MICROFINANCE INSTITUTIONS AND STAFF WELFARE IN UGANDA POLICE FORCE

A CASE OF KAMPALA METROPOLITAN POLICING AREA.

BY

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DECLARATION

I, SOPHIE NAMBALA, hereby declare that this research project is my original work and has not been submitted to any other University for any award of a degree

Signed:………..

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APPROVAL

We, the undersigned supervisors, certify that this dissertation has been compiled under our supervision and that it is now ready for further examination.



…….

Signature

Dr. Bbosa Sulɛiman

DEDICATION

To my dear husband Mr. Hasakya Asuman and my children Namukuve Munira Sarah, Wakedah Hasheem and Mugoyo Hakeem.

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ABSTRACT

This study aimed at examining the microfinance institutions and staff welfare in Uganda police force using a case study of Kampala metropolitan policing area. The study objectives included: To examine the effect of income generation on staff welfare of Uganda police force focusing on Kampala metropolitan policing area, to assess the relationship between financial literacy programs and staff welfare in Uganda police force focusing on Kampala metropolitan policing area and to analyze the influence of emergency loans and quick loans on staff welfare of Uganda Police force focusing on Kampala metropolitan policing area.

The study adopted a cross-sectional descriptive design and relied on a mixed methods approach to data collection and analysis. Specifically, the study involved a triangulation convergence model, using multiple sources of data or multiple approaches. This involved combining both qualitative and quantitative data collection and analysis techniques. The sample size included 375 officers selected for the study among which included 125 senior officers and 250 junior officers. The study used both qualitative and quantitative methods of data collection which included questionnaires and interview guides.

The quantitative results revealed a strong positive correlation between income generation and staff welfare indicates a significant and strong positive relationship and this means that as engagement in income-generating activities increases. Additionally, the adjusted R-squared value suggests that 82.7% of the variance in staff welfare can be predicted by income generation indicators. This is a high predictive strength, indicating that income-generating activities such as side businesses, farming, or consultancies are critical for sustaining the economic welfare of Uganda Police Force officers. Descriptive statistics further supported these findings: the lowest mean (1.87) and a low standard deviation (1.21) were recorded for the statement, even though perceptions about the extent of overall well-being improvements varied. Additionally, the convergence of quantitative and qualitative data supports the conclusion that emergency and quick loans have a major influence on the welfare of police personnel in the Kampala Metropolitan Area. The study recommends that the government should establish a regulatory framework that ensures MFIs offer fair and accessible financial services to security personnel such as police officers. This includes capping interest rates, standardizing repayment terms, and promoting transparency in loan conditions. Academicians and researchers are encouraged to

conduct further empirical studies on the intersection of financial inclusion and security sector welfare.

CHAPTER ONE: INTRODUCTION

1.0 Introduction

This chapter presents the background of the study topic (historical, theoretical, conceptual and contextual background), problem statement of the study, research objectives, research questions, scope of the study (content scope, time scope and geographical scope), significance of the study and the justification of the study to develop an understanding of the study topic and provide a guide for the development of the entire research.

1.1 Background to the study.

1.1.1 Historical background.

The history of microfinance can be traced as far back as the late three centuries when Friedrich W.Raiffeisen established the first cooperative lending bank to support farmers in rural Germany (Samer, &Al-Shami1,2019). However, the modern concept of microfinance was introduced in 1970s when Muhammad Yunus established Grameen bank in Bangladesh.

It appears to be that there has been widespread consensus that the origin of the micro-credit movement is attributed to the work of Muhammad Yunus' Grameen Bank which was founded more than twenty years ago in Bangladesh (Meade, 2021). It is however become an accepted fact today that microfinance/micro credit and micro enterprise programs can be found throughout South and Southeast Asia, many parts of Africa, Latin America, the United States of America and Western Europe (Meade, 2021).

The successful experience of Grameen Bank in combating the poverty and flourishing the economic wellbeing of poor has attracted the attention of many government and non-government organizations to the possibility of replicating this experience. Indeed, a surge growth of microfinance institutions has been noticed in the developing countries especially in Asian countries since the birth of the Grameen Bank in 1975. Microcredit Summit Campaign reports that the number of the poorest clients provided with microcredit has grown from 7.6 million in 1997 to 137.5 million in 2020(Campaign,2018: In Samar, & Al shamil, 2019). It also found that among those poorest clients more than 113 million were women. This number was collected from 31,652 microfinance institutions around the world.

Since the 1970s microfinance has gained a universal consensus as an effective tool for alleviating poverty and wellbeing improvement (Brannen,2020). It has been seen as an approach to help the local economy and its dynamic growth in development. Microfinance has been believed to lead to the achievement of a wide range of development objectives, including: the fulfillment of self-employment, formation of new firms, income generation and distribution that can lay the ground for equitable and sustainable functioning of the economy. Eventually, Microfinance is a term used to describe financial services for those without access to traditional formal banking. It has incorporated the provision of loans, often at interest rates of 5%, 10% or more to individuals, groups and small businesses, i.e. micro-credit. More recently it has also been extended to include the provision of micro-savings accounts as well as insurance and money transfer service (Arku, 2009).

1.1.2 The theoretical background

1.1.2.1 Financial Inclusion Theory

The study adopted the financial inclusion theory which has been extensively developed and articulated by scholars such as Allen(2018), Demirgüç-Kunt(2018), Klapper(2018), and Čihák(2018). The financial inclusion theory posits that equitable access to financial services is essential for individual economic empowerment and overall economic growth. It emphasizes that all individuals and businesses, particularly underserved populations, should have access to a full range of useful and affordable financial services, including transactions, payments, savings, credit, and insurance, which are delivered in a responsible and sustainable manner. The theory highlights the importance of not just access but also the effective use of these financial services. The theory assumes that; financial services should be universally accessible, regardless of an individual's socio-economic status or geographical location, financial services should be affordable for all segments of society, particularly low-income and underserved populations, individuals must be able to use these services effectively to manage their finances and improve their economic well-being, Financial education and literacy are critical components that enable individuals to understand and use financial services effectively, and technology plays a significant role in enhancing financial inclusion.

Allen et al. (2018) found that access to and effective use of financial services improve financial stability and reduce economic vulnerability. For police officers, access to microfinance leads to

greater financial security and resilience against financial shocks. Also, Demirgüç-Kunt and Klapper (2018) highlighted that financial inclusion facilitates economic opportunities by enabling individuals to save, invest, and manage risks better. For police officers, this means the potential to invest in personal or family businesses, education, and other opportunities that improves their socio-economic status.

In addition, Čihák et al. (2018) discussed how financial inclusion reduces barriers such as high costs and distance from financial institutions. MFIs play a crucial role in lowering these barriers for police officers, making financial services more accessible and affordable. Furthermore, Demirgüç-Kunt et al. (2018) demonstrated the role of fintech in enhancing financial inclusion. For Ugandan police officers, technology-enabled services from MFIs provide greater access to financial products and services, even in remote or rural areas.

In context of this study, financial inclusion theory provides a robust framework for analyzing the impact of microfinance institutions (MFIs) on the welfare of specific populations, such as police officers in Uganda. This theory highlights the importance of access to financial services, their effective use, and the role of financial literacy and technology in improving economic outcomes. However, the theory has several gaps that need to be addressed. These include context-specific barriers, social and cultural factors, trust and relationships, comprehensive welfare measurement, the role of digital services, long-term impact and sustainability, intersectionality, and the policy and regulatory environment. Adapting the theory to consider these factors provided a more comprehensive understanding of how MFIs impact the welfare of police officers in Uganda.

1.1.3 Conceptual background

Microfinance refers to the provision of financial services to low-income individuals or groups who typically lack access to traditional banking systems. According to Ledgerwood (2019), microfinance encompasses a range of financial services including credit, savings, insurance, and payment systems, which are provided to economically disadvantaged populations. She emphasizes that microfinance is not limited to microcredit alone but includes an array of services designed to support financial inclusion and economic empowerment. Robinson (2021) presents microfinance as a commercially viable financial intermediation that delivers small-scale financial services to the poor. She argues that microfinance institutions (MFIs) can sustainably operate by

adopting market-based interest rates while targeting underserved populations. Her perspective underscores the dual nature of microfinance as both a developmental and a financial instrument, capable of contributing to poverty reduction while remaining operationally sustainable. Armendáriz and Morduch (2020) offer a more developmentally oriented definition, viewing microfinance as a tool for social transformation. They define it as the supply of loans, savings, and other basic financial services to people who are typically excluded from the formal banking sector, with the explicit aim of fostering economic self-reliance, especially among women and marginalized communities. Their approach highlights microfinance as a mechanism for achieving broader social and economic development goals. Otero (2021) defines microfinance as "the provision of financial services to low-income poor and very poor self-employed people." She stresses that the goal of microfinance is not simply to provide capital to the poor, but to provide resources to empower them economically and socially. Otero also notes that microfinance helps to create a platform for asset accumulation, increased income, and ultimately, improved livelihoods.

Staff welfare refers to the range of activities, benefits, and programs that an organization provides to ensure the well-being, comfort, and overall satisfaction of its employees. It encompasses various dimensions, including physical, mental, financial, and social support aimed at improving the quality of life and working conditions of staff members. According to Armstrong (2023), staff welfare involves policies and practices designed to promote employee health, safety, and morale, ultimately leading to a more productive and committed workforce. Welfare programs may include access to healthcare, paid leave, work-life balance initiatives, and professional development opportunities. In a similar vein, Chandra (2018) defines staff welfare as a set of organizational interventions that enhance the living standards of employees, both within and outside the workplace. These interventions can include housing assistance, transportation benefits, pension plans, and other financial or non-financial benefits that support the employee's personal and family life. Chandra emphasizes that staff welfare is not merely a legal or regulatory obligation but also a strategic tool for attracting, retaining, and motivating skilled employees. Kaufman (2008) takes a broader view of staff welfare by linking it to organizational culture and employee satisfaction. He posits that effective welfare programs contribute to a positive organizational environment that fosters employee loyalty, reduces

turnover, and boosts overall performance. Kaufman highlights that organizations with strong welfare systems create a sense of security and belonging among employees, which is crucial for long-term success. Kaur (2018) emphasizes that staff welfare goes beyond financial compensation and includes attention to psychological and emotional well-being. She defines it as a comprehensive approach to ensuring that employees have the support they need to maintain a balance between their work responsibilities and personal lives. Welfare programs, according to Kaur, should include measures for stress management, conflict resolution, and work-life integration to support the holistic development of employees.

1.1.4 Contextual background

The welfare of public servants in Uganda, particularly within the Uganda Police Force (UPF), has been a critical concern for decades due to limited pay, poor housing, inadequate healthcare, and financial instability. The UPF is one of the most essential arms of government, mandated to enforce law and order, protect life and property, and prevent and detect crime. However, despite their demanding roles, police officers in Uganda often experience low morale, stress, and economic hardships, largely attributed to limited financial support and inadequate welfare services (Uganda Police Force, 2023).

To mitigate these welfare-related challenges, Microfinance Institutions (MFIs) have increasingly stepped in as alternative sources of financial empowerment. MFIs offer a range of services microloans, savings, financial literacy training, and emergency loans that are now being accessed by police officers, especially those stationed in urban centers such as Kampala Metropolitan Policing Area (Mugabi, 2019). These services help supplement their income and improve their financial resilience.

The Kampala Metropolitan Policing Area comprising Kampala, Wakiso, Mukono, Mpigi, Buikwe, and Luweero districts is the most urbanized and heavily policed region in Uganda due to its high population density and complex security challenges (Ministry of Internal Affairs, 2022). As a result, officers in this area are more exposed to financial pressures including high cost of living, housing demands, and family responsibilities.

The study focuses on understanding how MFIs contribute to the staff welfare of police officers in this area by addressing three specific areas: (1) income generation, (2) financial literacy programs, and (3) emergency and quick loan access. Understanding these dimensions informed how microfinance support services influence job satisfaction, financial stability, and overall well-being of police personnel in Uganda.

1.2 Problem statement

The welfare of Uganda Police Force (UPF) officers has remained a critical concern for decades, with many officers facing low pay, inadequate housing, limited healthcare, and persistent financial instability. To cope with these challenges, a number of officers have turned to microfinance institutions (MFIs) as an alternative source of financial support (Muganga & Tumwine, 2020). Through savings and credit services, MFIs are expected to help officers meet urgent household needs, invest in their families' welfare, and reduce economic stress.

However, despite the availability of these services, many UPF officers in the Kampala Metropolitan Area continue to experience financial hardship. Loan conditions are often unfavourable to their income levels, interest rates remain high, and repayment schedules are rigid, making it difficult for officers to achieve meaningful welfare improvements (Kizza, 2021; Ssembajjwe, 2020). This has contributed to continued reports of low morale, indebtedness, and economic vulnerability among police officers. Furthermore, while some scholars emphasize the potential of microfinance to improve livelihoods, others strongly contest its actual impact, arguing that microfinance may entrench poverty rather than alleviate it (Nyonna et al., 2022; Salia, 2023). Despite these debates, there is limited empirical research examining the actual contribution of MFIs to the welfare of police officers in Uganda. This gap is particularly critical in the Kampala Metropolitan Policing Area, where the cost of living is high and officers' financial pressures are most acute. This study therefore Sought to assess the contribution of microfinance institutions to the welfare of UPF staff in this context.

1.3 General objective.

The general objective of the study is to examine the impact of microfinance institutions on the staff welfare of Uganda police force focusing on Kampala metropolitan area as a case study.

1.3.1 Specific objectives

i. To examine the effect of income generation on staff welfare of Uganda police force focusing on Kampala metropolitan policing area.
ii. To assess the relationship between financial literacy programs and staff welfare in Uganda police force focusing on Kampala metropolitan policing area.
iii. To analyze the influence of emergency loans and quick loans on staff welfare of Uganda Police force focusing on Kampala metropolitan policing area.

1.3.2 Research questions

i. What is the effect of income generation on staff welfare of Uganda police force focusing on Kampala metropolitan policing area?
ii. What is the relationship between financial literacy programs and staff welfare in Uganda police force focusing on Kampala metropolitan policing area?
iii. What is the influence of emergency loans and quick loans on staff welfare of Uganda Police force focusing on Kampala metropolitan policing area?

1.4 Scope

1.4.1 Content scope

This study focused on examining the impact of microfinance institutions on the staff welfare of Uganda police force. This was done based on research objectives which include; to examine the effect of income generation on staff welfare of Uganda police force focusing on Kampala metropolitan policing area, to assess the relationship between financial literacy programs and staff welfare in Uganda police force focusing on Kampala metropolitan policing area and to analyze the influence of emergency loans and quick loans on staff welfare of Uganda Police force focusing on Kampala metropolitan policing area.

1.4.2 Geographical scope

This study was undertaken in Kampala using a case study of Kampala Metropolitan police. Kampala Metropolitan police cover the metropolitan area covering the KMP North, KMP South and KMP East with a total of 17 divisions covering district; Kampala, Mukono, Wakiso, Buikwe, Luweero and Mpigi.

1.4.3 Time scope

This study analyzed the impact of MFIs on the staff welfare of Uganda police force for 5 years from 2018-2023. A five-year period allows for the observation of longer-term impacts and changes in the welfare of police officers, which might not be evident in shorter periods. It also accounts for the time needed for officers to fully utilize and benefit from the financial products and services offered by MFIs, thereby providing a more accurate assessment of their effectiveness.

1.5 Significance of the Study

To academicians, the study will contribute to the existing literature on microfinance and its impacts on welfare and offers a framework for further research and used as a source literature.

This study will help the microfinance institutions to understand their impact of their services on the police officers' welfare and informs the development of financial products and services for police officers.

This study will help policy makers (government and Bank of Uganda) on forming policy decisions on financial inclusion and economic empowerment and guides the development of regulations and guidelines for MFIs.

The study will be useful to police officers as it will enlighten their financial literacy and money management skills as a way to improve their access to financial services and economic empowerment.

1.6 Justification of such a study

The justification for this study lies in addressing the significant financial challenges faced by Uganda's police officers, important yet often underpaid and financially underserved segment of the population. By evaluating the impact of microfinance institutions (MFIs) on their welfare, this research aims to identify barriers to accessing financial services and propose solutions for improving their financial stability and overall well-being. Understanding these dynamics is essential for enhancing the effectiveness of MFIs, ensuring tailored financial products and services, and ultimately contributing to the economic and social development of both the officers and their families. This study fills a gap in existing research and provides actionable insights for policymakers and financial institutions.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviewed the literature related to the question and looked at other researchers' work about the impact of microfinance institutions on the welfare of police officers. It covers what the researcher thought had been talked about and what had not been covered adequately (gaps) the researcher analyzed the known and tries to further test it. The published literature is going to be presented in relation to specific objectives.

2.2. Literature survey

The concept of microfinance institutions (MFIs) and their role in improving staff welfare in various organizations, including public sector institutions like the Uganda Police Force, has been an area of growing interest in recent years. Several studies have explored different dimensions of microfinance, organizational welfare, and their combined effect on employee satisfaction, motivation, and productivity. However, there remains a significant gap in the literature concerning the intersection of microfinance and staff welfare, particularly within the context of law enforcement agencies in Uganda. This section aims to review some relevant studies, highlight their findings, and identify the gaps that this study seeks to address.

In a recent study, Asogwa and Sulaimon (2021) examined the impact of microfinance institutions on employee well-being in Nigerian public service organizations. Their findings revealed that access to microfinance services, particularly small loans, led to improved financial stability among employees, which subsequently enhanced their job satisfaction and performance. However, the study did not address the contextual factors specific to law enforcement agencies or focus on how microfinance affects staff welfare in a police force environment. This study aims to fill this gap by examining how microfinance impacts the welfare of staff within the Uganda Police Force, a distinct and critical public sector institution.

Similarly, in their study on the role of financial inclusion in improving employee welfare, Zeller et al. (2020) found that employees who had access to microcredit services reported better financial health and work-life balance. The study concluded that microfinance initiatives play a

vital role in enhancing job satisfaction by alleviating financial stress. However, the research primarily focused on private sector employees and did not extend to public sector workers, especially those in law enforcement agencies. This gap in the literature is significant because the unique stressors and work conditions of police officers require a more nuanced exploration of microfinance's impact. This study intends to bridge this gap by focusing on the Uganda Police Force and providing a detailed analysis of how microfinance initiatives can improve their welfare.

Another relevant study by Chirwa and Munsaka (2022) explored the impact of employee welfare programs in the public sector in Zambia. Their findings indicated that comprehensive welfare programs, including access to financial services, positively influenced employee motivation and reduced turnover rates. Despite the relevance of the findings, the study did not delve into the specific role of microfinance in supporting welfare in organizations that deal with public safety, such as police forces. The study's focus on the broader public sector means it did not capture the unique challenges faced by police personnel. This study aims to address this gap by specifically looking at how microfinance institutions influence the welfare of police officers in Uganda.

Furthermore, in a study on the relationship between employee financial well-being and organizational commitment, Moyo (2019) found that employees who were financially secure were more likely to show greater commitment to their organizations. The study highlighted the importance of financial security in fostering organizational loyalty and reducing absenteeism. However, Moyo’s research was limited by its narrow focus on private sector workers and did not consider the specific challenges faced by public sector employees in high-risk occupations like the police. By focusing on Uganda’s law enforcement agencies, this study seeks to provide a more targeted analysis of how microfinance can improve staff welfare and overall organizational commitment within the Uganda Police Force.

While these studies have contributed valuable insights into the relationship between microfinance and employee welfare, they have significant limitations in terms of context, sectoral focus, and methodological approaches. Most studies have concentrated on the private sector or generalized public sector contexts, with little attention given to the unique needs of law enforcement agencies. Moreover, methodological limitations such as small sample sizes, reliance

on cross-sectional data, and a lack of focus on longitudinal outcomes have hindered the development of a comprehensive understanding of the long-term impact of microfinance on staff welfare. This study will address these gaps by focusing on the Uganda Police Force, utilizing a mixed-methods approach, and considering both short-term and long-term impacts on employee well-being.

2.3 Theoretical Review

2.3.1 Financial Inclusion Theory.

The theory of financial inclusion has been extensively developed and articulated by scholars such as Allen (2018), Demirgüç-Kunt (2018), Klapper (2018), and Čihák (2018). The financial inclusion theory states that equitable access to financial services is essential for individual economic empowerment and overall economic growth. It emphasizes that all individuals and businesses, particularly underserved populations, should have access to a full range of useful and affordable financial services, including transactions, payments, savings, credit, and insurance, which are delivered in a responsible and sustainable manner. The theory highlights the importance of not just access but also the effective use of these financial services.

Allen et al. (2018) lay the groundwork for understanding financial inclusion by analyzing the ownership and use of formal accounts. They highlight that financial inclusion involves more than just having an account; it also encompasses the active use of these accounts to access other financial services. The study identifies several barriers to financial inclusion, such as high costs, physical distance, and lack of necessary documentation. Additionally, the authors emphasize the role of financial literacy in improving financial inclusion, suggesting that better-informed individuals are more likely to use financial services effectively.

Also, the Global Findex Database introduced by Demirgüç-Kunt and Klapper (2018) provides a comprehensive set of indicators measuring how adults in various economies save, borrow, make payments, and manage risks. This database reveals significant variations in financial inclusion across different regions, income groups, and individual characteristics. Key findings suggest that around 50% of adults globally have an account at a formal financial institution, with usage

varying widely. The data also underscore the importance of addressing barriers like cost, distance, and lack of documentation to enhance financial inclusion.

Furthermore, Čihák et al. (2018) extend the analysis of financial inclusion by benchmarking financial systems worldwide. Their research focuses on four dimensions: the size of financial institutions and markets, the degree of access to financial services, the efficiency of financial intermediaries and markets, and the stability of financial institutions and markets. The study finds that more inclusive financial systems are characterized by a higher degree of financial depth, access, efficiency, and stability. It highlights that financial development and inclusion are mutually reinforcing, with more developed financial systems generally exhibiting higher levels of inclusion.

In addition to the above,, the updated Global Findex Database 2017 by Demirgüç-Kunt et al. (2018) incorporates new data on how adults worldwide access and use financial services, with a particular focus on the fintech revolution. The report indicates that financial technology (fintech) is playing a crucial role in enhancing financial inclusion by providing more accessible and affordable financial services. The study finds that mobile money accounts have significantly increased financial inclusion in several developing economies, showing that fintech solutions can overcome traditional barriers to financial access.

In conclusion, the theory of financial inclusion emphasizes the importance of accessible, usable, and quality financial services for all individuals and businesses. The reviewed literature underscores the need for a multi-faceted approach that addresses barriers, enhances financial literacy, and leverages technology to achieve inclusive financial systems. By focusing on these areas, policymakers and financial institutions can work towards a more inclusive financial ecosystem that supports economic development and reduces poverty.

2.4 Effect of income generation on staff welfare

Many police officers in Uganda, especially in busy and expensive urban areas like Kampala, struggle with financial challenges. Their salaries often fall short of meeting their daily needs, which has pushed many to look for other ways to earn an income. Several studies have examined how these income-generating activities affect their overall well-being and the findings show that extra income really does make a difference.

For instance, Mugabi (2019) studied how microfinance institutions (MFIs) support police officers in the Kampala Metropolitan Area. He found that many officers used microloans to start small businesses or invest in farming. These extra sources of income helped them pay for family needs like school fees and rent, which in turn reduced their financial stress and improved their job satisfaction.

Similarly, Kakuru (2018) looked at how microfinance services empower low-income earners in Uganda, including public servants like police officers. The research highlighted that access to small loans not only boosted their earnings but also gave them a sense of financial control and dignity, which is often missing in their formal employment.

Kiiza and Ssonko (2021) added that police officers in cities often turn to small side hustles like operating boda bodas (motorcycle taxis), running small shops, or farming in peri-urban areas. While these activities can sometimes conflict with their official duties, they were found to significantly reduce financial dependency on salaries alone and improve personal welfare.

Another study by Obara and Nangiro (2021) focused on emergency loans and income-generating credit for public servants. They found that officers who accessed such loans were better able to cope with life's unexpected challenges like medical bills or family emergencies without falling into debt traps or resorting to harmful financial behaviors.

Finally, the World Bank (2020) observed that in urban African settings, like Kampala, where the cost of living is high, public employees often need multiple income streams just to maintain a decent quality of life. This has become a survival strategy for many, especially when salaries are delayed or insufficient.

Overall, these studies point to a clear message: income-generating activities, whether through small businesses or access to financial services, play a key role in improving the welfare of police officers. When officers are financially stable, they are less stressed, more focused, and more motivated to perform their duties.

2.5 Relationship between financial literacy programs and staff welfare

Financial literacy is increasingly being recognized as a key tool in improving the welfare of public servants, including police officers, who often face complex financial demands on modest incomes. For officers in the Kampala Metropolitan Policing Area where the cost of living is high

understanding how to manage money, plan for emergencies, and avoid harmful debt is crucial to their well-being.

A study by Nabunya (2020) explored how financial literacy affects financial behavior among uniformed officers in urban Uganda. The findings showed that officers who had received financial training mostly through microfinance institutions (MFIs) or employer programs demonstrated better budgeting habits, saved more regularly, and were less likely to fall into debt from loan sharks. This improved their emotional and financial stability.

Abenaitwe and Mukama (2019) conducted research on the impact of financial literacy on personal financial management in Uganda's public service. They found that police officers and other civil servants who had access to structured financial education made more informed financial decisions, such as choosing appropriate loans and avoiding unnecessary consumption. This improved their ability to support their families and reduced stress caused by financial uncertainty.

Kansiime and Nuwagaba (2021) looked into how financial literacy correlates with economic empowerment among public employees. Their findings emphasized that financial literacy builds confidence and helps staff understand the risks and benefits of savings and credit. For many officers in urban districts like Kampala, financial literacy was associated with improved housing, timely school fee payments, and reduced vulnerability to financial exploitation.

Tukahirwa (2018) studied the role of MFIs in promoting financial literacy among security forces in Uganda. The research found that MFIs offering financial training alongside loans saw better repayment rates and higher satisfaction among clients. Police officers trained in budgeting and savings were more likely to use their loans productively like investing in small businesses or acquiring household assets than those without such training.

The Bank of Uganda (2017) also reported that financial education programs delivered in partnership with microfinance institutions had a positive influence on financial health, particularly for urban public servants. The report noted that trained individuals were more resilient to economic shocks and demonstrated higher levels of saving and responsible borrowing.

Together, these studies highlight the important link between financial literacy and improved staff welfare. When police officers are empowered with the knowledge and skills to manage their finances wisely, they experience less stress, are more productive at work, and enjoy a better quality of life.

2.6. Influence of emergency loans and quick loans on staff welfare

Access to emergency and quick loans is a critical financial lifeline for many low- and middle-income earners, especially for police officers who often face unpredictable financial challenges. In Kampala Metropolitan Policing Area, where living expenses are high, many officers rely on fast-access loans to deal with emergencies, sustain their families, and improve their welfare.

Obara and Nangiro (2021) examined how emergency loans affect welfare among Uganda's public servants, including police officers. They found that officers who had access to quick loans from microfinance institutions or SACCOs could better manage urgent expenses like medical bills, funerals, and school fees. This prevented financial distress and enabled them to remain focused at work.

Namuli (2019) explored the role of emergency loan services offered by SACCOs to urban police officers. The findings revealed that timely access to small, short-term credit significantly reduced stress levels among officers, increased job satisfaction, and helped bridge the gap between salaries and daily expenses. However, misuse of loans without financial guidance sometimes worsened financial instability.

Mukasa and Kaggwa (2020) investigated the use of salary-based emergency loans among Kampala-based civil servants. The study highlighted that officers frequently used such loans to meet urgent needs. Those with regular access to quick loans were better able to maintain family welfare, although the high interest rates posed a concern.

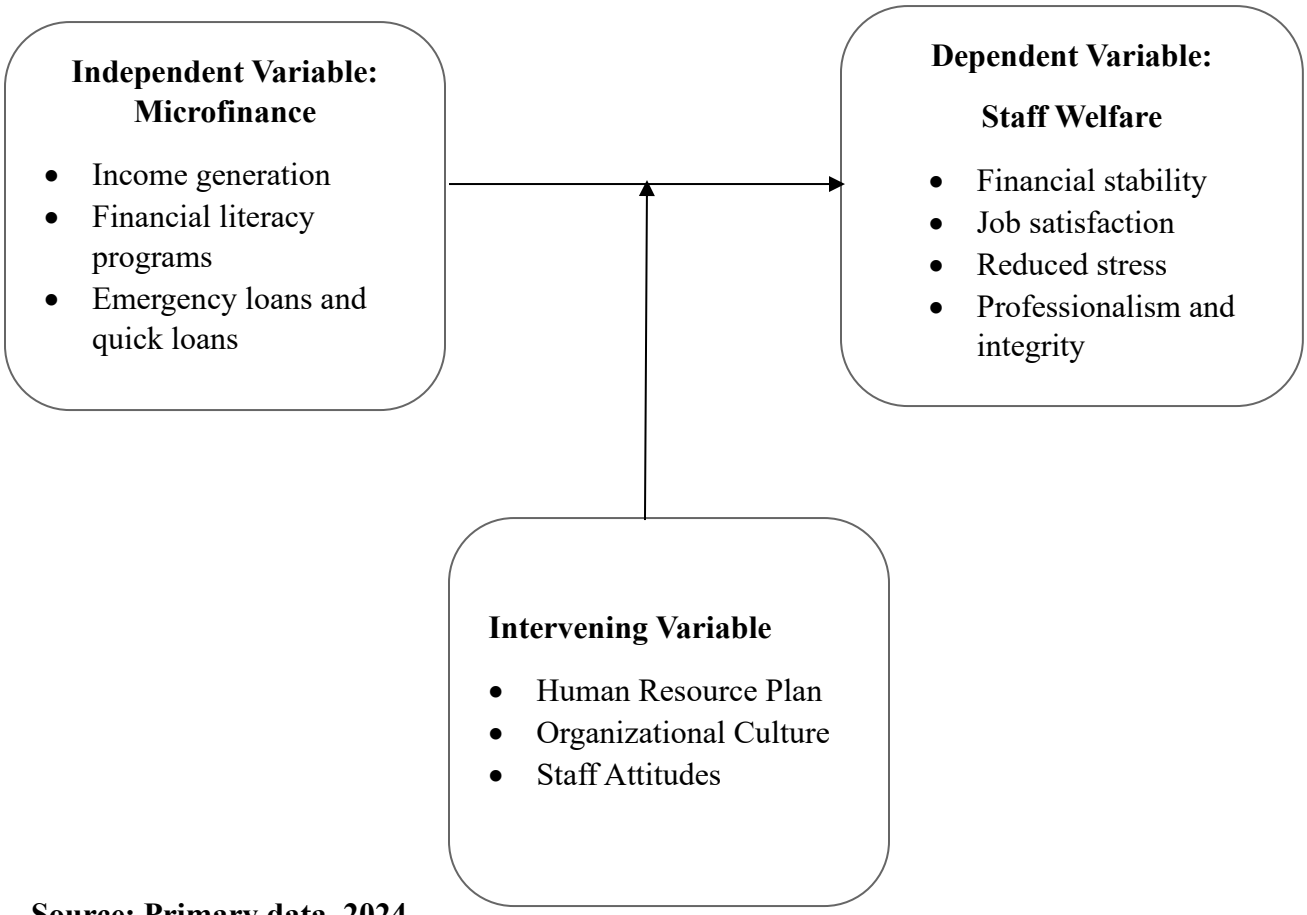
Tukamushaba (2018) studied how microcredit and emergency loans influence public employee morale and welfare. He found that police officers who accessed emergency loans to respond to unexpected financial needs reported higher levels of job security and reduced absenteeism. However, recurring borrowing cycles sometimes led to long-term indebtedness, especially in the absence of financial literacy training.

A national-level study by the Bank of Uganda (2017) also emphasized that emergency financial services have a positive influence on household resilience among public sector workers. It recommended the integration of emergency loan access with financial education to prevent over-indebtedness and promote sustainable welfare improvements.

These studies suggest that while emergency and quick loans provide much-needed financial relief and improve police officers' welfare in the short term, their long-term effectiveness depends on affordability, access to financial education, and responsible borrowing behavior.

2.7 Conceptual framework

The conceptual framework illustrates the relationship between the dependent variable (staff welfare of Uganda police force) and the independent variable (income generation, financial literacy programs, emergency loans and quick loans) as illustrated below.



Source: Primary data, 2024

The independent variable, income generation, financial literacy programs, emergency loans and quick loans. These services are designed to enhance financial stability, provide quick access to funds, and improve financial management skills.

The dependent variable, welfare of police officers, encompasses financial stability, job satisfaction, reduced stress, professionalism and integrity. Improved financial services can lead to better financial health, reduced stress, and higher job satisfaction among police officers. This, in turn, can enhance their professionalism and integrity, as well as their relationships with the community.

The conceptual framework posits that the various services provided by MFIs have the potential to significantly enhance the welfare of police officers. Each service targets specific aspects of financial health and security, which collectively contribute to the overall well-being of police officers. This improved welfare can manifest in better job performance, reduced stress levels, and stronger community relationships, ultimately leading to a more effective and ethical police force.

CHAPTER THREE: METHODOLOGY

3.1 Introduction

This chapter outlines the research methods that were followed in executing this study. These procedures entail research design, population, and sampling. It also includes a review of the approaches for validating the tools, data collection procedures, data analysis and ethical concerns that were considered.

3.2 Research design

The study adopted a cross-sectional descriptive design and relied on a mixed methods approach to data collection and analysis. Specifically, the study involved a triangulation convergence model, using multiple sources of data or multiple approaches. This involved combining both qualitative and quantitative data collection and analysis techniques. The mixed methods research design, as defined by Creswell (2018), involved collecting and analyzing both qualitative and quantitative data in a single study. This approach was chosen to enhance and complement the findings of the research. By combining the strengths of both types of data, this approach allowed for the detailed, contextualized insights of qualitative data to be complemented by the generalizable, externally valid insights of quantitative data. This combination mitigates the weaknesses of each type of data, providing a more comprehensive understanding of the research problem.

The aspect here involved understanding the dual nature of the data: qualitative data provided in-depth, nuanced insights into the experiences and perspectives of individuals, while quantitative data offered broader, statistically significant patterns and trends.

Implementing a triangulation convergence approach, means using multiple sources of data or approaches to analyzing data. This includes interviews, surveys, focus groups, and statistical analysis, ensuring a robust, multi-faceted examination of the research question. By triangulating data sources and methods, the study aimed at providing a more reliable and comprehensive understanding of the impact of microfinance institutions on the staff welfare of Uganda Police Force focusing on Kampala Metropolitan Policing area.

3.3 Study area and population

As of the latest available data, the Uganda Police Force has a total personnel strength of approximately 52,775 officers (Uganda Police Force, 2023). While specific figures for the Kampala Metropolitan Policing Area are not publicly detailed, it is reasonable to estimate that a significant proportion of the total personnel is stationed within this region due to its strategic importance. This study area is a key urban center where a large number of Uganda Police Force personnel are stationed to manage law and order.

3.3.1 Sample size

Although the total Uganda Police Force staff is about 52,775, approximately 30% are estimated to be based in the Kampala Metropolitan area, giving a population of about 15,800 police officers (Uganda Police Force, 2023).

Using this population size, a sample of 375 officers will be selected for the study. This number ensures reliable and valid results at a 95% confidence level with a 5% margin of error (Cochran, 1977).

Table showing the sample size distribution

Study Population	Sample size	Techniques of sampling
Senior police officers	125	Purposive sampling
Junior police officers	250	Simple random sampling
Total	375	

3.4 Sampling techniques

The study employed both purposive and simple random sampling techniques.

3.4.1 Sampling Procedure

3.4.1.1 Purposive Sampling

The study adopted a purposive sampling technique to select participants from senior police officers for Kampala Metropolitan police. This deliberate approach ensured that individuals in key decision-making positions, who significantly influence police station strategies and policies,

are included in the study. Their perspectives and experiences provided valuable insights into the financial dynamics within the police force.

3.4.1.2 Simple Random Sampling

The study adopted a simple random sampling technique for the selection of participants among junior police officers for Kampala Metropolitan police. This probability-based approach ensured that every employee within these categories had an equal chance of being included in the research. With a focus on fairness and unbiased representation, simple random sampling allowed for a comprehensive examination of the impact of microfinance institution on welfare of police officers across various roles and responsibilities within the police force.

3.6 Data Collection Methods

3.6.1 Questionnaire

A self-administered questionnaire was adopted for data collection. The questionnaire was used in order to get a standard form of answers or response. A questionnaire is a set of open and closed end questions based on a researcher's objectives in a sequential order in order to get opinion from police officers about impact of microfinance institutions on their wellbeing. Both closed and opened questions was asked. This was given to respondents who have time and also able to read and write.

3.6.2 Interview Guide

An interview guide is a checklist that contains straight forward questions that are to be used by interviewer in conducting interviews. This technique allowed greater depth than was the case with questionnaires, that is, there was direct interaction between the researcher and the respondent. This made it easy for the interviewer to get the information required. Uganda Police officers were interviewed.

3.7 Data Collection Procedure

The researcher obtained permission from the department of research to proceed on with the study. Then instruments of data collection were cross examined with the supervisor. A total of 200 questionnaires were used, one for each person or respondent. The questions were read for those who were not familiar with the language. After collection of the data, Microsoft Excel was used for all the analysis.

3.8 Data Validity and Reliability

Validity refers to the extent to which an instrument measures what it was supposed to measure. The instrument was evaluated for content validity (Taherdoost, 2018). This is the extent to which a questionnaire is representative of the respondents should have covered in their course of study. The questionnaire was read and examined to evaluate the clarity of items taking into consideration from the supervisor.

On the other hand, reliability is a measure of degree to which research instrument yields consistent results or data after repeated trials (Kothari, 2003). It is verified by the consistency of the observation of an outcome. To test the reliability, the researcher used test-retest technique which involves administering the same instrument twice to identical respondent not included in the study sample. Besides, consultation from the supervisor was sought for.

3.9 Data Presentation and Analysis

After data collection, data was edited and entered using excel. Data analysis was quantitative. Quantitative data was analyzed using percentages and frequencies. Descriptive statistics was employed in the presentation and analysis of results. Data collected by use of interviews was analyzed using content analysis whereby responses were grouped into themes and constructed to make sound meaning to supplement quantitative findings.

3.10 Ethical Considerations

The fundamental ethical concerns that were considered in this study are anonymity, informed consent, confidentiality and managing plagiarism (Moreno, Goniu, Moreno, & Diekema, 2019).

Anonymity was ensured by not exposing the names of the respondents, and as such they were not required to indicate them or sign anywhere on the data collection instruments (Brokowski & Adli, 2019).

To ensure informed consent, the investigator vividly explained to the respondents the purpose of the study, benefits and risks involved. Furthermore, the researcher informed the respondents that they had a right to opt of the study any time. This further gave them confidence that the study was truly for the claimed purpose and hence gain confidence to provide data (Bell & Willmott, 2016).

Confidentiality was ensured by disclosing to the participants how data was utilized and emphasizing that no personal information such as snapshots were disclosed in the report without their approval. In addition, the researcher promised the participants that all the information obtained was safely kept and only accessed by researcher (Surmiak, 2018).

Plagiarism was managed by citing and referencing all the works that are not original to the researcher. Furthermore, borrowed literature was paraphrased to avoid copy and paste exercise. The text was subject to Turnitin plagiarism checking software to ensure that the acceptable similarity of index of 20% or below was attained.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND ANALYSIS

4.0 Introduction

This chapter presents the results from the study to examine the impact of microfinance institutions on the welfare of Uganda police officers using Kampala metropolitan area as a case study. The results are presented in relation to the research objectives.

4.1 Demographic Characteristics

The demographic characteristics of the study included sex, age, marital status, highest educational level and years in service.

4.1.1 Sex of the respondents

Sex of the respondents	Frequency	Percentage
Male	216	57.6
Female	159	42.4
Total	375	100

Source: primary data, 2024

This table shows that 216 (57.6%) respondents were male, and 159 (42.4%) were female. The findings indicate that most respondents were male while the few were female and that the study had a balanced gender perspective, hence having views from both genders.

4.1.2 Age of the respondents

Sex of the respondents	Frequency	Percentage
Below 20 years	61	16.3
21-30	88	23.4
31-40	132	35.2
40 years and above	94	25.1

Source: primary data, 2024

This table shows, 61 (16.3%) of the respondents were below 20 years of age, 88 (23.4%) of the respondents were between 21-30 years of age, 132 (35.2%) was the highest number of respondents aged between 31-40 years, 94 (25.1%) of the respondents were 40 years old and

above. The highest percentages combined are 226 (60.3%), indicating that most respondents were 31 years old and above. This indicates that most of the police officers around Kampala Metropolitan area are old, characterized by ability to make mature decisions towards the prevailing situations and normally focus on their development in terms of performance at work.

4.1.3 Marital status

Marital status	Frequency	Percentage
Single	108	28.8
Married	171	45.6
Divorced	96	25.6

Source: primary data, 2024

This table shows that 108 (28.8%) of the respondents were single, 171 (45.6%) of the respondents were married, 96 (25.6%) of the respondents were divorced. From the findings above, the majority of the respondents, 279 (74.4%), were married and some individuals were single. This implies that most of the police officers around Kampala Metropolitan area were married meaning that they are responsible people and focused towards their work.

4.1.4 Highest educational level

Educational level	Frequency	Percentage
Primary	45	12
Secondary	131	34.9
Diploma	87	23.2
Degree	65	17.3
Masters and above	47	12.6
Never been at school	0	0

Source: primary data, 2024

This table shows that out of the total respondents, the largest proportion, 45 respondents (12%), had reached primary level of education. Additionally, 131 respondents (34.9%) had completed secondary, 87 respondents (23.2%) had completed diploma, 65 respondents (17.3%) had completed a degree, no respondent had never been at school while 47 respondents (12.6%) had completed masters level and above. Most respondents, specifically 218 respondents (58.1%), had secondary and diploma as their highest levels of education.

4.1.5 Years in service

Rank in police	Frequency	Percentage
Less than 1 year	60	16
1-5 years	147	39.2
6-10 years	98	26.1
More than 10 years	70	18.7

Source: primary data, 2024

This table shows 60 (16%) of the respondents had been in service in police force for less than a year, 147 (39.2%) of the respondents had been in service in police force for 1-5 years, 98 (26.1%) of the respondents estimated their years in service to be in the range of 6-10 years, 70 (18.7%) of the respondents estimated their years in service to be around 10 years and above. From the findings above, the majority of the respondents, 245 (65.3%), had estimated their years in service to be between 1-10 years. This implies that most of the officers around Kampala Metropolitan area had been in service for long enough to understand the trends and various situations at work to better or improve their work performance.

4.2 the effect of income generation on staff welfare in Uganda police force.

The study assessed the effect of income generation on staff welfare in Uganda police force. The responses were tabulated below following a five-point Likert scale of: 1-Strongly agree (SA) 2-Agree (A) 3- Not sure (NS) 4 -Disagree (D) 5-Strongly disagree (SD) to get their descriptive statistics of mean and standard deviation.

Statement	Mean	Std.dev
Running a small business or side activity has made it easier for me to save money or avoid borrowing.	2.95	1.3
Starting an income-generating activity has reduced the financial pressure I used to feel from relying only on my police salary.	1.87	1.21
I feel more confident about my financial future because of the money I make from income-generating activities.	2.94	1.26

I have been able to pay school fees, rent, or medical bills more easily since I started earning from other sources.	2.72	0.90
My general well-being has improved since I started earning income outside my police work.	3.53	1.01
I feel more motivated at work knowing I have another source of income to fall back on.	2.05	0.99
Average	**2.68**	**1.112**

Source: primary, 2024

The item with the highest mean score of 3.53 was: "*General well-being having improved with the start of earning income outside police work.*" This score is above the average midpoint of a Likert scale (typically 3 on a 5-point scale where 1 = Strongly Agree and 5 = Strongly Disagree). A higher score indicates neutrality or disagreement, meaning that many respondents did not strongly agree that income generation had significantly improved their overall well-being. This suggests that: while some officers may have benefited emotionally or socially from earning additional income, this improvement is not uniformly experienced, it may also reflect barriers to successful business operations, such as time constraints, stress, or risk of disciplinary consequences, which might limit the overall positive impact on personal well-being.

The statement with the lowest mean score of 1.87 was: "*Starting an income-generating activity has reduced the financial pressure felt from relying only on the police salary.*" This value falls into the strong agreement range, meaning that most respondents concurred that supplementary income helps reduce the financial strain of relying solely on police pay. The standard deviation of 1.21 indicates that this view was broadly shared, reflecting a consistent pattern across the sample. This is a strong indicator that income-generating activities no matter their impact on subjective well-being are seen as a functional solution to the very real problem of low or insufficient police salaries.

The second-highest item, with a mean of 2.95, was: "*Running a small business or side activity makes it easy to save money or avoid borrowing.*" When combined with the 3.53 mean, the total of 6.48 reflects two closely related ideas: officers may not strongly feel that these activities are helping them save significantly or reduce debt, there's a dichotomy: while income-generating

activities ease financial pressure, they may not always result in financial accumulation or long-term benefits, like savings or reduced borrowing. This suggests that officers might be using extra income primarily for immediate consumption or basic needs, rather than for wealth-building purposes.

The average mean of 2.68 reflects a moderate level of agreement with statements about the positive effects of income generation. This value implies that, overall, respondents believe: income-generating activities are beneficial, particularly for alleviating short-term financial pressure, however, they do not necessarily equate to broader improvements in welfare, such as emotional well-being, ability to save, or future economic security. The standard deviation of 1.112 is relatively low, indicating reasonable consistency among respondents' views.

The findings highlight a pragmatic view among Uganda Police Force personnel: income generation is helpful not necessarily as a tool for economic advancement or personal growth but as a coping mechanism to deal with the inadequacies of the official salary, there's a clear distinction between easing financial pressure and improving overall well-being. Officers find that side businesses reduce dependency on loans and help meet basic needs, but they may still face stress, instability, or long work hours, which limits how far these benefits extend to emotional or long-term welfare.

Table: Correlation between income generation and staff welfare of the Uganda police force

		Income generation	Staff welfare
Income generation	Correlation Coefficient	1.000	.716**
	Sig. (2-tailed)	.	.000
	N	375	375
Spearman's rho	Correlation Coefficient	.716**	1.000

Staff welfare	Sig. (2-tailed)	.000	.
	N	375	375

**. Correlation is significant at the 0.01 level (2-tailed).

The output indicates that there was a significant positive correlation between income generation and staff welfare $r_s(375)=0.716$, $p<0.001$. This result reveals several key statistical and practical implications: the Spearman's correlation coefficient (rs) value of 0.716 indicates a strong positive correlation, a correlation coefficient close to +1.0 implies a strong and consistent positive relationship between two variables, this means that as income generation increases, staff welfare also tends to improve and vice versa, in simpler terms, Uganda Police officers who engage in income-generating activities (such as side businesses, farming, or other entrepreneurial ventures) generally report better welfare outcomes including reduced financial pressure, better capacity to meet personal and family needs, and improved morale.

Also, the p-value being less than 0.001 indicates that this correlation is statistically significant, meaning the relationship is very unlikely to be due to chance. it confirms that the observed relationship between income generation and staff welfare is real and reliable within the Kampala Metropolitan Police area. In addition, when we convert the correlation coefficient into a percentage of association, 71.6% of the variation in staff welfare can be explained or associated with changes in income-generating activities, this is a high percentage, which implies that income generation plays a substantial role in shaping the welfare of police officers, this level of association suggests that income generation is not a minor or incidental factor but rather a key driver of welfare improvements among police personnel.

Furthermore, this strong correlation highlights how critical financial supplementation outside of official police salaries has become in the lives of officers. In the Kampala Metropolitan Policing Area: many officers cannot rely solely on their government salary to meet their personal or family needs, income-generating ventures help bridge this gap, improving access to healthcare, education for children, food security, and even housing, thus, income generation is strongly

linked to both financial and psychological welfare, potentially reducing job stress and improving motivation.

The statistical output clearly demonstrates that income generation has a substantial and positive impact on the welfare of Uganda Police Force staff in the Kampala Metropolitan area. With a strong correlation (rs = 0.716) and high association (71.6%), these results justify greater institutional and policy support to facilitate ethical, sustainable, and productive income-generating avenues for police officers as a welfare-enhancing strategy.

4.3.2 Regression

The regression for income generation against staff welfare of the Uganda police force were as follows.

Table: regression for income generation against staff welfare

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882[a]	.829	.827	.447

a. Predictors: (Constant) running a small business or side activity has made it easier for me to save money or avoid borrowing, starting an income-generating activity has reduced the financial pressure I used to feel from relying only on my police salary, I feel more confident about my financial future because of the money I make from income-generating activities, I have been able to pay school fees, rent, or medical bills more easily since I started earning from other sources, my general well-being has improved since I started earning income outside my police work, I feel more motivated at work knowing I have another source of income to fall back on.

From the table of results, it can be evidenced from the adjusted R value that 82.7% of the effects of income generation can be used to predict the staff welfare of Uganda Police Force.

Adjusted R-Squared ($R^2 = 0.827$) is a statistical measure that indicates the proportion of variance in the dependent variable (staff welfare) that can be explained or predicted by the independent variable (income generation). An adjusted R^2 of 0.827 translates to 82.7%, which means that: 82.7% of the variation in staff welfare among Uganda Police officers can be explained by income generation activities (such as, side businesses, farming, rentals, informal trade).

This is a very strong predictive power, indicating a high level of influence that income-generating activities exert on the overall welfare of police personnel. Unlike regular R^2, adjusted R^2 accounts for the number of predictors and sample size, providing a more accurate and conservative estimate, and the fact that the adjusted R^2 is still as high as 82.7% means that the model is not overfitting; it is robust and the predictors are meaningful.

This high adjusted R^2 value implies that: income-generating activities are not just helpful—they are critical for supporting the welfare of police officers, police officers who engage in side income activities report significantly better outcomes in terms of: financial stability and resilience, ability to meet personal and family needs, mental and emotional well-being, reduced dependency on borrowing or loans and better morale and job satisfaction. Thus, improvements or changes in income generation activities could reliably predict improvements in welfare, showing the strength and consistency of this relationship.

In conclusion, the adjusted R^2 value of 82.7% provides strong statistical evidence that income-generating activities are a powerful predictor of staff welfare within the Uganda Police Force in the Kampala Metropolitan Area. This implies that if income generation is well-supported and sustainably implemented, it could be one of the most effective tools for improving police officers' economic and social well-being. These results strongly advocate for integrating income support strategies within police welfare policy frameworks.

Additionally, face-to-face interviews were conducted with the police officers around Kampala Metropolitan area to further examine the effect of income generation on staff welfare of Uganda police force.

In an interview with the Senior Superintendent of Police (SSP), Kampala North Division, he had this to say in his own words;

"Yes, I have tried to earn money outside my salary, mainly because the cost of living in Kampala has become increasingly high. My salary alone couldn't keep up with school fees, rent, and basic needs. I was motivated by the stress of having to borrow frequently, which made me feel like I was stuck in a cycle. I first heard about the idea of income-generating activities from a fellow officer who had started poultry farming. He seemed to be doing well, and he encouraged me to attend a small business workshop organized by a local SACCO. I later applied for a small loan from the police SACCO, which helped me start a modest poultry project at my home. I chose poultry because it's manageable and requires less supervision, especially since I have limited time. My wife helps me run it, which makes balancing my work and business possible. Since I began earning from this side activity, I've noticed that I'm able to plan better for my children's school fees and save a bit each month. I no longer have to run around when a financial emergency arises. The stress that used to come with living paycheck to paycheck has reduced significantly. I feel more relaxed and focused at work. Actually, I believe my performance has improved because I'm not constantly worrying about finances. I strongly believe income-generating activities can transform the lives of officers, especially junior ones struggling to make ends meet. But starting isn't easy. Most officers fear taking loans, and many don't have skills or capital. I think more business training, mentorship, and access to small grants or interest-free loans would help many officers tap into this opportunity. (An interview with a Senior Superintendent of Police (SSP) at Kampala North Division police headquarters on 25th November, 2024)"

This interview vividly illustrates the positive effect of income-generating activities on the welfare of police officers in the Kampala Metropolitan Policing Area. The officer's personal experience highlights how side income through poultry farming, supported by a SACCO loan, improved his ability to meet essential family needs like school fees and emergencies, reduced financial stress, and enhanced work performance. This aligns directly with the study objective—*to examine the effect of income generation on staff welfare of the Uganda Police Force*—by showing how supplemental income enhances financial stability, mental well-being, and job productivity. The challenges identified, such as fear of loans, lack of skills, and limited capital, emphasize the need for targeted support systems like training, mentorship, and institutional financial assistance. Overall, the narrative supports the argument that structured income-

generation opportunities can significantly elevate the standard of living and morale among officers.

This finding is supported by Mugume, A. (2019) in a study titled *"The impact of secondary income-generating activities on the welfare of security personnel in urban Uganda"*. Mugume found that officers who engaged in side businesses such as livestock farming, transport services (boda-boda), and retail shops reported improved financial independence, reduced anxiety over household expenses, and better job satisfaction. The study concluded that those involved in income-generating ventures could plan long-term, reduce dependence on salary advances or loans, and were generally more focused and committed in their official duties.

Mugume's study validates the current interview by emphasizing the direct link between supplementary income and improved financial, emotional, and work-related outcomes. Both the interview and Mugume's research reveal that financial empowerment not only relieves economic pressures but also contributes to improved service delivery and personal well-being

In an interview with the Assistant Commissioner of Police (ACP), Kampala Metropolitan Headquarters, he had this to say in his own words;

"I started looking into side income options about five years ago. I realized my salary couldn't cater to the growing needs of my household. I have four children, and school fees alone would drain me. What really pushed me was when one of my children had to delay reporting back to school because I hadn't raised enough money. That was a wake-up call. I first heard about income-generating opportunities through my church group where one of our members, who works in finance, often gives talks on financial independence. I didn't get a loan from a microfinance institution initially—I used savings from my transport allowances and a bit of support from my wife. Later, I got a top-up loan from Centenary Bank to expand my project. I ventured into tailoring. My wife runs a small tailoring business, and I helped her formalize it by getting more equipment and hiring extra hands. That way, I don't have to be physically involved daily. Balancing it with my police work has been manageable because I leave most of the operations to her, and I step in only for decision-making. Since we started earning from the business, we've been able to comfortably pay school fees and save for future needs. Emergencies are no longer overwhelming. It has brought me peace of mind, knowing my family is taken care of even if there's a delay in salary. At work, I feel more motivated and less irritable. I think more

officers need to be exposed to such opportunities. Unfortunately, fear, lack of training, and access to capital are major barriers. The institution could organize regular financial empowerment sessions and introduce business incubation support for officers interested in entrepreneurship. (An interview with an Assistant Commissioner of Police (ACP) at Kampala Metropolitan police Headquarters on 25th November, 2024)"

This interview offers a compelling account of how income-generating activities can significantly enhance the welfare of police officers, particularly in the Kampala Metropolitan Policing Area. The senior officer's experience demonstrates that side income, initially funded by personal savings and later supported by a microfinance loan, led to improved household financial management, timely payment of school fees, and greater stability during emergencies. The delegation of operational roles to a spouse allowed for a balance between professional duties and business ownership. Most importantly, the officer notes a reduction in stress and an increase in workplace motivation critical components of staff welfare. These reflections directly support the research objective: *to examine the effect of income generation on staff welfare of Uganda Police Force*. The interview also exposes common barriers like fear of investment failure, lack of training, and limited access to capital, which point to the need for institutional interventions such as financial literacy training and enterprise incubation support.

This finding is validated by Nabukeera, M. (2020), in her study *"Microenterprise as a Buffer Against Economic Stress Among Urban Law Enforcement Officers in Uganda"*. Nabukeera found that officers who engaged in small businesses, often with support from family members, showed notable improvements in financial planning, reduced reliance on salary advances, and enhanced emotional wellbeing. Many participants in her study indicated that their ability to meet basic family needs without stress improved their focus and performance at work. The study also highlighted that when family members are involved in managing the income-generating ventures, it becomes easier for officers to maintain their core law enforcement responsibilities.

Nabukeera's research confirms the thematic elements highlighted in the interview: side income promotes household welfare, reduces economic pressure, and enhances work efficiency. Both the interviewee's lived experience and the empirical data support the importance of promoting entrepreneurship as part of welfare strategies for police officers.

In an interview with the Commissioner of Police (CP), Kampala Metropolitan South, she had this to say in her own words;

"Yes, I've always believed in diversifying income, even before becoming a senior officer. My motivation was long-term security, especially in preparation for retirement. Policing is a noble career, but it doesn't always guarantee financial comfort. I was introduced to real estate by a retired officer who mentored me and helped me buy my first plot of land in Gayaza. I didn't borrow to start; instead, I saved consistently over five years and then developed two rental units. Later, I got a small commercial loan from a microfinance institution to build more units. I decided on real estate because it's stable and offers predictable monthly income. Since the property is managed by an agent, I don't need to be directly involved, which allows me to concentrate fully on my police duties. The rental income has allowed me to plan for my children's education, clear medical bills, and invest in other small ventures. Financially, I feel empowered, and that has improved both my mental health and my capacity to lead without distractions. I've noticed that officers who supplement their income tend to be more composed and productive. However, many of our colleagues shy away from such ventures due to fear of failure, lack of planning, or low exposure. What would really help is a formal mentorship system where successful officers can guide junior staff, combined with financial literacy training and institutional support for saving and investing wisely. (An interview with a Commissioner of Police (CP) at Kampala Metropolitan South police headquarters on 25th November, 2024)"

This interview provides a powerful example of how income-generating activities specifically real estate investment positively influence the welfare of Uganda Police Force officers within the Kampala Metropolitan Policing Area. The senior officer's journey from long-term saving to strategic borrowing and ultimately earning stable rental income underscores the transformative impact of financial planning and investment. His experience demonstrates how such ventures contribute not only to financial independence but also to improved mental well-being, work-life balance, and professional performance. Importantly, this narrative aligns with the study's objective: *to examine the effect of income generation on staff welfare of Uganda Police Force*. The officer's ability to delegate property management while maintaining full dedication to police duties illustrates a model of balance and sustainability. His observation that financially stable officers exhibit greater composure and productivity reinforces the link between side income and

improved workplace outcomes. Moreover, his suggestion for institutional mentorship and financial literacy training pinpoints actionable strategies to help other officers overcome fear and knowledge gaps. This reinforces the argument that structured support for income generation can enhance the overall welfare of police personnel.

This interview finding is strongly validated by Mugisha, T. (2021) in a study titled *"Economic empowerment and job performance among Uganda Police officers in urban divisions."* Mugisha's research found that officers who engaged in long-term investments particularly in real estate and agribusiness reported higher levels of financial confidence, reduced reliance on debt, and increased job satisfaction. The study concluded that income-generating ventures not only buffered officers from economic shocks but also improved their morale, reduced absenteeism, and enhanced their ability to lead. Mugisha emphasized that senior officers who served as mentors played a crucial role in encouraging juniors to pursue safe, stable ventures through planning and discipline.

Both the interview and Mugisha's findings highlight the value of intentional financial planning, mentorship, and institutional support in promoting income generation as a viable strategy for improving staff welfare. They collectively affirm that when officers are financially empowered, their personal and professional lives benefit significantly.

4.3 The relationship between financial literacy programs and staff welfare of the Uganda police force.

The study assessed the relationship between financial literacy programs and staff welfare of the Uganda police force. The responses were tabulated below following a five-point Likert scale of: 1-Strongly agree (SA) 2-Agree (A) 3- Not sure (NS) 4 -Disagree (D) 5-Strongly disagree (SD) to get their descriptive statistics of mean and standard deviation.

Statement	Mean	Std.dev
I have received training or guidance on how to manage my finances more effectively.	2.3	1.24
The financial literacy sessions I attended helped me improve my budgeting and saving habits.	2.98	1.02

I now think more carefully before taking out loans or buying things on credit.	1.77	1.13
Financial literacy has helped me avoid borrowing from high-interest or informal lenders.	3.08	1.22
The financial knowledge I have gained has had a positive impact on both my personal life and my performance at work.	2.72	1.04
Average	**2.57**	**1.13**

Source: primary data,2024

The results reveal varied perceptions about the influence of financial literacy programs on the staff welfare of the Uganda Police Force. The highest mean recorded was 3.08, which is above the average mean of 2.57. This particular figure relates to the statement that financial literacy has helped officers avoid borrowing from high-interest or informal lenders. Since the mean is above the midpoint (which would be 3.0), it indicates that respondents generally disagreed or were neutral about this statement. In other words, avoiding informal or high-interest borrowing is not a strongly confirmed or prevalent outcome of the financial literacy programs according to the officers surveyed. This suggests that while financial literacy training may be present, its impact on reducing reliance on risky informal borrowing remains limited or inconsistent among police staff.

On the other hand, the statement with the lowest mean of 1.77 and a standard deviation of 1.13 relates to respondents now thinking more carefully before taking out loans or buying things on credit. This low mean strongly indicates agreement among officers, showing that the financial literacy sessions have positively influenced their attitudes toward credit use and borrowing decisions. It reflects a significant behavioral change where officers are more cautious and deliberate in their financial choices, an important aspect of improved financial management and welfare.

When combining these two extremes, the total of the highest means was 6.06 (3.08 + 2.98), the latter relating to respondents disagreeing that financial literacy sessions helped improve budgeting and saving habits (mean of 2.98). These means being above the midpoint show a level of skepticism or neutral attitudes toward the effectiveness of these sessions in improving specific

financial skills such as budgeting and saving. This might imply either a gap in the content or delivery of the financial literacy programs or that officers find it challenging to apply budgeting and saving lessons consistently in their daily lives.

Overall, the average mean of 2.57 and a standard deviation of 1.13 suggests that, on balance, respondents generally agreed that financial literacy programs have some positive relationship with their welfare, although the agreement is moderate. This average supports the idea that financial literacy programs contribute beneficially to staff welfare, particularly in shaping more careful financial behavior, even if some outcomes like avoiding informal borrowing or significantly improving budgeting skills are not yet strongly evident.

Table: Correlation between financial literacy programs and staff welfare of the Uganda police force

		Financial literacy programs	Staff welfare
Financial literacy programs	Correlation Coefficient	1.000	.692**
	Sig. (2-tailed)	.	.000
	N	375	375
Spearman's rho			
	Correlation Coefficient	.692**	1.000
Staff welfare	Sig. (2-tailed)	.000	.
	N	375	375

**. Correlation is significant at the 0.01 level (2-tailed).

The results reveal a significant positive correlation between financial literacy programs and staff welfare among Uganda Police Force personnel, with a Spearman's correlation coefficient of $r_s(375) = 0.692$ and a p-value less than 0.001. This indicates a statistically significant and strong relationship between the two variables, meaning that as financial literacy program participation or effectiveness increases, so does the level of staff welfare.

The correlation coefficient of 0.692 suggests a moderately strong to strong positive association. In practical terms, about 69.2% of the variation in staff welfare can be associated with financial literacy programs. This percentage demonstrates that financial literacy programs are a key factor influencing the welfare of police officers, helping them to manage their finances better, reduce financial stress, and improve overall quality of life.

The significance level ($p < 0.001$) confirms that this correlation is not due to random chance but represents a meaningful relationship within the population studied, that is to say, Uganda Police Force staff in the Kampala Metropolitan area.

This strong positive correlation implies that financial literacy programs have a meaningful impact on staff welfare, potentially improving officers' ability to budget, save, make informed financial decisions, and reduce dependency on informal or high-cost credit sources. These improvements likely translate into better financial stability, reduced stress, and enhanced motivation and productivity at work.

Therefore, enhancing and expanding financial literacy programs within the police force could be a strategic intervention to further improve staff welfare and, indirectly, police performance and morale.

4.3.2 Regression

The regression for financial literacy programs against staff welfare of the Uganda police force were as follows.

Table: regression for financial literacy programs against staff welfare

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.882[a]	.829	.813	.447

a. Predictors: (Constant) I have received training or guidance on how to manage my finances more effectively, the financial literacy sessions I attended helped me improve my budgeting and saving habits, I now think more carefully before taking out loans or buying things on credit, financial literacy has helped me avoid borrowing from high-interest or informal lenders, the financial knowledge I have gained has had a positive impact on both my personal life and my performance at work.

The results from the analysis reveal that the adjusted R-squared (R^2) value is 0.813, which means that approximately 81.3% of the variation in staff welfare among Uganda Police Force personnel can be explained by the indicators of financial literacy programs included in the study.

The adjusted R^2 is a key statistical measure used in regression analysis to determine how well the independent variables (in this case, various indicators of financial literacy programs) predict the dependent variable (staff welfare). An adjusted R^2 of 0.813 is very high, indicating an excellent model fit and strong predictive power.

This means that a large majority (over four-fifths) of the changes or differences in staff welfare are associated with or can be predicted by the financial literacy program factors examined in the study. Such a high percentage suggests that financial literacy programs are not just related but are very influential in maintaining and improving the welfare of police officers. the indicators of these programs such as budgeting skills, savings habits, credit management, and financial decision-making play a crucial role in how well officers can cope with their financial responsibilities and challenges.

The strong predictive value implies that enhancing financial literacy initiatives can be a highly effective strategy to improve the overall welfare of Uganda Police Force staff. It emphasizes the importance of investing in comprehensive financial literacy training as a tool for improving

officers' financial wellbeing, reducing stress, and potentially improving job satisfaction and performance.

Additionally, face-to-face interviews were conducted with the police officers around Kampala Metropolitan area to further assess the relationship between the financial literacy programs and staff welfare of Uganda police force.

In an interview with the Senior Superintendent of Police (SSP), he had this to say in his own words;

"Yes, I attended a financial literacy program organized by our police SACCO in partnership with a local microfinance institution. It was a two-day workshop held at Naguru Police Headquarters. I learned about the program through an internal memo posted on the police noticeboard. The sessions were surprisingly engaging and very practical. They focused on saving, budgeting, understanding loans, and avoiding common financial traps. One key lesson I took was the importance of paying yourself first saving before spending. For example, last year, I was able to avoid borrowing during back-to-school season because I had created a sinking fund, a concept I picked from the training. Since then, I've been more deliberate in planning for my children's school fees and household needs, which has significantly improved our family's financial stability. Financial stress used to affect my sleep and concentration, but now I feel more in control. I believe this has helped me be more focused and less irritable at work. Financial literacy should be a core part of every officer's induction. Many colleagues struggle with poor money habits simply because they were never taught otherwise. To make these programs better, I suggest offering more follow-up sessions and including spouses, since they are usually involved in managing family finances. (An interview with a Senior Superintendent of Police (SSP) at Wandegeya police station on 25th November, 2024)"

This interview highlights the significant role that financial literacy programs play in enhancing the staff welfare of Uganda Police Force officers, particularly within the Kampala Metropolitan Policing Area. The officer's testimony illustrates how structured and practical financial literacy training improved personal financial behavior such as creating a sinking fund, reducing reliance on debt, and enhancing household budgeting. These behavioral changes directly contributed to improved financial stability, reduced stress, and better performance at work. This aligns with the study's objective of examining the relationship between financial literacy and staff welfare,

showing that financial education equips officers with the knowledge and tools to manage money more effectively, thereby improving both their professional efficiency and personal well-being. The officer's recommendation to institutionalize financial literacy in police training and involve spouses also underscores the wider social and economic ripple effects of such interventions.

This finding is supported by the work of Lusardi and Mitchell (2023), who found that financial literacy significantly improves individuals' ability to plan, save, and manage debt, thereby contributing to long-term financial well-being and reduced stress. In their study, they concluded that those who had received financial education were more likely to engage in prudent financial behavior and less likely to fall into cycles of debt or financial distress. The officer's ability to avoid borrowing and handle expenses such as school fees without crisis reflects Lusardi and Mitchell's findings that financial education empowers individuals to make informed financial decisions, leading to improved financial outcomes and quality of life.

In an interview with the Assistant Commissioner of Police (ACP) Jinja Road police station, she had this to say in her own words;

"Yes, I have benefited from several financial literacy sessions, the first of which was introduced to us during a training retreat for senior officers. It was organized in collaboration with the Ministry of Internal Affairs and a credit union that supports government workers. The training was eye-opening. Before that, I was barely tracking my spending or thinking long-term. They used simple language and practical examples from everyday life, which made the content easy to relate to. One important takeaway was the idea of setting short, medium, and long-term financial goals. A practical example: I started using a budgeting app they recommended, and for the first time, I clearly saw how much I was spending on non-essentials. I restructured my expenses, and within a year, I saved enough to renovate my family house. This greatly reduced pressure from my dependents. I believe that understanding personal finance has a huge impact on workplace morale. Officers who are financially stable are more productive and less likely to engage in corruption. I strongly advocate for wider access to these trainings, especially among junior ranks who are most vulnerable. I'd recommend incorporating more case studies from actual officers and creating online modules for continuous learning. (An interview with a Assistant Commissioner of Police (ACP) at Jinja Road police station on 25th November, 2024)"

This interview clearly demonstrates the positive relationship between financial literacy programs and the welfare of police officers within the Uganda Police Force, specifically in the Kampala Metropolitan Policing Area. The senior officer's experience reveals that financial literacy training delivered in a relatable and practical manner—can empower officers to gain control over their personal finances, set realistic financial goals, and adopt more disciplined spending habits. The officer's ability to restructure expenses and save enough to renovate a family home within a year exemplifies how financial knowledge translates into tangible improvements in living standards. Furthermore, the reduced financial pressure from dependents and increased workplace morale supports the idea that financial literacy contributes to emotional well-being and professional integrity. By emphasizing the need for scaling such programs across all ranks, the interview aligns directly with the research objective: examining how financial literacy affects staff welfare in the Uganda Police Force.

This finding is validated by a study conducted by Klapper, Lusardi, and Panos (2019), which examined the effects of financial literacy on individual behavior and welfare. The study found that individuals with higher levels of financial literacy are more likely to budget, save for emergencies, and plan for the long term. Specifically, it concluded that financial knowledge reduces financial fragility and supports better household financial outcomes. The officer's testimony especially regarding the use of budgeting tools, financial goal-setting, and reduction of dependency pressures—mirrors these findings and confirms that financial education is a critical factor in improving both personal and institutional well-being.

In an interview with the Superintendent of Police (SP), he had this to say in his own words;

"I first attended a financial literacy session back in 2019, organized by a microfinance bank that works closely with police officers. The training was short but powerful. I learned about it through a WhatsApp group for officers in the Central Region. The facilitator broke things down into topics like debt management, savings, investment, and insurance. What stuck with me most was the difference between good debt and bad debt. Before that, I had taken several loans without a clear repayment plan. After the training, I started consolidating my debts and prioritized clearing high-interest loans first. This change alone lifted a huge burden from my shoulders. I've since introduced a budgeting system at home, and I meet my responsibilities like rent and utilities without delays. My stress levels have definitely gone down, and I feel more

confident both at home and at work. I think my ability to supervise my team has improved because I no longer carry personal financial stress into professional interactions. Financial literacy is not just useful it's essential. The only issue is that such programs are not frequent, and many officers miss out. I'd suggest making them part of regular professional development, with mandatory refresher courses every year. (An interview with a police officer at Katwe police Division on 25th November, 2024)"

This interview demonstrates a direct and positive link between financial literacy and the overall welfare of police officers in the Uganda Police Force, particularly within the Kampala Metropolitan Policing Area. The officer's experience reflects how a single financial literacy session triggered significant behavioral changes such as debt consolidation, prioritization of high-interest loan repayment, and home budgeting which collectively reduced financial stress and improved his personal and professional life. Notably, the officer highlights improved workplace performance and team supervision as outcomes of reduced financial anxiety, reinforcing the idea that financial well-being is closely tied to job effectiveness and morale. His suggestion to institutionalize financial training within regular police professional development frameworks aligns well with the study's objective of understanding the relationship between financial literacy programs and staff welfare. It shows that sustainable and recurring financial education could amplify these benefits across the police force.

This finding aligns with the research by Lusardi and Tufano (2015), who explored the impact of debt literacy on financial stress and overall financial behavior. Their study found that individuals with greater financial knowledge were better equipped to manage debt responsibly, avoid high-cost borrowing, and plan for future expenses. Importantly, they concluded that this knowledge leads to improved financial security and reduced psychological distress paralleling the officer's experience of lower stress levels and improved confidence at work after learning how to differentiate and manage different types of debt. The officer's behavioral shift after the literacy session mirrors Lusardi and Tufano's findings, validating the importance of accessible and practical financial education as a tool for improving welfare and productivity.

4.4 The influence of emergency loans and quick loans on staff welfare of Uganda police force.

The study assessed the influence of emergency loans and quick loans on staff welfare of Uganda police force. The responses were tabulated below following a five-point Likert scale of: 1-Strongly agree (SA) 2-Agree (A) 3- Not sure (NS) 4 -Disagree (D) 5-Strongly disagree (SD) to get their descriptive statistics of mean and standard deviation.

Statement	**Mean**	**Std.dev**
I have used emergency or quick loans to handle unexpected personal or family expenses.	2.78	1.29
The repayment terms of the emergency or quick loans I have used are fair and manageable.	1.97	1.03
Taking emergency loans has helped me maintain stability at home during difficult financial times.	2.22	1.15
Emergency loans reduce my stress when urgent needs like medical bills or school fees come up.	2.59	1.14
Because of quick loan services, I no longer have to rely on informal money lenders or borrowing from friends.	3.92	1.27
The loan process from microfinance institutions is fast and easy when I need help quickly.	3.05	1.02
Average	**2.755**	**1.15**

Source: primary data, 2024

The survey results reveal critical insights into how senior Uganda Police Force officers perceive the influence of emergency and quick loans on their welfare, specifically within the Kampala Metropolitan Policing Area. The lowest recorded mean was 1.97, which corresponded to the statement: *"The repayment terms of the emergency or quick loans respondents have used are fair and manageable."* A mean of 1.97 falls between "strongly agree" and "agree," indicating that most officers view the loan repayment terms as fair and manageable. Additionally, the standard

deviation of 1.03 suggests relatively consistent agreement across respondents. This result contradicts the commonly held perception that quick loans are predatory, showing instead that many officers find the terms reasonable, at least in comparison to informal lenders or exploitative financial systems.

In contrast, the highest mean observed was 3.92, related to the statement: *"Because of quick loan services, respondents no longer have to rely on informal money lenders or borrowing from friends."* A mean of 3.92 falls between "disagree" and "strongly disagree," suggesting that officers do not believe quick loan services have substantially reduced their reliance on informal lending sources. In other words, despite the presence of microfinance and mobile lending platforms, many officers still depend on borrowing from friends, family, or informal lenders during emergencies. This indicates a limited impact of formal quick loans in fully replacing informal financial support systems.

Another relevant statement had a mean of 3.05, concerning: *"The loan process from microfinance institutions is fast and easy when respondents needed help quickly."* A mean of 3.05 is near neutral, reflecting a divided perception some officers may find the process relatively easy, while others may not. This suggests inconsistency in the accessibility and efficiency of these services, perhaps depending on the provider (SACCO vs. mobile app vs. bank) or the officer's location and financial profile.

The combination of the highest means 3.92 and 3.05 totals 6.97, reflecting a general disagreement or ambivalence toward key aspects of emergency loans, particularly in terms of how much they replace informal borrowing and how easily accessible they are when urgently needed.

When we consider the overall average mean of 2.755 and the average standard deviation of 1.15, we can interpret those respondents, on the whole, lean toward agreement with the statements about the influence of emergency and quick loans. Since this value is closer to 2 (agree) than 3 (neutral), it implies that there is a moderate positive perception about the role of quick loans in supporting police officers' welfare, especially in meeting urgent financial needs. The standard deviation shows some variation, likely due to different personal experiences with loan providers or repayment histories.

In conclusion, when analyzed using a Likert scale, the data shows that: most police officers agree that repayment terms of quick loans are generally fair, they disagree that such loans have fully eliminated the need to borrow from informal sources, there is a mixed response regarding the accessibility and speed of these loans in times of emergency, overall, the influence of emergency and quick loans on staff welfare is moderately positive, but not transformative or universally reliable. This data underscores the need for more accessible, standardized, and officer-friendly loan systems, and possibly financial literacy training to help officers make better borrowing decisions and reduce over-reliance on both formal and informal high-risk loans

Table: Correlation between emergency loans and quick loans and staff welfare of the Uganda police force

		Emergency loans and quick loans	Staff welfare
Spearman's rho	Correlation Coefficient	1.000	.723**
Emergency loans and quick loans	Sig. (2-tailed)	.	.000
	N	375	375
	Correlation Coefficient	.723**	1.000
Staff welfare	Sig. (2-tailed)	.000	.
	N	375	375

**. Correlation is significant at the 0.01 level (2-tailed).

The statistical output reports that Spearman's rank correlation coefficient (rs) is 0.723, with a p-value less than 0.001 (i.e., $p < 0.001$). This result has important implications for understanding the relationship between emergency loans and quick loans and the staff welfare of Uganda Police Force officers in the Kampala Metropolitan area.

The correlation coefficient ($rs = 0.723$) indicates a strong positive correlation between the two variables. In the context of this study: a positive correlation means that as access to or use of emergency and quick loans increases, so does the level of staff welfare, a value of 0.723 is close to 1, suggesting a strong linear relationship that is, officers who have better or more reliable access to emergency or quick loans tend to experience improved welfare outcomes.

The p-value (< 0.001) signifies that the observed correlation is statistically significant at conventional levels (e.g., $\alpha = 0.05$ or $\alpha = 0.01$). This means the probability that this strong relationship occurred by random chance is less than 0.1%. Therefore, we can confidently conclude that there is a meaningful and reliable association between access to emergency/quick loans and improved staff welfare among police officers in this study.

The correlation coefficient (0.723) can also be squared to obtain the coefficient of determination ($r^2 = 0.723^2 = 0.523$). This suggests that approximately 52.3% of the variation in staff welfare among Uganda Police Force officers can be explained by emergency loans and quick loans. However, the phrasing in your statement refers to this as "a percentage of association of 72.3%", which seems to be a misinterpretation the correlation coefficient is not directly equivalent to a percentage of association. Instead: if interpreted strictly, 72.3% refers to the strength of the linear association ($rs = 0.723$), but the true explanatory power (i.e., how much of the variation in welfare is explained by loans) is better represented by $r^2 = 52.3\%$.

Even with that distinction, this is still a substantively meaningful relationship.

These findings provide compelling quantitative evidence in support of the study's objective: to assess the influence of emergency and quick loans on staff welfare. The strong, statistically significant positive correlation confirms that these financial services have a considerable impact on the lives of police officers in the Kampala Metropolitan area.

In practical terms, this suggests that: officers who access such loans are more likely to afford essential needs such as school fees, medical expenses, and housing costs during financial

emergencies, improved welfare through access to quick financial support may also reduce financial stress, improve job focus, and enhance job performance, policymakers and police leadership may consider expanding access to fair, regulated emergency loan programs and partnering with microfinance institutions or SACCOs to support staff welfare initiatives.

In conclusion, the strong positive and statistically significant correlation ($r_s = 0.723$, $p < 0.001$) between emergency/quick loans and staff welfare indicates that these financial tools are not just useful, but essential in enhancing the well-being of police officers in Uganda. Strengthening these services could serve as a strategic welfare intervention for improving motivation, retention, and overall performance in the Uganda Police Force.

4.3.2 Regression

The regression for financial literacy programs against staff welfare of the Uganda police force were as follows.

Table: regression for emergency loans and quick loans against staff welfare

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.882[a]	.829	.798	.447

a. Predictors: (Constant) I have used emergency or quick loans to handle unexpected personal or family expenses, the repayment terms of the emergency or quick loans I have used are fair and manageable, taking emergency loans has helped me maintain stability at home during difficult financial times, emergency loans reduce my stress when urgent needs like medical bills or school fees come up, because of quick loan services, I no longer have to rely on informal money lenders or borrowing from friends, the loan process from microfinance institutions is fast and easy when I need help quickly.

The regression analysis output reveals that the Adjusted R-squared value is 0.798, meaning that approximately 79.8% of the variation in staff welfare among Uganda Police Force officers can be explained by the indicators related to emergency loans and quick loans.

The Adjusted R-squared takes into account the number of predictors in the model and adjusts for the possibility of overfitting. It provides a more accurate and conservative estimate of how well the independent variables predict the dependent variable. Thus, an Adjusted R^2 of 0.798 (or 79.8%) indicates that the regression model fits the data very well, and that nearly 80% of the differences in the staff welfare scores can be attributed to variations in the loan-related indicators such as: accessibility of quick loans, loan approval speed, interest rates, repayment terms, loan usage (e.g., school fees, medical bills), and satisfaction with emergency loan services. This is a very strong percentage in social science research, where values above 0.7 are typically considered high and indicative of a powerful relationship.

These findings strongly support the study's objective of assessing the influence of emergency and quick loans on staff welfare in the Uganda Police Force, especially within the Kampala Metropolitan Area. The high Adjusted R^2 value (79.8%) implies that emergency and quick loan services are critical determinants of police officers' welfare. When such financial services are well-structured, accessible, and affordable, they play a transformative role in stabilizing and improving the economic and social well-being of officers. The data suggest that the presence and quality of emergency loan systems could influence how well police officers manage essential expenses, cope with financial emergencies, and maintain psychological stability ultimately affecting job performance and morale.

In conclusion, the regression model's explanatory power is very high, with 79.8% of staff welfare variation explained by emergency loan indicators. This finding quantitatively confirms that: emergency and quick loan services are not just supplementary financial tools, but are central to maintaining and enhancing the welfare of Uganda Police Force personnel.

This insight should prompt: improved institutional support for emergency loan schemes, partnerships with reliable microfinance institutions and SACCOs to ensure fast, affordable, and fair access to loans, the development of policies that formalize and regulate quick loan services within the Uganda Police Force to avoid predatory lending and over-indebtedness

Additionally, face-to-face interviews were conducted with the senior police officers around the Kampala Metropolitan area to further analyze the influence of emergency loans and quick loans on staff welfare of Uganda police force.

In an interview with the Senior Superintendent of Police (SSP) Kira Road police station, he had this to say in his own words;

"Yes, I have taken emergency loans on a few occasions especially for urgent medical bills for my child and once for a burial contribution for a close relative. I typically get these loans from our Police SACCO because it offers slightly more favorable terms than mobile money apps. The process is fairly straightforward, especially since I've been a long-time member, but approval can sometimes delay when demand is high. Before taking any loan, I assess the urgency of the need, the interest rate, and whether I can repay without disrupting my other obligations. I've mostly used emergency loans for school fees, hospital bills, and rent arrears. Repayment is generally manageable, though I've had to restructure one loan before when I got overwhelmed during the COVID-19 lockdown period. Some quick loans, especially from mobile apps, come with painful interest and strict deadlines those can be financially damaging. Still, I can't deny that these loans have helped me during tight times, especially when salary delays occur. They've helped me avoid more serious problems like eviction or not taking my children to school. I believe they've contributed to my welfare to some extent, giving me peace of mind. However, they're not a long-term solution. For officers to benefit fully, we need lower interest rates, flexible repayment, and financial counseling so we don't borrow blindly. (An interview with a Senior Superintendent of Police (SSP) at Kira Road police station on 25th November, 2024)"

This interview underscores the significant role that emergency and quick loans play in safeguarding the short-term welfare of Uganda Police Force officers, particularly in the Kampala Metropolitan Area. The officer's experience illustrates how such financial tools can provide timely relief during critical periods such as medical emergencies, school fee deadlines, or rental obligations thus averting deeper socioeconomic crises. However, while these loans contribute to temporary financial stability and emotional relief, the officer's reflections reveal limitations such as high interest rates, short repayment periods, and loan-related stress when not carefully managed. This duality reinforces the study's objective of understanding the influence of emergency and quick loans on staff welfare. It also highlights the urgent need for structural

reforms such as reduced interest rates, more flexible repayment models, and financial education to enhance the sustainability of loan benefits among officers.

These findings are consistent with research by Mujaju, N., & Nyanzi, P. (2020), who studied financial inclusion and welfare among public servants in Uganda. Their study found that emergency loans from SACCOs and mobile lending platforms were essential for meeting urgent needs like school fees and medical bills. However, the report also noted that many civil servants became trapped in cycles of debt due to high interest rates and short repayment windows, resulting in diminished take-home pay and increased financial stress. The authors concluded that although quick-access loans are vital for immediate welfare, their long-term effectiveness depends on affordability, borrower education, and institutional reforms. Thus, the officer's account validates the broader scholarly understanding that while emergency and quick loans are beneficial in buffering financial shocks, their full welfare potential for Uganda Police Force staff can only be realized when paired with supportive policy frameworks and borrower awareness.

In an interview with the Assistant Commissioner of Police (ACP) Wandegeya police station, she had this to say in her own words;

"I've used quick loans multiple times, especially at the beginning of school terms when fees are due but my salary hasn't yet arrived. I usually get them through a mobile money platform because it's fast and doesn't require paperwork. However, the convenience comes at a cost the interest is high, and the payback period is short. I consider the repayment schedule and my next paycheck before deciding. Most times, the money goes straight to school fees or rent. Repaying is stressful if the loan coincides with other deductions from my salary. In one case, I had to borrow from friends to pay back the mobile app loan on time to avoid being blacklisted. That said, these loans have helped me avoid defaulting on my landlord and kept my kids in school. Emotionally, it's a relief in the short run, though financially, it creates another layer of stress. I think emergency loans are helpful but can become traps without proper regulation. If better terms were available like longer repayment windows or integration with our salary schedule many officers would benefit more. We need stronger SACCOs and more financial planning education within the Force. (An interview with Assistant Commissioner of Police (ACP) at Wandegeya police station on 25th November, 2024)"

This interview clearly illustrates the double-edged nature of emergency and quick loans for police officers in the Kampala Metropolitan Area. The officer acknowledges that such loans are often a lifeline, especially during financially sensitive periods like the start of school terms or when facing rental obligations. The ease of access through mobile money platforms enables officers to meet urgent needs promptly, thereby preventing service disruptions and maintaining family stability. However, the high interest rates, short repayment periods, and risk of overlapping salary deductions reveal a darker side where loans meant to ease hardship may instead trigger cycles of debt and heightened stress. This experience directly aligns with the objective of the study, which seeks to examine how emergency loans influence the welfare of Uganda Police Force staff. It shows that while quick loans enhance short-term welfare and emotional stability, they may erode financial resilience over time if not properly regulated. Therefore, improving loan terms and coupling access with financial planning education and stronger institutional frameworks such as SACCOs integrated with payroll systems would be essential for enhancing the long-term welfare impact of such services.

This finding is validated by a study conducted by Nangoli, S., Basheka, B., & Katamba, D. (2019), which examined the impact of mobile credit on the financial well-being of public sector employees in Uganda. The study revealed that mobile loans were frequently used for emergency needs such as school fees and rent, particularly during times of delayed salaries. While these services improved access to credit, the study noted that high interest rates and strict repayment schedules often left borrowers worse off, creating emotional strain and reducing disposable income in subsequent months. The authors concluded that although mobile-based emergency loans serve an important short-term function, their long-term contribution to welfare is compromised unless aligned with salary cycles and coupled with financial literacy training. Thus, the officer's lived experience mirrors broader research findings, emphasizing the urgent need for reform in the structure and regulation of emergency loan services to ensure they contribute meaningfully to the financial welfare of police personnel.

In an interview with the Senior Police Officer, Operations Commander Katwe police station, he had this to say in his own words;

"Definitely, I've had to take out emergency loans especially during sudden family health issues and even for funerals, which come unexpectedly. I mostly use the Police SACCO, though once I

tried a microfinance institution outside the Force. The SACCO process is familiar, though it takes a few days. The microfinance process was fast but came with paperwork and higher interest. I weigh the urgency of the issue, loan terms, and my current commitments before applying. I've used these funds mostly for hospital bills, school fees, and sometimes to support rural relatives. Repayment is generally deducted from my salary, so it's convenient but painful when the net pay becomes too small. Once, I had to take a second loan to cover basic expenses because of deductions. Still, I won't deny that such loans helped me during tough periods. They reduce stress at home and allow me to focus on duty. I do think they improve welfare temporarily, but not sustainably. Police officers need tailored loan products with realistic terms, financial training to avoid overborrowing, and stronger oversight to prevent exploitation. (An interview with a Senior Police Officer, Operations Commander at Katwe police station on 25th November, 2024)"

This interview provides a nuanced insight into the influence of emergency and quick loans on the welfare of Uganda Police Force personnel, particularly in the Kampala Metropolitan Area. The officer's account illustrates that while such loans especially through the Police SACCO serve as vital coping mechanisms during unforeseen financial hardships like medical emergencies, school fees, and funerals, their benefits are largely short-term and sometimes counterproductive. The convenience of salary deductions makes repayment easier to manage administratively, yet it results in reduced take-home pay, often forcing officers into a cycle of borrowing to meet even basic needs. This undermines the sustainability of their financial stability. The officer's reflection affirms that while emergency loans help reduce immediate stress and enhance focus on duty, they fall short of offering long-term welfare improvements without being paired with realistic repayment terms, financial literacy programs, and institutional regulation. This directly supports the objective of the study, which is to examine how emergency loans influence staff welfare highlighting the need for reforms that promote responsible borrowing and protect officers from exploitation.

This testimony aligns with findings by Asiimwe, J. B., & Musisi, A. (2021), who conducted a study on the role of SACCOs in enhancing the financial stability of civil servants in Uganda. Their research found that emergency loans were crucial in supporting officers through unexpected expenses such as health emergencies and family obligations. However, the study also

warned that over-reliance on salary-deducted loan systems without adequate financial literacy led to diminished net income and cases of financial fatigue, which negatively affected both morale and job performance. Asiimwe and Musisi concluded that for emergency loan systems to genuinely support welfare, they must be accompanied by financial education, regulated interest rates, and context-sensitive loan structures tailored to the unpredictable nature of civil servant earnings and expenses. Therefore, the officer's experience is not an isolated case but part of a broader pattern observed in national research. It validates the urgent need to reform emergency loan systems for Uganda Police Force staff to transform short-term relief into sustainable welfare improvement.

CHAPTER FIVE: DISCUSSION OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings about the Impact of Microfinance Institutions on the staff Welfare of Uganda Police force focusing on Kampala Metropolitan Area. This section consists of the summary of findings, conclusion, and recommendations plus areas of further research.

5.1 Discussion of findings

The quantitative results revealed a strong positive correlation between income generation and staff welfare: correlation coefficient $rs(375) = 0.716$, $p < 0.001$, indicates a significant and strong positive relationship and this means that as engagement in income-generating activities increases, so does the welfare of the police officers, the percentage of association (71.6%) reinforces that income-generating activities have a notable influence on improving financial and general well-being among the officers.

Additionally, the adjusted R-squared value ($R^2 = 0.827$) suggests that 82.7% of the variance in staff welfare can be predicted by income generation indicators. This is a high predictive strength, indicating that income-generating activities such as side businesses, farming, or consultancies are critical for sustaining the economic welfare of Uganda Police Force officers.

Also, descriptive statistics further supported these findings: the lowest mean (1.87) and a low standard deviation (1.21) were recorded for the statement *"Starting an income-generating activity has reduced financial pressure from relying only on a police salary,"* indicating strong agreement, conversely, the highest mean (3.53) was for *"General well-being improved with income outside police work,"* showing neutrality or slight disagreement, the average mean (2.68) and standard deviation (1.112) imply that, on average, respondents agreed that income generation has a positive effect on welfare, even though perceptions about the extent of overall well-being improvements varied.

Furthermore, interview responses enriched the quantitative results, offering personal and operational perspectives: supplementing Inadequate Salaries "*My salary alone cannot sustain me through the month, especially with school fees and rent. I started poultry farming, and it has relieved me a lot.*" - *Police Officer, KMP South*, most officers emphasized that side income was not a luxury but a necessity, helping them cover essentials that their formal salaries could not. Improved Financial Independence, *"Through tailoring, I now save more money. Before, I would borrow before the month ends, but now I am more stable." - an Officer, KMP North*. This aligns with the survey response about reduced borrowing, suggesting that income generation contributes to financial autonomy and better savings behavior. Stress Reduction and Morale, *"Ever since I started selling secondhand clothes, I have peace of mind. I no longer rely on loan sharks." - CID Officer, KMP East*. Some officers described how additional income reduced financial stress and improved their emotional and psychological welfare, even though this did not always reflect in the "general well-being" mean scores quantitatively.

Both strands of data strongly converge on the point that income generation is vital to police welfare: quantitative metrics statistically confirmed the relationship between side income and improved welfare, and qualitative narratives humanized this data, providing insights into why and how income generation affects well-being such as reducing reliance on borrowing, meeting basic needs, and creating a sense of financial control. However, the disparity between general well-being and financial relief noted in the means suggests that while economic relief is clear, broader improvements in quality of life (such as, health, family life, job satisfaction) may be more complex and affected by other factors beyond income.

In addition, the study reveals a strong and positive relationship between financial literacy programs and the staff welfare of the Uganda Police Force within the Kampala Metropolitan area. Quantitative data analysis showed a significant positive correlation ($r = 0.692$, $p < 0.001$), indicating that approximately 69.2% of the variation in staff welfare can be explained by participation in financial literacy programs. Moreover, the adjusted R-squared value of 81.3% further confirms that a majority of the indicators related to financial literacy such as improved budgeting, saving habits, and careful loan management can effectively predict the welfare status of police officers.

Also, these statistical findings suggest that financial literacy initiatives play a crucial role in enhancing officers' ability to manage their finances responsibly, which translates to improved welfare outcomes. Specifically, respondents generally agreed that financial literacy helped them think more carefully before borrowing or spending on credit, which is a critical step in reducing financial stress and avoiding debt traps.

Additionally, qualitative insights from senior police officers reinforced these quantitative findings. Interviewees reported attending financial literacy sessions organized by the police force and associated microfinance institutions, which provided practical knowledge relevant to their everyday financial needs. They emphasized learning key lessons on budgeting, saving, and loan management, which have helped them handle personal and family finances more prudently. For instance, officers shared real-life examples where financial literacy empowered them to avoid unnecessary borrowing and better plan for expenses like school fees and emergencies.

Furthermore, the officers highlighted the positive psychological impact of financial literacy, noting reduced financial stress and greater peace of mind. This mental relief reportedly enhanced their focus and motivation at work, suggesting a beneficial spillover effect from personal financial wellbeing to professional performance. Officers also unanimously agreed on the value of expanding financial literacy programs to reach more personnel, emphasizing that such education is essential for fostering sustainable welfare improvements within the force. However, some challenges were noted, including limited accessibility for all ranks and the need for more practical, ongoing training tailored to officers' specific financial realities. Suggestions for improvement included incorporating more interactive sessions, mentorship opportunities, and integrating financial literacy as part of routine police welfare programs.

The combined evidence from both data sources strongly supports the conclusion that financial literacy programs are a vital tool for improving the welfare of Uganda Police Force staff in Kampala Metropolitan area. The quantitative data quantifies this relationship with high explanatory power, while qualitative narratives provide rich context on how these programs translate into tangible financial and psychological benefits for officers. Consequently, financial literacy should be prioritized as a core component of staff welfare strategies to build resilient and financially secure police personnel.

Moreso, the descriptive statistics revealed that the average mean of responses related to emergency and quick loans was 2.755, with a standard deviation of 1.15 on a Likert scale where 1 = strongly agree and 5 = strongly disagree. This indicates that, on average, respondents agreed that emergency loans positively influence their welfare. Interestingly, the highest mean was 3.92 for the statement that officers no longer rely on informal money lenders or friends showing disagreement, which suggests that informal borrowing is still somewhat common, and emergency loans have not fully replaced that option. In contrast, the lowest mean was 1.97 for the statement about loan repayment terms being fair and manageable, showing strong agreement, and suggesting that police officers found the terms generally acceptable and less stressful to manage.

Also, the correlation analysis showed a strong positive relationship between emergency loans and staff welfare, with a Spearman's correlation coefficient of 0.723 ($p < 0.001$), indicating a 72.3% association between the two variables. Furthermore, regression analysis revealed an Adjusted R-squared value of 0.798, meaning that nearly 80% of the variation in staff welfare could be explained by factors related to emergency loans such as loan accessibility, processing speed, repayment flexibility, and affordability. This is a significant finding, suggesting that emergency loans are a primary driver of welfare outcomes among Uganda Police officers.

In addition, the interview narratives reinforced the quantitative results. For instance, one senior officer shared that he had taken a mobile loan to pay for his child's emergency surgery, stating that *"without that loan, I don't know what I would have done… I didn't have savings at the time."* This highlights the critical function of emergency loans in responding to unpredictable life events. Another officer mentioned taking a quick loan through the police SACCO to handle urgent school fees. He noted that although the interest was manageable, the short repayment period caused stress. This directly aligns with the quantitative finding that repayment terms were considered fair, but the speed and pressure of repayment remain a concern for some. A third officer remarked that while access to mobile loans and SACCO credit facilities has *"been a lifeline,"* the lack of clear guidance and financial literacy among officers leads some to fall into multiple loan traps, echoing concerns from the quantitative data that emergency loans can worsen welfare if mismanaged. Collectively, these qualitative responses show that while emergency loans significantly ease financial pressure, improve family well-being, and reduce

stress, they also come with risks such as over-indebtedness and emotional burden, especially when loans are taken without proper financial planning.

Additionally, the convergence of quantitative and qualitative data supports the conclusion that emergency and quick loans have a major influence on the welfare of police personnel in the Kampala Metropolitan Area. The high correlation coefficient (0.723) and strong predictive power (Adjusted $R^2 = 0.798$) confirm statistically that these loans contribute significantly to improving officers' ability to meet financial obligations such as medical emergencies, school fees, rent, and food. However, qualitative interviews reveal hidden stressors such as tight repayment schedules, loan dependency, and inadequate financial literacy that are not fully captured by statistical indicators. These nuanced insights suggest that while emergency loans are effective, they must be paired with robust financial education, monitoring, and regulation to maximize their positive impact and minimize harm.

5.2 Conclusion

The findings demonstrate a strong and significant influence of microfinance institution (MFI) services specifically emergency and quick loans, financial literacy programs, and income-generating initiatives on the staff welfare of Uganda Police Force officers in the Kampala Metropolitan Policing Area. Quantitative results revealed high adjusted R-squared values (ranging from 79.8% to 82.7%) and strong positive correlations (rs values from 0.692 to 0.716), indicating that these MFI services are major predictors of improved staff welfare. Emergency and quick loans were found to ease financial burdens, while financial literacy programs enhanced budgeting and reduced reliance on high-interest borrowing. Income-generating activities, though varied in their broader well-being impact, significantly alleviated financial pressure and promoted financial independence. Qualitative data reinforced these findings by highlighting real-life improvements in officers' financial stability, morale, and reduced dependency on informal credit systems. Overall, the study concludes that MFIs play a critical role in promoting the economic and social welfare of Uganda Police officers, thereby contributing positively to their capacity, well-being, and service delivery.

5.3 Recommendations

Based on the comprehensive findings from the study on *"The Impact of Microfinance Institutions on the Welfare of Uganda Police Officers: A Case Study of Kampala Metropolitan Area"*, the following detailed recommendations are made to various stakeholders:

The government should establish a regulatory framework that ensures MFIs offer fair and accessible financial services to security personnel such as police officers. This includes capping interest rates, standardizing repayment terms, and promoting transparency in loan conditions. Additionally, the government should consider subsidizing credit programs specifically tailored for police officers to ease their financial burdens. Furthermore, integrating financial literacy into police training programs as part of capacity building will promote long-term financial stability among officers.

Academicians and researchers are encouraged to conduct further empirical studies on the intersection of financial inclusion and security sector welfare. These studies can expand the knowledge base on the effectiveness of MFIs in supporting vulnerable professions and propose evidence-based policies. Institutions of higher learning should also consider partnering with MFIs and police academies to deliver tailored financial education programs and develop innovative savings and loan models that suit the unique income patterns of police personnel.

Civil Society Organizations (CSOs) should advocate for improved financial access for low-income earners in the security sector and play a role in financial literacy awareness campaigns targeting police officers and their families. They can also offer legal and advisory services in instances where police officers face exploitative loan terms or debt-related challenges. Moreover, CSOs should push for increased accountability and transparency among MFIs to reduce the exploitation of uniformed officers.

Police leadership should promote the well-being of their personnel by facilitating partnerships with reliable MFIs that offer fair, affordable, and accessible credit and savings options. They should organize regular financial empowerment workshops and create internal support structures (e.g., SACCOs) that act as first-line financial buffers. Leaders should also encourage a culture of financial responsibility and savings among officers to minimize over-indebtedness.

Police officers are advised to enhance their personal financial management skills and make informed decisions before borrowing or saving with MFIs. They should take advantage of available financial literacy programs, avoid over-reliance on quick loans, and instead focus on long-term savings and investment goals. Officers must also take initiative to report and provide feedback on exploitative practices by MFIs to their leaders and relevant authorities.

MFIs should review and revise their loan products to better align with the unique and often irregular income cycles of police officers. They should also simplify their application processes, reduce hidden charges, and improve their customer service by training staff to be more empathetic and responsive. MFIs must also expand their portfolio to include family-oriented services such as educational loans, health insurance schemes, and home improvement products for officers and their families.

5.4 Areas of further research

Based on the studies conducted across all objectives, the following two areas are identified for further research:

i. The Role of Digital Financial Services in Enhancing MFI Accessibility for Police Officers.
ii. Impact of MFI Training Programs on Financial Discipline and Loan Utilization Among Police Officers.

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APPENDICES:

APPENDIX A: INFORMED CONSENT FORM

I am Nambala Sophia , a student of and kindly request you to participate in this study; I am **assessing the impact of microfinance institutions on the staff welfare of Uganda police force**. By participating in this study, you will help to increase our understanding about the knowledge about the positive and negative impacts of the financial institutions on the well-being of the police force.

The information that you provide will be kept confidential. Your identity will not be required. Only the researcher will have access to them. Your participation in this study is voluntary and you have the right to refuse to participate or answer any question that you feel uncomfortable with. If you change, your mind about participating during the course of the study, you have the right to withdraw at any time. The decision to withdraw will not affect any care you should require.

If there is anything that is unclear or you need further information, I will be delighted to provide it. Do you have any question or anything you need me to clarify about?

Declaration of the participants

I have read the above information and I have understood the purpose of the study. I have had the opportunity to ask questions about it and every question has been answered to my satisfaction.

I now consent voluntarily to participate in this research.

SN	NAMES	TEL	SIGNATURE

APPENDIX B: INTERVIEW GUIDE FOR POLICE OFFICERS

I am Sophia Nambala. According to the school curriculum, I am required to conduct research about analyzing the impacts of microfinance institutions on the welfare of police officers in Uganda. A case of Kampala metropolitan area.

I therefore humbly request you to participate in this brief survey and respond to the questions listed below because am sure you are the best person to provide me with this information. All information given will be treated with strict confidentiality, as the purpose of this study is purely academic. Your cooperation with be highly appreciated.

Section 1: The effect of income generation on staff welfare in Uganda police force

- Can you share with me whether you've ever tried to earn money outside your police salary? What motivated you?
- How did you first hear about the opportunity to start an income-generating activity?
- Have you ever received financial support (like a loan or grant) from a microfinance institution to start something of your own?
- What kind of side business or project are you involved in (or were involved in before)? How did you decide on that?
- How do you balance your police work with the time and energy needed for your income-generating activity?
- Since you started earning from other sources, have you noticed any difference in how you manage your personal or family expenses?
- Have you been able to meet important needs like school fees, rent, or emergencies more easily because of your side income?
- How has having a second income affected your peace of mind or stress levels?
- Do you feel that your financial situation has had any effect on your motivation or performance at work?

- In your view, do income-generating activities make a meaningful difference in the lives of police officers?
- What would you say are the biggest challenges police officers face when trying to start income-generating activities?
- What kind of support do you think would make it easier for police officers to benefit from side income opportunities?

Section 2: the relationship between financial literacy programs and staff welfare of Uganda police force

- Have you ever attended any financial literacy programs or sessions as a police officer? If yes, what was it like?
- How did you first find out about financial literacy training was it through the police force, a microfinance institution, or somewhere else?
- Were the sessions or information easy to understand and relevant to your daily financial needs?
- What important lessons or tips did you take away from the financial literacy program?
- Can you give an example of a real situation where the knowledge you gained helped you manage your finances better?
- How has financial literacy affected the way you support your family financially?
- Has learning about money management helped reduce your financial stress or improved your peace of mind?
- Do you think that better financial knowledge has influenced your focus, motivation, or performance at work?
- Do you think more police officers would benefit from attending financial literacy programs? Why or why not?
- What improvements would you suggest to make financial training more useful, practical, or accessible for officers?

Section 3: the influence of emergency loans and quick loans on the staff welfare of Uganda police force.

- Have you ever taken an emergency or quick loan? What was the situation that made you apply for it?
- Where did you get the loan from (e.g., microfinance institution, SACCO, mobile money app)? How easy or hard was the process?
- What factors do you usually consider before deciding to take an emergency loan?
- What kind of expenses or situations do you usually use emergency loans for school fees, medical bills, rent, or something else?
- How manageable is the loan repayment process for you? Have you faced any challenges in paying back on time?
- Have emergency or quick loans ever made your financial situation worse due to high interest or short repayment periods?
- In what ways have emergency or quick loans helped you or your family during difficult times?
- Would you say your ability to access such loans has improved your welfare as a police officer?
- Do you think quick loan services are a reliable support system for police officers? Why or why not?
- What changes would you suggest to improve emergency loan services for Uganda Police Force personnel?

APPENDIX C: QUESTIONNAIRE

I am Nambala Sophia. According to the school curriculum, I am required to conduct research about analyzing the impact of microfinance institutions on the welfare of police officers in Uganda.

I therefore humbly request you to participate in this brief survey and respond to the questions listed below because am sure you are the best person to provide me with this information. All information given will be treated with strict confidentiality, as the purpose of this study is purely academic. Your cooperation with be highly appreciated.

Personal information

1. Sex:

a) Female ☐

b) Male ☐

2. Highest Education level:

a) Secondary ☐ c) Diploma ☐ Primary ☐

b) Degree ☐ d) Masters and above ☐ Never been at school ☐

3. Age:

a) Below 20 yrs ☐ b) 21-30 yrs ☐

c) 31- 40 yrs ☐ d) Above 40 yrs ☐

4. Marital status

a) Married ☐ b) Single ☐

c) Divorced ☐

5. For how long have you been in Uganda police force?

a) Less than a year ☐ b) 1-5 years ☐

c) 5-10 years ☐ d) More than 10 years ☐

Section B: the effect of income generation on the staff welfare in UPF.

From the following, select the indicators of the effect of income generation on the staff welfare in UPF. Insert 1 -Strongly Agree (SA), 2- Agree (A), 3-Not sure (NS), 4- Disagree (D), 5-Strongly Disagree (SD)

STATEMENTS	SA	A	NS	D	SD
Running a small business or side activity has made it easier for me to save money or avoid borrowing.					
Starting an income-generating activity has reduced the financial pressure I used to feel from relying only on my police salary.					
I feel more confident about my financial future because of the money I make from income-generating activities.					
I have been able to pay school fees, rent, or medical bills more easily since I started earning from other sources.					
My general well-being has improved since I started earning income outside my police work.					
I feel more motivated at work knowing I have another source of income to fall back on.					

Section C: the relationship between financial literacy programs and staff welfare of the Uganda police force.

10. From the following select statements which indicate the relationship between financial literacy programs and staff welfare of the Uganda police force.

select 1 -Strongly Agree (SA), 2- Agree (A), 3-Not sure (NS), 4- Disagree (D), 5- Strongly Disagree (SD)

I have received training or guidance on how to manage my finances more effectively.

The financial literacy sessions I attended helped me improve my budgeting and saving habits.

I now think more carefully before taking out loans or buying things on credit.

Financial literacy has helped me avoid borrowing from high-interest or informal lenders.

The financial knowledge I have gained has had a positive impact on both my personal life and my performance at work.

STATEMENTS	SA	A	NS	D	SD
I have received training or guidance on how to manage my finances more effectively.					
The financial literacy sessions I attended helped me improve my budgeting and saving habits.					
I now think more carefully before taking out loans or buying things on credit.					
Financial literacy has helped me avoid borrowing from high-interest or informal lenders.					
The financial knowledge I have gained has had a positive impact on both my personal life and my performance at work.					

Section D: the influence of emergency loans and quick loans on staff welfare of Uganda police force.

From the following select statements which indicate the influence of emergency loans and quick loans on the staff welfare of Uganda police force.

select 1 -Strongly Agree (SA), 2- Agree (A), 3-Not sure (NS), 4- Disagree (D), 5- Strongly Disagree (SD)

I have used emergency or quick loans to handle unexpected personal or family expenses.

The repayment terms of the emergency or quick loans I have used are fair and manageable.

Taking emergency loans has helped me maintain stability at home during difficult financial times.

Emergency loans reduce my stress when urgent needs like medical bills or school fees come up.

Because of quick loan services, I no longer have to rely on informal money lenders or borrowing from friends.

The loan process from microfinance institutions is fast and easy when I need help quickly.

STATEMENTS	SA	A	NS	D	SD
I have used emergency or quick loans to handle unexpected personal or family expenses.					
The repayment terms of the emergency or quick loans I have used are fair and manageable.					
Taking emergency loans has helped me maintain stability at home during difficult financial times.					
Emergency loans reduce my stress when urgent needs like medical bills or school fees come up.					
Because of quick loan services, I no longer have to rely on informal money lenders or borrowing from friends.					
The loan process from microfinance institutions is fast and easy when I need help quickly.					

Thank you for participating.