organization?

1= Administration () 2= Finance () 3= Technical Services () 4= HR () 5=
Production ()

5. Number of years in Public Service

PART C: Service Delivery (Dependent Variable)

Instructions:

For this section, please use the rating scale below and tick () in the box that contain the most appropriate rating.

Rating Scale

Strongly Disagree Disagree Indifferent Agree Strongly Agree

2 2 3 4 5

No	Effectiveness of Service Delivery	1	2	3	4	5
1.	Service availability in Mbarara district is sufficient					
2.	Service accessibility in Mbarara district is good					
3.	Service delivery capacity in Mbarara district is sufficient					
4.	Service acceptability in Mbarara district is good					
5.	Service safety in Mbarara district is adequate					
6.	Service equity in Mbarara district is adequate					
7.	Service quality in Mbarara district is good					
8.	Service utilization in Mbarara district is good					

No	Efficiency of Service Delivery	1	2	3	4	5
1.	Resources meant for the public are well channeled to them as scheduled					
2.	Services meant for the public reach them as scheduled					
3.	There are no obstacles in accessibility of resources to the public					
4.	Physical accessibility (number per given population)					
5.	Availability of human resources that serves the public (medics, teachers,					

	extension staff, etc)					
6.	Worker absenteeism has reduced					
7.	Weekly hours of work has improved					
8.	Availability of materials resources to the public (drugs, equipment, instructional materials, etc)					
9.	Organizational quality (attitude, commitment, duration of service provision, etc)					
10.	User friendliness in service provision					
11.	Continued accessibility of services that require repeated provision (drugs)					
12.	Uptake of services (medical, education, extension)					
13.	Technical quality of services provided is good					
14.	Public satisfaction of services provided is high					

No	Development of the Local Government	1	2	3	4	5
1.	Number of children progressing from one level to another has improved					
2.	Number of classrooms constructed has increased					
3.	Number of schools with sufficient staffing has increased					
4.	Number of health centres with sufficient staffing has increased					
5.	Number of health centres with sufficient drugs has increased					
6.	Number of people receiving health services has increased					
7.	Number of people receiving extension services has increased					
8.	Length of graded road network (motorable) has increased					
9.	Percentage of protected water sources has increased					

SECTION D: Intervening Variables

No	Intervening Variable	1	2	3	4	5
1.	Level of Financial Literacy affects service delivery in Mbarara district					
2.	Level of Financial Discipline affects service delivery in Mbarara district					
3.	Political influence affects service delivery in Mbarara district					
4.	Administrative efficiency affects service delivery in Mbarara district					
5.	Economic environment affects service delivery in Mbarara district					

THANK YOU FOR PARTICIPATING IN THIS STUDY

END

APPENDIX II: Interview Guide for Heads of Departments

ITEMS

The following items will be used in the face to face interviews with heads of departments of the use of EFT and service delivery in local governments of Uganda.

1. What mode of payment is used in paying vendors, contractors and service providers in Mbarara District?
2. Briefly explain how the payment is made.
3. Are there any complaints about this mode of payment? Please explain.
4. In your opinion, what do you have to say about channeling of resources meant for the public? Please explain.
5. Do you think the services meant for the public reach them as scheduled? Please explain.
6. Are there any obstacles in accessibility of resources to the public? If yes, could you name some of them?
7. In your view, how would you describe the physical accessibility of services to the people in terms of number per given population?
8. Is the availability of materials resources to the public (drugs, equipment, instructional materials, etc) sufficient? Explain.
9. Would you say the level of public satisfaction of services provided is high? explain.
10. Comment on the following developmental issues:
 - i. Number of classrooms constructed in this district.
 - ii. Number of schools with sufficient staffing in this district.
 - iii. Number of health centres with sufficient staffing in this district.
 - iv. Number of health centres with sufficient drugs in this district.
 - v. Number of people receiving extension services in this district.
 - vi. Length of graded road network (motorable) in this district.
 - vii. Percentage of protected water sources in this district.
 - viii. Service availability in Mbarara district in this district.
 - ix. Service accessibility in Mbarara district
 - x. Service delivery capacity in Mbarara district
 - xi. Service safety in Mbarara district
 - xii. Service quality in Mbarara district
 - xiii. Level of Financial Literacy and service delivery in Mbarara district
 - xiv. Level of Financial Discipline and service delivery in Mbarara district
 - xv. Political influence and service delivery in Mbarara district
 - xvi. Administrative efficiency and service delivery in Mbarara district
 - xvii. Economic environment and service delivery in Mbarara district

Thank you for participating in this study

END