CORPORATE GOVERNANCE PRACTICES AND ORGANISATIONAL PERFORMANCE IN PUBLIC SECTOR: A CASE STUDY OF UGANDA CIVIL AVIATION AUTHORITY, UGANDA

BY

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DECLARATION

I Nakabuye Racheal Kagimu, affirm that this research report is my original work and has not been submitted to any university or institution of higher learning for any award.

Sign…………………………. ....Date……………………….............................

Nakabuye Racheal Kagimu

APPROVAL

This work has been done under our supervision and has met the research requirements of Kyambogo University and is now ready for submission.

Sign…………………………. ....Date…………………………............................

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DEDICATION

This dissertation is dedicated to my husband, Stephen Kalabika and my children; Elianah, Elsie and Elisha for all their support, sacrifice and prayers which has greatly enabled me achieve my career aspirations

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Special appreciations go to the Almighty God for the gift of life, wisdom, spiritual blessings and for enabling me finish this study. Am just saying "EBENEZER", Thus far the Lord has helped me! May his name be glorified.

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ACRONYMS

CEO……………………………..Chief Executive Officer

CG………………………………Corporate Governance

CVI...Content Validity Index

DAAS...Directorate of Aviation Security

DoF..Directorate of Finance

ED...Executive Director

IATA…………………………….International Air Transport Association

ICAO……………………………International Civil Aviation Organisation

ICGU……………………………Institute of Corporate Governance of Uganda

IT..Information Technology

KYU…………………………......Kyambogo University

NGO...Non Government Organization

OECD……………………………Organisation of Economic Corporation and Development

UCAA…………………………..Uganda Civil Aviation Authority

ABSTRACT

Corporate governance is the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations. Despite influencing how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized, organizations like UCAA have not effectively embraced corporate governance. Therefore, this current study set out to examine how corporate governance through good practices affects performance at Uganda Civil Aviation Authority. The study used a mixed methods research design on a target population of 1442 comprising of the board members, employees of UCAA and some staffs of the local and international scheduled operators (airlines) in Uganda out of which a sample of 313 was drawn using simple random sampling and purposive sampling techniques. Data was collected from 287 respondents by means of a questionnaire supplemented with interviews, and analysis was with the help of inferential and descriptive statistics under Statistical Package for Social Sciences (SPSS) examining the effects of the variables i.e. board size and composition, principles of corporate governance and IT governance. The study results under the correlation analysis and regression models showed there was significant relationship between the 3 independent variables and the dependent variable of organizational performance. The correlation indicates that, there is a significant relationship between the variables, moreover there is a positive correlation between board size and composition, and performance of UCAA, principles of corporate governance and performance of UCAA, and IT governance and performance of UCAA since their R values of 0.602, 0.726 and 0.702 respectively fell between -0.5 to -0.1 or 0.5 to 1.0 (Cohen et al., 2014). Therefore, all the three research/alternative hypotheses were accepted. The recommendations given for this study therefore, are to support UCAA strengthen its corporate governance practices in order to improve organizational performance.

Key terms: Corporate governance, board size and composition, information technology governance and organization performance

CHAPTER ONE

INTRODUCTION

1.0 Introduction

Chapter one consists of background of the study, problem statement which forms the background summary entirely. It also features the main and specific objectives of the study, research hypothesis, study scope, study significance, rationale and definition of key terms and concepts.

1.1 Background to the study

The background to this study is drawn from different perspectives that stem from historical, theoretical, conceptual and contextual perspective as presented in the following sub sections below.

1.1.1 Historical background

The discussion on corporate governance is central in understanding the key drivers of organizational performance (Fox, Ward, & Howard, 2002). The historical background of corporate governance practices and its resultant effect on organizational performance can be attributed to the ancient times. For instance, the origin of corporate governance can be drawn way back during the establishment of East Indian Company, the Hudson’s Bay Company and the Levant Company launched in the 16th C and 17th C (Jensen, 1986). Gollakota and Gupta (2006) noted that from these companies the idea of good governance evolved however, it was not until 1970s when the term corporate governance gradually started gaining recognition across Europe and United States of America to refer to the balance of power and decision making between Board of directors, shareholders and management.

In addition, the reasoning behind the principle of 'corporate governance' can be traced back to the United States during the financial crisis of 1929. The founding document, 'The New Business and Private Property' (Berle & Means 1968), offered an indication that a distinction between management and capital ownership was created by the growing liquidity of American financial markets brought division between management had been brought about and control of resources, and call for the reduction of undue power accumulation in the hands of managers. To establish the concept of rebalancing control for shareholders and imposing greater constraints on managers to compel them to prioritize the company's interests above their own selfish interests, later referred to as “Corporate governance” (Magnier, 2014).

The works of Cheffins (2013) also noted that there was little talked about corporate governance in the 1940's or 1950's until the 1970s when US embraced it. The investors had broadened their corporate governance agenda by developing and publishing policy statements for use as benchmarks to evaluate directors and boards (Jensen, 1986). Major public pension funds began urging boards to remove underperforming CEOs and by 1993, boards of prominent companies such as Westinghouse, American Express, IBM, Kodak and General Motors had complied (Cheffins, 2013).

In the sameline, current corporate scandals around the world, the East Asian crisis coupled with the seemingly poor performance of corporations in Africa in relation to financial management led to prominence of corporate governance on the Asian and African continent in late 1980s (Munisi & Randøy, 2013). According to Organization of Economic Cooperation and Development (OECD) Report (2004) there was a noticeable service delivery gap in government agencies of Sub- Saharan Africa and as a result development partners pressured government to reform their public administration systems to make them responsive to service delivery through adoption of corporate governance practices.

In the Ugandan context, the concept of corporate governance came into a limelight with the establishment of the Institute of Corporate Governance of Uganda (ICGU) that was officially launched in October, 2000 with the mandate to create awareness and deepen corporate governance principles and practices in Uganda. Through its core values, ICGU promotes the values of sound corporate governance, namely; accountability, excellence, integrity, responsibility and transparency, and currently boosts of over 100 membership organisation of which UCAA (formerly) Civil Aviation Authority (CAA) is one of them.

Therefore, the subject of good governance in business has turn out to be of great to public and academic debate during the past 15 years, provoked by major financial scandals such as the frauds highlighted during the collapse of Vivendi in France and Marconi, at Enron and WorldCom in the US, and Equitable Life in the UK to name but a few (Haswell & Evans, 2018; Soltani, 2014; Brickey, 2003). Today, corporate governance is seen as a prerequisite for all kinds and size of organizations world over UCAA inclusive. However, studies on corporate governance and performance of public sector managers in Uganda are still limited calling for expanded research in this area.

1.1.2 Theoretical background

Several theories have been advanced to explain the emergence and contribution of corporate governance to the improvement of organizations' performance among which include; Resource based theory, stakeholder's theory, Principal-agent theory, Legitimacy theory. However, the current study was only grounded on the Stakeholder Theory, Principal-Agent theory and the Legitimacy

Theory as the framework used to understand elements of corporate governance (Fernando & Lawrence, 2014 and Jensen & Meckling, 1976).

First, the Principal-agent theory, formulated by Jensen and Meckling, directed this research (1976). Jensen and Meckling (1976) argued that when one or more people, called principals, employ one or more other people, called agents, to conduct some service and then assign decision-making authority to the agents, an agency relationship occurs. In this very scenario, the public who are beneficiaries of effective regulation and who suffer when the regulation falls short is the ultimate principal. As their representative, the public will delegate their interests to the government; then, in turn, the government will delegate responsibility to the regulatory authority (UCAA), which must function in the public interest at all times.

Secondly, the research adopted the stakeholder theory, which states that public institutions are social bodies that influence the wellbeing of several stakeholders (Heath & Norman, 2004; Alpaslan, Green & Mitroff, 2009). Institutional leaders are also responsible for recognizing and fostering the welfare of stakeholders. This serves as a test of these institutions' success in relation to their ability to bring value to all their stakeholders (Herman, 1982). Participatory government is defended by this principle. Therefore, when making decisions, UCAA leaders have to consider the views and welfare of stakeholders.

Finally, the theory of legitimacy states that the institution is responsible for disclosing its activities to stakeholders, especially the public, and justifying its presence within the limits of society (Wilmshurst & Frost, 2000 as cited in Hummel & Schlick, 2016). This theory, which focuses on an organization's relationship and engagement with society, offers a sufficient and superior perspective for understanding the organization's benefits to society. Therefore, they have no rights to these benefits in order to enable the continued life of organizations; in order to allow benefits to outweigh the cost to society (Belal, 2008). The theory of legitimacy suggests that the organization must meet the expectations of society at large, and when these expectations are fulfilled, society will allow the organization to continue its operations and ensure its survival (An, Davey & Eggleton, 2011). In this situation, UCAA will only continue to exist if the society on which it is based perceives that it works on a value basis that is commensurate with the value system of society itself.

1.1.3 Conceptual background

The concepts that guided this study included corporate governance practices as an independent variable and organizational performance as a dependent variable. These two concepts have previously been studied in different fields and still remain of much interest for further studies hence fitting well in this study as well. Corporate governance refers to the mechanism by which a company is controlled and run by its Chief Executive Officer, Board of Directors and Senior Management (Singh, Tabassum, Darwish, & Batsakis, 2018; Pillai & Al-Malkawi, 2018).

Corporate governance is also defined as' the structure of laws, relationships, systems and processes within and through which corporate authority is exercised and regulated' (McLellan, 2009). It includes the processes by which corporations are kept to account, and those in charge (Pillai & Al-Malkawi, 2018, ASX Corporate Governance Council, 2007 & McLellan, 2009). Cooperate governance encompasses the activities run by their Chief Executive Officers, Board of Directors and Senior Management to support the management of corporations and how they are kept accountable (Singh et al., 2018). Similarly, Rouf, Siddique and Rahaman (2010) emphasize that corporate governance is referred to as a development through which corporate organizations are regulated, that is, with the exercise of control over the company's direction, the oversight of executive acts, the recognition of an obligation to be accountable and the regulation of the company within the jurisdiction of the states in which it operates. Furthermore, the ascertaining how the company's targets are set and accomplished, how risk is monitored and evaluated, and how success is optimized (Hussain, Rigoni & Orij, 2018).

Organizational performance, on the other hand, refers to the transformation of inputs into outputs for the achievement of certain results. It includes assessing the success of a corporation against its goals and objectives (Kaplan & Nortion, 2005). In addition, the relation between output and achieved outcome (effectiveness), between minimum and effective cost (economy) and between effective cost and realized output (efficiency) is edified by performance thinking (Katou & Bauduhwar, 2007). It is noted that efficacy, efficiency, customer satisfaction and product or service quality are among the key measures of organizational success (Kotler, 2012).

Therefore, efficiency, protection, security, continuity and compliance are the observable aspects of organizational performance chosen for this analysis. Corporate governance is maintained to influence how the company's priorities are set and accomplished, how risk is monitored and measured, and how efficiency is optimized (Hussain et al., 2018). Via entrepreneurialism, creativity, and transparency, effective corporate governance mechanisms enable businesses to build value, which in turn influences the success of every company. It is therefore argued that good corporate governance practices offered by board structures and processes, corporate governance principles and successful IT governance introduced by UCAA would allow the agency's scope to be reduced as a result of the separation between control and ownership, which will subsequently increase the authority's performance.

1.1.4 Contextual background

The study context is public sector of Uganda with specific focus on Uganda Civil Aviation Authority (UCAA). Uganda is believed to be among the developing countries with numerous opportunities in corporate area but with a crippled public sector as well.

In the Ugandan setting, we now have a popular concept of corporate governance, which has recently become a central debate and discussion point for the reform of state-owned companies and the growth of a modern business or corporate structure. The willingness of regulatory bodies and public sectors such as UCAA to meet the needs of the public, as opposed to select groups of society, depends on the realization of good governance. The Civil Aviation Authority Act, 1991 CAP 354 formed the basis for the creation of Uganda Civil Aviation Authority (UCAA) by whose amendment in July 2019 (the CAA Amendment Act 2019) saw a name change from Civil Aviation Authority (CAA) to UCAA (Nakaweesi, 2019). UCAA is the government body in charge of the country's licensing, control, and regulation of civil aviation matters. It is managed by the Ministry of Works and Transport of Uganda and is affiliated with international aviation bodies, especially the International Civil Aviation Organization (ICAO) and the International Air Transport Association (IATA).

The Authority appoints an eight-member Board of Directors as the governing body of the Authority through the Ministry of Works and Transport and the responsible Minister. The Board of Directors is responsible for the general regulation of results and management. In addition, the Board of Directors is led by the Director-General who, on the advice of the Board, is appointed by the Minister and assisted by the Deputy Director-General, the Secretary of the Company and the Directors of the six Directorates, who constitute the Senior Management Board. The Authority has a total workforce of 1,393 employees responsible for discharging the mandate of the Authority to coordinate and supervise the aviation industry in Uganda, including licensing, legislation, air search and rescue, air traffic control, airport and aerodrome ownership, and Ugandan and international aviation law. According to the UCAA 5-year Business Plan 2017-2021, the Authority chose to be led by the following overall medium-term goals: Promoting the competitiveness of Uganda's aviation industry, Improving UCAA's sustainability and revenue development, Improving aviation industry safety, Improving aviation industry security, Improving airport infrastructure capacity utilization, Assurance, Enhancing aviation industry security, However, the application of the concepts of corporate governance is still below average in terms of organizational efficiency. Indeed, due to the political or economic situation in the country, the lack of strong corporate ethics, the prevalence of corruption and high unemployment, it has not always been easy for UCAA to enact and incorporate some of these rules, regulations and principles. This is likely to be the reason why the efficiency of UCAA has continuously lowered for instance the UCAA Stakeholder Engagement Report (2017) states that stakeholders were concerned about the lack of an appeal tribunal, lack of airworthiness surveyors to handle all registered airliners, poor working methods and attitudes, especially among licensing staff, unreasonable Air Service License-ASL requirements, and Air Operator Certificate AOC that has an Air Service License-ASL and Air Operator Certificate.

In general, UCAA's weak governance structure is well characterized by either missing or poor government performance accountability mechanisms, including challenges such as tax evasion bribery, abuse of government funds, favoritism, misuse of power and authority. While laws against corruption and anti-corruption principles such as transparency, honesty and accountability are in place, officials never obey them, leading to an enormous challenge in the fight against corruption. The fact that authorities such as the Board of Directors have also found it difficult to fully grasp and find ways to make such concepts part of their supervisory practice is not ignored. It is therefore not clear if the performance gap at UCAA is all about the poor practices of corporate governance at UCAA. Therefore, it is against this backdrop that the Corporate Governance Standards and Organizational Performance Study: A Case of Uganda Civil Aviation Authority aims to close the gap.

1.2 Statement of the problem

In attempt to strengthen the corporate governance practices, Uganda Civil Aviation Authority has over years appointed directors to provide leadership, direct and ensure control in the affairs of the organisation, it has also hired a management team to oversee the running of the organisation (CAA-Uganda Business plan, 2018-2022). In addition, there are structures, policies and systems directly emphasizing corporate governance for example principles, rules and guidelines, good board composition and IT governance (Civil Aviation Authority Act, CAP 354). However, despite the effort to promote corporate governance practices, the UCAA continues to register significant performance shortfalls that affects the image of the aviation industry in Uganda. For instance, the number of domestic passengers declined at an average annual rate of 20.87% in the year 2017-2020 (CAA-Uganda Business plan, 2018-2022). Accessing aviation license is a daunting undertaking yet the authority has been accused of business biasness (CAA's stakeholder's engagement report, 2017). Furthermore, UCAA is also not only faced with a poor service delivery but also falls short on staff productivity with high levels of corruption surrounding the institution. Consequently, these indicators of poor performance if not addressed from a corporate oversight role will make the aviation industry in Uganda unsafe and with poor quality service delivery which is detrimental for national development. This study aimed to analyze the effects of UCAA corporate governance standards and results in order to fill the practice gaps.

1.3 Justification for the study

In Uganda, most institutions still face various challenges, such as inadequate and inefficient management methods of data transparency, administrative accountability, risk management, financing, monitoring and control, which, despite the presence of numerous laws and policies to implement them, would have ensured better decision-making and efficiency. Worse still, this is worsened by corruption, which has become the norm in Uganda and like almost being institutionalized in government and its institutions. Therefore, the weak governance structure and corruption are significant challenges to the UCAA organization's operations and management. However, implementation of corporate governance into their strategic framework and day-to-day operations and services of organization has been seen as a perfect solution and UCAA being counted among those that embraced corporate governance, one would have expected its performance to improve but is not happening. The unanswered question now is why UCAA hasn't benefited from corporate governance? Thence the aspiration to study corporate governance, good practice and organization performance at UCAA. Corruption and weak governance structures are also significant barriers to UCAA operations and leadership.

1.4 Purpose of this study

The aim of this study was to investigate how corporate governance at the Uganda Civil Aviation Authority influences performance through good practices. This is because corporate governance affects how business goals are set and achieved, how risk is monitored and measured, and how effectiveness is optimized.

1.5 Research objectives

This study was directed by the following objectives;

i. To analyze the effect of board size and composition on performance of UCAA.
ii. To establish the effect of principles of corporate governance on performance of UCAA.
iii. To examine the effect of Information Technology governance on performance of UCAA,
iv. To examine the relationship between corporate governance practices and performance of UCAA.

1.6 Research hypotheses

To test the relationship between the variables, the following hypotheses were stated;

H_1. There is a significant effect of board size and composition on performance of UCAA.

H_2. There is a significant effect of principles of corporate governance on performance of UCAA

H_3. There is a significant effect of IT governance on performance of UCAA

H_4. There is a significant relationship between corporate governance practices and performance of UCAA.

1.7 Scope of the study

The scope of this study involved the subject, geographical and time scope.

1.7.1 Subject scope

The subject scope of this study covered the effects of corporate governance practices on performance of UCAA. Corporate governance is critical since it influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized.

1.7.2 Geographical scope

The study was carried out in Uganda Civil Aviation Authority, Entebbe which is the head office with almost the entire workforce of UCAA, board members and as a source of records about its performance over the years.

1.7.3 Time scope

The current study covered a period of 10 years from 2010 to date a period that governments and the corporate world took issues of corporate governance seriously following the corporate financial scandals including numerous prominent companies such as Worldcom, Enron, Tyco and HealthSouth at the start of the new millennium (Ryder, 2018; Soltani, 2014). Therefore, today most institutions are under close scrutiny of their corporate practices.

1.8 Significance

This study findings will be significant to the management of UCAA, other institutions and further researchers as below;

This study will help UCAA to appreciate the role of corporate governance in today’s business environment by putting much emphasis on board structure and practices, principles of corporate governance and IT governance the critical issues in the implementation of corporate governance.

The study results will offer a reference point for UCAA and other organisations in both the public and private sectors about their corporate governance structures and practices.

The study will aid the academicians and researchers especially of KYU by providing valuable information to those seeking to explore and examine the effect of corporate governance practice and performance.

The study findings will add value to the existing works on corporate governance practices in Ugandan context particularly public institutions.

1.9 Theoretical framework

A conceptual framework is developed in order to help structure relationship between study variables and to identify variables for measurement (Vaughan, 2018). The proposed theoretical framework of the current study reflects variables of board size and composition, principles of corporate governance, IT governance and organizational performance as presented in figure 1 below;

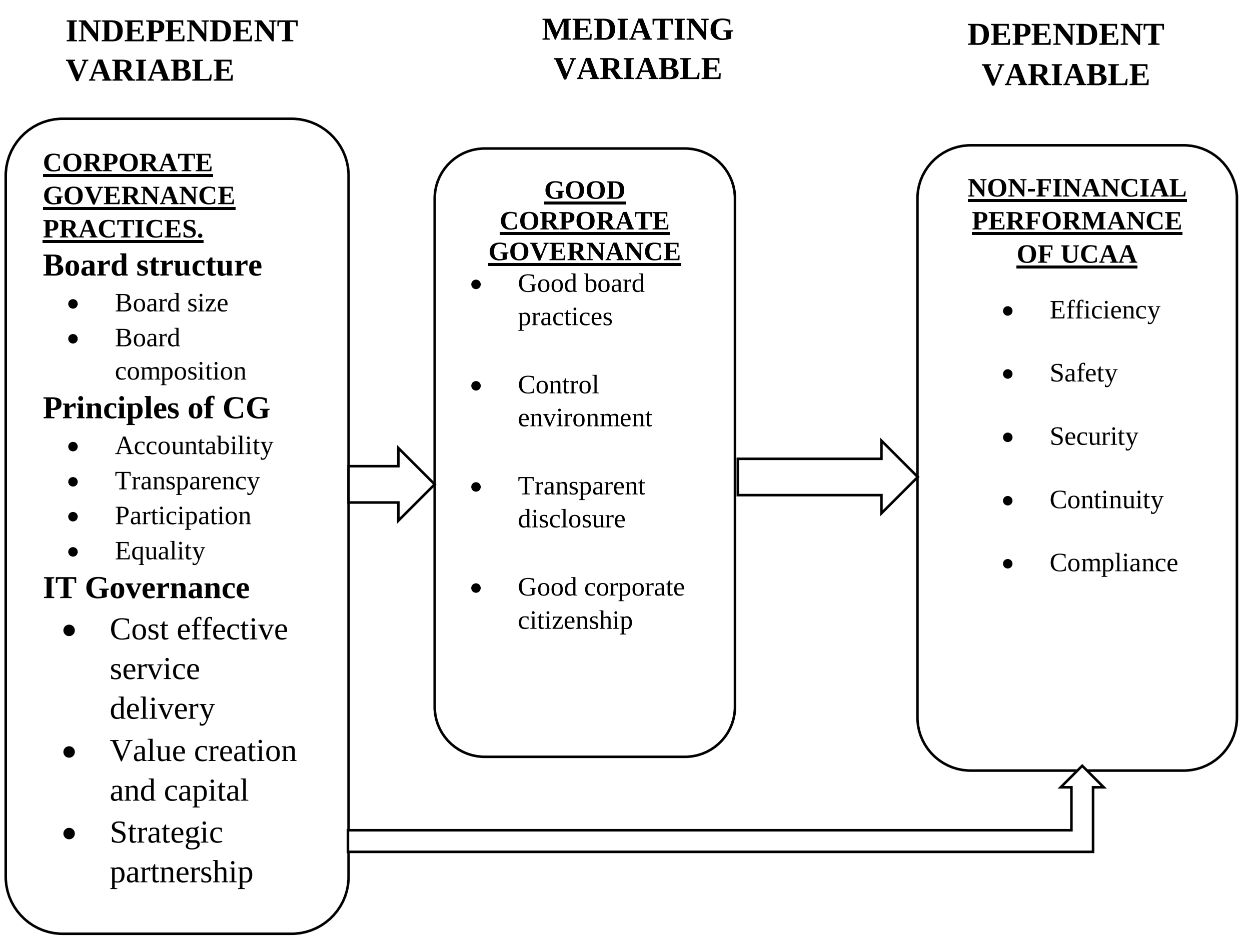

Figure 1.1: Conceptual framework

Source: Adapted from Lališ and Vittek (2015) and modified by the researcher, 2020

From the above theoretical framework, it is anticipated that performance in Uganda Civil Aviation Authority is attributed to good corporate governance practices. Accordingly, corporate governance as the independent variable seen in board structure, principles of corporate governance and IT governance leads to elements of good corporate governance represented by indicators of Good board practices, Control environment, Transparent disclosure and Good corporate citizenship. Finally, performance of UCAA demonstrated by Efficiency, Safety, Security, Continuity and Compliance (Lališ & Vittek, 2015) is influenced by elements of good corporate governance. Therefore, corporate governance practices affect performance of Uganda Civil Aviation Authority (UCAA).

1.10 Operational definitions of concepts

Corporate governance is the structure of laws, relationships, structures and processes in organizations within and by which authority is exercised and regulated.

Board Structure in this study refers to the aspect of management that distinguishes between those directors who hold management positions in the company and committees.

IT governance: is a framework by which decisions about IT investments are made. Both aspects of IT governance involve how decisions are taken, who makes the decisions, who is held responsible, and how the consequences of decisions are calculated and tracked.

Organizational performance in this study refers to achievement of organizations performance expectations which in the case of UCAA relates to efficiency, safety, security, continuity and compliance

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter examined the current information and literature on the variables of the analysis and presented it. It concentrated primarily on the concepts of corporate governance, theoretical analysis, board composition, corporate governance principles, IT governance, effective corporate governance elements and efficiency of the organisation.

2.2 Conceptual review

Corporate governance is concerned with managing institutions and corporations effectively and within legal bounds, according to Braithwaite and Travaglia (2008). Corporate governance is defined by the ASX Corporate Governance Council (2007) as the structure of laws, structures, relationships and processes by which organizations are guided and regulated. On the other hand, Mwanzia and Wong (2011) describe corporate governance as the mechanism by which major stakeholders are guided, managed and held to account by institutions. Clarke (2007) indicates that a corporate governance structure in public institutions such as cities is intended to allow them to achieve productivity, stability and security.

Furthermore, corporate governance is taken to refer to the mechanism by which a company is controlled and run by its Chief Executive Officer, board of directors and senior management (Singh et al., 2018). Corporate governance is “the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled in corporations”. It encompasses the mechanisms by which companies, and those in control, are held to account (Singh et al., 2018). Corporate governance influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized (Hussain et al., 2018).

Despite the several meanings of corporate governance, there are a number of common features cutting across works of several authors: corporate governance is about the effective management of corporations, dis-charging fiscal responsibilities, creating acceptable returns on investment, the direction and control of boards and executives and the structures and decision-making processes to achieve corporate goals. Corporate governance is anchored on fairness, transparency, accountability and ethical business practices (Braithwaite & Travaglia, 2008 as cited in Desai & Chandawarkar, 2016). Also, corporate governance is concerned with the process by which corporate entities are administered, that is, the way power is exercised over the direction of the enterprise executive actions supervision, the acceptance of a duty to be accountable and the regulation of the corporation within the jurisdiction of the states in which it operates (Abdallah & Ismail, 2017; Desai & Chandawarkar, 2016).

In addition, corporate governance embraces the relationships between the various stakeholders involved and the interests for which the business is managed. The primary stakeholders are the directors' board and the management of the shareholders. Staff, clients, creditors, vendors, regulators, and the society at large are other stakeholders (Ayuso & Argandoña, 2009). In corporate governance, a board of directors also plays a central role. It is their duty to support the strategy of the company, formulate directional policy, select, manage and reward senior executives, and ensure that the organization is accountable to its owners and authorities. (Naciti, 2019; Rouf et al., 2010; Mahboob, 2006). In relation to this study of aviation industry, it’s expected that a very good structured board composition with a reasonable size and balanced gender will work towards maximizing shareholders' wealth hence fulfilling a principal agent duty.

Further, Ramírez and Tejada (2018) claim that corporate governance is denoted by the processes and structures laid down by a corporate entity to minimize the extent of agency problems as a result of separation between ownership and control. In addition, Ramírez and Tejada (2018) pointed out that the procedures and processes defined by a corporate entity denote corporate governance role in terms of reducing the degree of agency problems which occur as a result of the separation between ownership and control. It is further argued that by identifying the existence of the relationship between the company and key corporate constituencies, perceived legitimate lines of accountability are symbolized by diverse corporate governance structures (Ramírez & Tejada, 2018). This shows that openness, accountability, involvement and equality are the key values of governance, representing the main requirements for the effective understanding and implementation of governance norms and standards within governments and corporate institutions, such as UCAA.

Accountability is hypothetically considered to be the basis for democratic governance, arguing that those in public positions provide reasons for their conduct. The democratic state is characterized by two forms of public accountability: vertical and horizontal. Vertical accountability applies to the power of people to make accountable the responsible persons in power. For instance, setting up non-governmental organizations (NGOs) which report anti-corruption and human rights in the media and participating in public elections. Horizontal accountability encompasses a wide variety of organisations that enable office holders to be accountable for each other (Hammoud et al., 2017).

In addition, Nsamba (2014) stated that the efficient implementation of continuing operations of corporate governance allows organizations to step forward to more advanced stages of cost-effective service delivery, development and capture of values and strategic alliance strategic leadership when standard services and actions are delivered. Additionally, reliable audit committees and the separation of ownership from management would increase the organization's financial efficiency. Therefore, in relation to this study, directors are agents while government on behalf of the public is shareholders. However, this suggests that there is no successful corporate governance that affects the efficiency of such organizations when disputes between management and shareholders occur. The outcome of good corporate governance is achieved, according to Bhagat and Bolton (2008), when organizations show their public responsibility and conduct their business in compliance with appropriate ethical principles. This demonstration will take the form of efficient financial reporting, quality, safety, protection, consistency, the rule of law and unqualified public discourse in relation to performance reports such as UCAA in the aviation sector.

In the same line, Qadorah and Fadzil (2018), pointed out that the significant variables of corporate governance were CEO duality and CEO, size and composition of the compensation board, and tenure. Alabdullah, Ahmed and Muneerali (2019) emphasize that broad board organizations draw cheap external financial capital as creditors see these organizations as having a comprehensive monitoring of the decision to fund. Nazar (2018), on the other hand, predicted that external directors had the incentive to track executives very strictly to ensure sound financial performance. In addition, sustainability risks are often faced by any company or government, including financial, strategic, social, environmental and operational risks, such risks can be controlled and moderated by the introduction of Information Technology (IT) governance as a risk management and performance assessment method, which will eventually provide appropriate steps to extend business environment success (Iskandar & Salleh, 2010). Therefore, understanding the role of IT governance and its effect on business strategy is imperative. In today's global aviation industry, success in the aviation industry requires stronger governance and a proper global framework for IT governance, crisis management, interconnectedness of airline safety records, management of public expectations, attention to the psychological consequences of security lapses and the quality of international search and rescue efforts. IT governance therefore affects businesses with low or high cost and value, efficiency and effectiveness, and ultimately execution versus vision (Hammoud et al., 2017).

Finally, according to the broader concept of the OECD, corporate governance refers to private and public institutions, including rules, regulations and agreed business practices, all of which guide the relationship between, on the one hand, corporate managers and entrepreneurs (corporate insiders) in a market economy, and, on the other, those who invest capital in companies, which simply indicates that (Lu & Batten, 2001). Because of growing cases of bankruptcies caused by fraud or irregularities in financial accounting, corporate governance has lately become a major focus and the explanation for these cases was the absence of corporate governance legislation in organizations; this resulted in the introduction of various accounting procedures, increased personal interest and biased reporting (Loana, 2014).

In view of this, an efficient structure of corporate governance enhances public trust in the corporation and induces investment and expertise, which can in turn contribute to improved organizational performance (Al-Matari, Al-Swidi & Fadzil, 2014). Corporate governance, however, helps address the needs of the masses in the case of government or government agencies like UCAA, as opposed to select groups on their behalf of society. It is a set of criteria that adhere to the agenda of the organization, which aims to foster more government-empowered citizenship relationships (Pollitt & Bouckaert, 2011).

2.3 Theoretical review

Three separate theories, including Agency Theory, Stakeholder Theory and Legitimacy Theory, were associated with the research. First, the analysis was based on the economic model of agency theory, which was developed from the work of Jensen and Meckling (Jensen & Meckling, 1976, as cited in Magnier, 2014), generally referred to as the organization's principal-agent theory. Jensen and Meckling emphasizes that an agency relationship occurs if one or more people, called principals, employ one or more other people, called agents, to perform some service and then assign decision-making authority to the agents (Fernando & Lawrence, 2014). In corporate governance, the agency theory has been believed to be the most dominant topic and the principal-agent theory is commonly considered to be the starting point of this debate. In this very situation, the ultimate principals are the public who benefit from good regulation and suffer when the regulation falls short, in order to identify principals and agents. As their representative, the public will delegate their interests to the government; the government will in turn delegate the responsibility to the regulatory authority (UCAA), with several delegation levels. Assuming that, with no conflict of interest between the two, the principal and agent have a mutual understanding.

Second, the research adopted the theory of stakeholders, which involves the concept that public organizations are social bodies that influence the wellbeing of many stakeholders (Heath & Norman, 2004; Alpaslan et al., 2009). The leadership of these organizations is also responsible

for recognizing and fostering the well-being of stakeholders. These institutions' success is subsequently measured by their ability to bring value to all their stakeholders (Herman, 1981 as cited in Bonnafous-Boucher & Rendtorff, 2016). This theory advocates participatory governance. Further, the Stakeholders theory according to Fernando and Lawrence (2014) claims that the aim of corporate governance is to satisfy, as far as possible, the interests of all stakeholders. Participatory government is supported by this theory. In addition, according to Fernando and Lawrence (2014), the Stakeholders principle suggests that the goal of corporate governance is to meet the needs of all stakeholders as much as possible. Institutions, behaving in ways that favor society as a whole, should behave as good corporate citizens. In making decisions, the board should give priority to those stakeholders, such as staff, clients, vendors, creditors, and the public, who are most important to the company. This implies that the board of a company must strike a balance between several conflicting priorities, since their stakeholders would have diverse objectives, not only maximizing shareholder value (Fernando & Lawrence, 2014). The theory of stakeholders provided the basis for the corporate governance stakeholder strategy embraced by the Organization for Economic Co-operation and Growth (OECD) in its Principles of Corporate Governance. So, when making decisions, UCAA leaders have to consider the views and welfare of stakeholders.

Lastly is the Legitimacy Theory which emphasizes that the organization is responsible to disclose its practices to the stakeholders, especially to the public and justify its existence within the boundaries of society (Wilmshurst & Frost, 2000 as cited in Hummel & Schlick, 2016). This theory, which focuses on the relationship and interaction between an organization and the society, provides a sufficient and superior lens for understanding benefits society receives from the organisation. According to various scholars, basically organisations have no rights to these benefits; to allow continued existence of organisations, society would expect benefits to outweigh the cost to society (Deegan 2002; Belal 2008). Legitimacy theory suggests that the expectations of society at large have to be fulfilled by the organisation, not merely the owners or investors' requirements as in shareholder theories such as agency theory. Accordingly, with legitimacy theory, it is only when these prospects are met, does society allow the organisation to continue its operations and ensure its survival (An, Davey & Eggleton, 2011). In other words, the theory argues that “organisations can only continue to exist if the society in which they are based perceives the organisation to be operating to a value system that is commensurate with the society's own value system” (Fernando & Lawrence, 2014).

2.4 Board structure and organization performance

It is noted that the board or board of directors is a significant and highly efficient internal corporate governance tool (Armeliyas & Patrisia, 2020). The Board of Directors supports two essential roles for businesses, namely: overseeing executive management on behalf of shareholders and offering services, including business advice and counseling (Singhh et al., 2018). Boards invest their money and time overseeing organizational performance and the actions of managing directors in their monitoring role (Naciti, 2019; Kamardin & Haron, 2011; Hongxia & Ainian, 2008). In corporate governance, a board of directors also plays a central role. It is their responsibility to support the strategy of the company, hire, manage, establish directional policy, and remunerate senior executives to ensure that the organization is accountable to its owners and authorities (Naciti, 2019; Rouf et al., 2010; Mahboob, 2006).

The composition of the board is taken as a central issue towards achieving organisation effectiveness. The common segmentation of the board structure is the composition of the board by numbers, gender by equality, non-executive directors (Lu & Boateng, 2018). According to Biswas, Mansi and Pandey (2018), a 'board of directors must entail a variety of practical business knowledge experiences (CAAA, 1991, sec 9(3)b) educational qualifications (CAA, 1991, sec 9(3) a&c), ethnic and gender mix management which may be better suited to deal with a wide range of problems facing the company and provide executives with advice and consultation from various perspectives (Naciti, 2019).

The board structure is a relevant feature of agency theory, according to Kenge (2018), which is seen as the most influential topic in corporate governance (Dalton & Dalton, 2011; Bhagat & Bolton, 2008). Boards are often comprised of executive (dependent directors) and non-executive directors, according to Sheaff, Endacott, Jones and Woodward (2015), (independent directors).

Facts on collaborative governance have shown that members of the external board play a critical role in controlling the operations of the company and that the most successful board of directors has a higher percentage of external directors than insider directors (CAA, section 8(3)); Bebchuk & Weisbach, 2010). Non-executive directors can be viewed as playing a monitoring role on the board from the viewpoint of an agency theory. Furthermore, it was noted that the board of directors performs an essential role of corporate governance and that non-executive directors serve as appropriate management supervisors (Sheaff et al., 2015; Lu & Boateng, 2018). In the absence of the oversight role of non-executive directors, it will be more likely that their status could be abused by having full control over their own remuneration packages and securing their positions within executive directors (Biswas et al., 2018). It was also stressed that the Board of Directors of any given organization is a critical instrument for controlling and informing the actions of the manager (Kenge, 2018). The widely held view of the ideal size of the board is that the greater the number of directors sitting on the board, the lower their efficiency. This is because communication, task management, and decision-making efficiency in a large number of individuals are harder and more costly than in smaller groups (Tulung & Ramdani, 2018).

On the other hand, smaller boards are beneficial in the sense that they give cohesiveness to boards

and a positive relationship between group cohesion and effective performance has been reported (Evans & Dion, 2012). Large boards also restrict the capacity of participants to initiate strategic interactions. In addition, the evaluations of top management by board members are more easily influenced when boards are broad (Dalton & Dalton, 2011). In addition, other studies highlighted the problem of CEO Duality in boards as another concern about the performance of boards. Therefore, separating the position of the chairman and the chief executive (CAA, 1991, sec 8(3)) is an initiative of corporate governance that can mitigate agency problems and contribute to better corporate performance due to more autonomous decision-making (Sheaff et al., 2015). Agency issues are minimized by activities that help board oversight to balance the needs of shareholders and management. The duties of chairman and chief executive should not be performed by the same person.

The Board Committee is another part of the board structure that is supposed to affect performance (Chambers, 2014). In reality, the board assigns much of the tasks to committees (Guo & Masulis, 2015). For a particular task, some of these committees are formed adhoc, while standing committees are assigned to unique, loosely specified roles. The audit committee, the compensation committee and the appointment committee are the most common board committees. The audit committee focuses on the selection of independent auditors and the management of internal financial results, recommends the appointment of new board directors by the election committee, and deals with salaries and executive benefits by the compensation committee (Green & Homroy, 2018).

The monitoring committees are yet another framework usually set up to fulfill the board's oversight function (Chambers, 2014). The monitoring board committees are largely intended to avoid agency tensions between shareholders and top management. Shareholders want executives, that is, to increase their income, to work in their best interests. Managers, on the other hand, can optimize their own usefulness through the consumption of benefits or the choice of suboptimal decisions (Dato, Mersland & Mori, 2018).

Therefore, setting up board subcommittees is one way to enhance the efficiency of organizations through the efficacy of the structure of the board and its processes. The involvement of different board committees will make the board an essential corporate governance tool (Dato et al., 2018). In addition, if not vigilant, committees can only become a window dressing exercise unless they are made genuinely independent, have access to information and professional advice, and have financially literate members (Green & Homroy, 2018). In these committees, significant board decisions are initiated, and there is evidence that delegating roles to committees promotes effective governance (Adams, 2003).

2.5 Principles of corporate governance and performance

Furthermore, through good governance, people will enjoy human rights, which is no longer determined by the provision of services by a government or other governing body, but by the degree to which individuals' quality of life has been improved. With the encouragement and application of international standards to inspire others, good governance should be evaluated and rewarded. Finally, the reduction of corruption is, with constructive awareness of human rights issues, a gateway to good governance and good civil society success (Abeyratne, 2015).

The fundamental principles of governance include openness, accountability; equality and inclusion are the main conditions for the good understanding and application within governments and corporate organizations of governance norms and standards. However, due to the political or economic situation in the world, the absence of strong corporate ethics, the presence of corruption and high unemployment, all these values are not always easy to follow (Nakpodia, Adegbite, Amaeshi & Owolabi, 2018). Meanwhile, Burak, Erdil and Altindag (2017) said that four fundamental values, which are openness, justice, integrity and accountability, form the foundation of corporate governance principles.

Corporate governance, as a global term and practice, is linked to the movement towards greater corporate responsibility and business behavior within appropriate ethical norms, as Du Plessis, Hargovan and Harris (2018) believe that transparency, accountability and openness in the reporting and disclosure of information, both operational and financial, are globally accurate. This illustrates why involvement, accountability for equity and openness are the core values of governance, which are the primary conditions for the good understanding and implementation of governance norms and standards within governments and corporate institutions such as UCAA.

In theory, accountability is a basis of democratic governance when those who hold public office must give account for their actions. The democratic state usually identifies two types of public accountability - vertical and horizontal. Vertical accountability refers to the power of citizens to make the responsible people in power to be accountable. For example, setting up anticorruption and human rights non-governmental organizations (NGOs), publishing corruption stories in the media and voting in public elections. Horizontal accountability embodies a wide range of institutions that oblige the accountability of officeholders to one another (Du Plessis et al., 2018; Hammoud et al., 2017).

On the other hand, in 1999, the Organisation for Economic Co-operation and Development (OECD) which monitors developments in corporate governance in member countries availed a set of principles of good governance which were revised in 2004 and segmented them under six sections of 1) ensuring the basis for an effective corporate governance framework, 2) the rights of shareholders, 3) the equitable treatment of shareholders, 4) the role of stakeholders, 5) disclosure and transparency, and 6) the responsibilities of the Board. These principles were formulated to support governments in their bid to improve the legal, institutional and regulatory framework for corporate governance in their respective countries (Rouf et al., 2010; ASX Corporate Governance Council, 2007). On the other hand, within Africa, good corporate governance is seen to pursue eight (8) distinguishing characteristics: discipline, transparency, independence, accountability, responsibility, fairness, ethical conduct and good corporate citizenship. These traits are important because they lead to better performing organisations which are sustainable in the long-term (Khomba & Vermaak, 2012).

2.6 Information Technology governance and performance

Information technology governance (IT), is decribed as a set of processes, decision-making structures, and relational mechanisms (Vejseli & Rossmann, 2017). In addition, it is an organizational capability that plays a major role in the delivery of value from investments in information technology (IT) (ISACA, 2012a; Van Grembergen & De Haes, 2009; Weill & Ross, 2004). The emphasis on IT governance in the public sector, like UCAA, has increased as governments become large customers and IT users (Pang, 2014) and have moved towards the modernization of public administration, where performance, transparency, service quality and efficiency issues have become central concerns (Ali & Green, 2012). In this situation, ensuring accountability and productivity in IT investments has become a key concern for the provision of better IT-enabled public services (Tonelli, De Souza Bermejo, Dos Santos, Zuppo & Zambalde, 2017).

Many companies face a range of challenges and threats, but by applying IT governance as a risk management and performance assessment tool, which will ultimately provide essential steps to expand success in the e-commerce world, they can be managed and toned down (Iskandar & Salleh, 2010). Modern governance is difficult to envisage without the powerful and creative IT and electronic governance applications that provide a regulated organizational environment due to improved technologies. To protect privacy, secure information, manage resources and cultivate corporate awareness, efficient IT governance is crucial. The key goal nowadays is to embrace IT governance and e-governance as strategic resources for improving the quality of external services and streamlining internal operations at all levels of organizations and governments, including providing public records, services and promotional tools for government policies based on a web-based collaborative filtering framework.

Iskandar and Salleh (2010) also emphasize IT governance-based fields such as strategic alignment, resource management, success assessment, value delivery and risk management that should be evaluated for all organizations. By switching to e-ticketing as a mandatory requirement by IATA, the airline industry has recently been heavily impacted by e-commerce technology (Cho, 2014). It is maintained that IT governance is important and has a profound impact on business strategy as depicted in figure 2 below

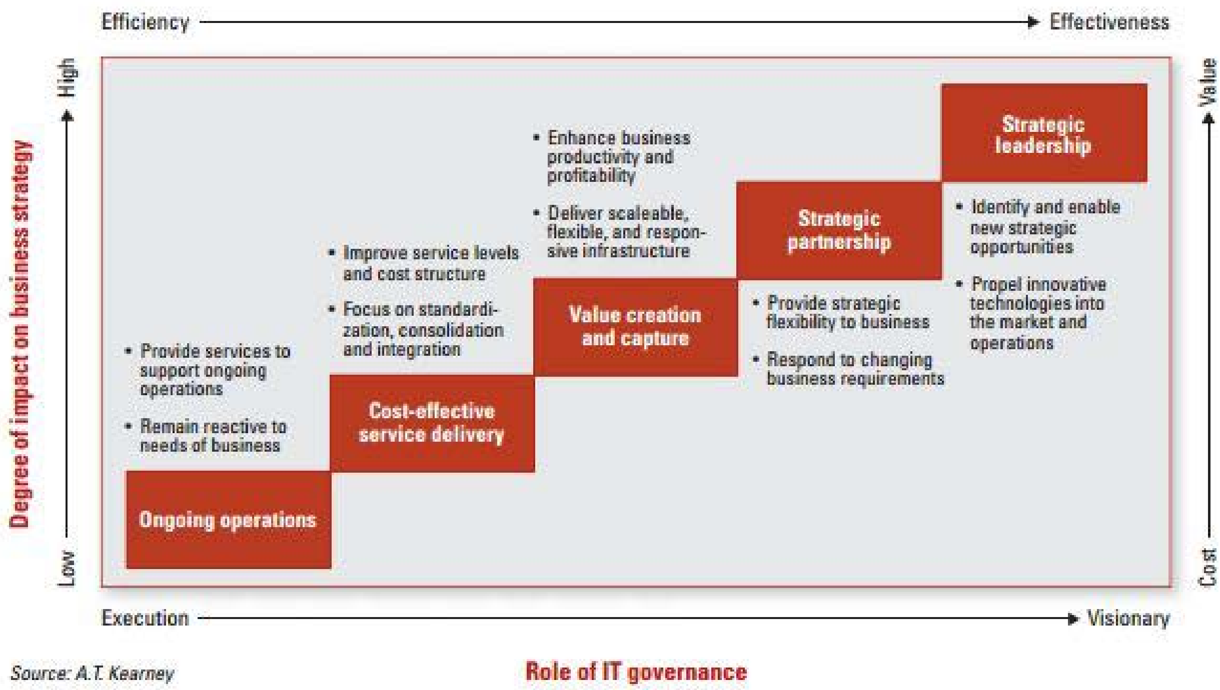

Figure 2. 1 Role of IT governance in organization performance

As shown in the above Figure 2, according to Hammoud et al. (2017), the slow degree of IT governance effect on business strategy is focused on parameters such as low and high level of effects, cost and value, productivity and effectiveness, and ultimately execution versus vision. The successful implementation of IT governance allows organizations to step forward to more advanced stages of cost-effective service delivery, development and capture of principles, strategic collaboration and strategic leadership, starting from ongoing activities where standard services and actions are delivered. The last two phases of strategic collaboration and leadership are important because they provide companies with strategic versatility and new business opportunities while being able to adapt to evolving business demands and drive emerging innovations into the market and operations. In addition, IT governance implementation will enhance the efficiency of organizations if the following seven IT governance behaviors are taken into account. These include:

(a) IT is involved in technology investment decisions; (b) IT as a strategic business asset and managed portfolio; (c) IT as an integral part of corporate planning and strategy; (d) the awareness and participation of management in IT investments; (e) tailored IT governance; (f) IT as an influential innovation leader; and (g) assessed and regulated IT impact (Hammoud et al., 2017).

Similarly, the introduction of e-governance has helped the Government of India achieve the following social outcomes: a) improved service delivery quality and effectiveness as a result of reducing the number of steps involved, reducing the timeline and reducing the number of agencies to be consulted; b) increased accountability and decreased corruption as a result of reducing the number of intermediate agencies to be consulted. In addition, cost reduction in service delivery, regulation of government spending and growth of tax revenue to fight corruption in the public sector through e-government through the implementation of data transparency have been seen in terms of economic impacts, and d) traceable decisions are made, accountability is established and competition between electronic delivery networks is encouraged (Kumar & Sharma, 2019; Margaret & Kumar, 2015; Kaushik, 2015).

Corporate governance is a critical attribute of organizations because national and international organisations that adopt it allow them to function smoothly because of the presence of a consistent degree of transparency and coordination between the organization's clear perception of the roles and obligations and the cohesive set of acts. It is the structure of rights, procedures and controls over the management of a corporate organization to protect the interests of stakeholders and to lay down rules and processes with stakeholder engagement for policy and business strategies. In addition, people can enjoy human rights through good governance, which is no longer measured by the provision of services by a government or other governing body, but by the degree to which the quality of life of individuals has been enhanced. Good governance should be measured and compensated with the support and implementation of international standards to inspire others. Finally, with constructive knowledge of human rights problems, removing corruption is a gateway to good governance and successful civil society (Abeyratne, 2015).

2.7 Elements of Good Corporate Governance and performance

There are elements of good corporate governance normally experienced when corporate governance is in place in organisations (Roxana-Ioana & Petru, 2017). Good Board Practices is one such elements of good corporate governance when it is a well-structured board with the appropriate composition and mix of skills, has clearly defined roles and authorities, and understands its duties and responsibilities. It is further asserted that if the appropriate procedures are followed, boards would perform efficiently as well as evaluating itself and having all the relevant information enable them to make informed decisions. The board would discuss corporate governance issues regularly and commit appropriate resources to them. Remuneration for the board should be in line with best practice. Finally, operation of the board by way of board committees would enhance its performance.

Secondly, the control environment is another element where a risk management framework should be present enabling the organisation to identify, assesses and mitigates risks and where appropriate an independent audit committee is vital. This control environment should also have internal control procedures supported by management information systems which check whether the internal control procedures are effective for example an internal auditor, audit function and/or compliance function are established to ensure that the policies and procedures are appropriate and compiled with (Roxana-Ioana & Petru, 2017). On the other hand, transparent disclosure is another element where the organisation discloses information both financial and nonfinancial to its stakeholders, including its shareholders, on a timely basis. This enforces production of financial statements that are prepared according to International Financial Requirements or, if more appropriate to the organisation, local financial reporting standards. Produced financial statements in this case meets international standards of high quality released in the appropriate media such as press releases, annual reports or websites (Roxana-Ioana & Petru, 2017).

Lastly, good corporate citizenship is another element of corporate governance where the organisation has well defined stakeholder policies identifying who the stakeholders are and how they are engaged. Policies should be written on major areas of concern for stakeholders such as corporate social responsibility issues, environmental issues, material transactions, related-party transactions and dividend policies. Organisations should be reporting using integrated or 'Triple Bottom Line' reporting namely, profits, people and planet, the three Ps of good corporate governance. This entails reporting beyond profits, to include the social, environmental and economic impact of their activities on the communities where they operate. The impact reported should be both positive and negative, with clear mitigating measures against the negative impact. The organisation should have a code of ethics based on its ethical values, mission and vision (Lee &Haque, 2006).

Corporate governance plays a vital role in creating a trust in the marketplace that attracts corporate investors, as well as corporate governance promotes the trust of investors by ensuring the presence of an independent board of directors. In addition, it helps to provide a high degree of trust that is very important for the entire activity of the market, as it considers adherence to the standards of business ethics (Guo & Kumara, 2012).

Corporate governance is a primary determinant of aviation performance within the context of the aviation industry. Enriching belief in the aviation industry needs devotion in a manner consistent with national and international business contexts to all levels of governance. In order to attain high quality governance, the leading global airlines are continuously reassessing their governance systems, memberships and mandates. In order to do so, airlines must continuously evaluate the adequacy of their existing governance systems, the right balance between non-executive and executive members of their board of directors, etc. Some of the well-known airlines have positively adopted the concepts of corporate governance and strategies, including aviation leaders such as KLM Airlines, British Airways, Singapore Airlines, etc (Goyal, 2019). The effectiveness of Singapore Airlines' corporate governance is expressed in its sustainability reports on the results of airlines delivered in a consistent and accountable manner to shareholders and stakeholders covering important issues such as governance, stakeholder participation, community initiatives and the environment. The Board, which follows the guidelines of the revised Code of Corporate Governance released by the Ministry of Finance in Singapore in May 2012, guarantees good governance (Duppati, Scrimgeour & Stevenson, 2018; Aryal, 2017).

Saudi Arabian Airlines have had strong corporate governance in the Middle East, according to Buallay, Hamdan and Zureigat (2017), companies adhere to the highest standards of ethical behavior, disclose results with consistency and integrity and ensure full compliance with the rules, regulations and regulations regulating the business of the company. The Board of Directors provides the company with central leadership to set its goals and establish strategies that guide the company's ongoing activities to achieve these goals, are accountable and apply the requisite expertise and care to the company in the exercise of their duties, and are subject to fiduciary duties.

The corporate governance and accountability program discusses such important issues as the development of healthy and responsible communities, the promotion of well-being and inclusion, the responsible conduct of business, the reduction of the environmental effect of British Airways and the reduction of waste and the enhancement of recycling (Goyal, 2019; Hammoud et al., 2017; BritishAirways.com, 2017).

By means of a collection of institutional structures, corporate governance ensures the consistency of reported accounting information. Perfect corporate governance will improve internal control and decrease unscrupulous activities and minimize information asymmetry, thereby having a positive effect on the high quality of information disclosed (Kamardin & Haron, 2011; Hongxia & Ainian, 2008). With value formation, the organizational system of instability or managerial responsibility and incentives are unpredictable, productivity will decrease. Governance establishes rights and obligations, legitimizes acts, and responsibility is decided. It deals with the source, use and restriction of power. Governance serves as an integral basis for improved performance and aviation quality.

In corporate governance, boards of directors also play a key role. It is their duty to hire, supervise, establish directional strategies, support the plan of the company, and remunerate senior managers

to ensure that the organization is accountable to its owners and authorities (Naciti, 2019; Rouf et al., 2010; Mahboob, 2006). At the beginning of the new millennium, the discovery of severe accounting issues in many major firms such as Enron, Worldcom, Tyco and HealthSouth became landmark events as several other corporations acknowledged their own accounting errors. This led to most of these companies' stock price drop drastically (Haswell & Evans, 2018; Palmrose, Richardson & Scholz; 2004; Agrawal & Chadha, 2005). As a result, several corporations involved in such scandals, such as Enron and Worldcom, were forced into bankruptcy as investors, consumers, suppliers and workers responded to litigation against these companies (Palmrose et al., 2004). The legislators then responded to these scandals by introducing a tough corporate governance rule, the 2002 Sarbanes-Oxley Act, which applies to all U.S.-listed firms with stocks. Furthermore, as part of their listing criteria, the New York Stock Exchange (NYSE), Nasdaq, and the American Stock Exchange (AMEX) have introduced new corporate governance regulations.

2.8 Empirical studies

There are several studies documenting the evidence that the relationship between good corporate governance and the valuation and/or corporate performance of shareholders is positive, regardless of which measure is used for governance or investor security, country or business level (Bebchuk, Cohen & Ferrell, 2009, Brown & Caylor, 2006, Starks & Wei 2013; Cheung, Chung & Fung, 2015). Others on the composition of the board have shown that external board members play a crucial role in controlling the operations of the company (Brickley, Coles, & Terry, 1994 and Shivdasani, 1993 as cited in Paniagua et al., 2018; Bebchuk & Weisbach, 2010), and successful boards of directors also have a greater proportion of external directors than insider directors (Paniagua et al., 2018; Bhagat & Bolton, 2008).

In their report, Guo and Kga (2012), board size was linked to the main aspects of corporate governance, as the directors or board members are responsible for promoting the company's success, also ensuring that the interests or concerns of shareholders are covered. Their research supports the hypothesis that board size has a persuasive impact on the success of organizations and is consistent with the results of Singh et al. (2018) and Loderer and Peyer (2002). However, their findings in the study also supported the fact that a larger size of the board, that is to say more members in the board would lead to diversified skills and expertise which would ultimately lead to different views being shared upon various matters and ultimately which would lead to enhanced effect of the performance of the organization (Guo & Kga, 2012).

According to Dato et al. (2018), they found in their research that board committees were related to firm performance with evidence of a positive relationship between the ratio of inside members to finance/investment committees and business performance, and another study by Klein (2002) also found that audit committees are more successful in tracking financial performance, as cited in Sharma, Sharma & Ananthanarayanan (2011).

Some studies have also shown that dividing the position has also led to substantially higher financial performance. In analyzing the influence of different board committees on the corporate financial performance of the companies listed on the Ghana Stock Exchange, Puni (2015) found that the board committees had no substantial impact on the financial performance of the companies listed. Similarly, Sonnenfeld (2002) pointed out that 'Sunbeam, Enron, Cendant, McKesson HBOC and Waste Management all had the number of committees and guidelines required; yet this governance shield was still penetrated by accounting scandals. However, studies also indicate that the existence and proper functioning of an autonomous, competent and vigilant board committee scan makes the emphasis on wider and strategic issues on board, which can, in turn, enable boards to perform better and in the interests of shareholders (Dato et al., 2018).

Studies also show, however, that the presence and proper functioning of an independent, knowledgeable and diligent scan of the board committee emphasizes broader and strategic issues on board, which can, in turn, enable boards to work better and in the interests of shareholders (Dato et al., 2018). Similarly, in the analysis performed, it was concluded that there is a relationship between the corporate governance principles consisting of the variables of transparency, fairness, accountability, social awareness, independence and discipline and business performance (Burak et al. 2017).

Finally, a number of studies have led to the awareness that IT governance is important to improving the efficiency of organizations. Conferring to Weill and Ross (2004), corporations with superior IT governance have revenues at least 20% higher than businesses with undeveloped IT governance.

De Haes and Van Grembergen (2009) indicated that sophistication in positioning IT to business objectives is greater when companies adopt mature IT governance practices, including procedures, strategic planning, and processes built around IT strategic committees, as well as informal meetings between IT executives and senior executives.

Similarly, IT has a tremendous opportunity for public service delivery and public sector transparency to be enhanced. Initiatives such as e-government will boost citizens' participation and empowerment (Weerakkody, Irani, Lee, Osman & Hindi, 2015). More timely information will improve accountability and provide people with requirements for tracking government efficiency (Wong & Welch 2004). In this context, IT governance may play a key role, via a relational process, in providing management conditions for the efficient use of IT resources such as software, hardware, people and knowledge.

2.9 Summary

There is no doubt that quite several studies have been undertaken on corporate governance and organization performance particularly financial performance however, most results have not been conclusive on either the impact of board structure or principles of corporate governance. For example, one would wonder how firms like Sunbeam, Enron, Cendant, McKesson HBOC and Waste Management all could face financial hitches yet they had the requisite number of committees and guidelines. Therefore, one would wish to know why? On the other hand, most of the studies on corporate governance that have been conducted in private organizations whose major objective is to create profit and financial return to shareholders and left out the public sector which is failing deliver on its mandate to provide public good/services because of falling short on corporate governance principles consisting of the variables of fairness, transparency, accountability, independence and social awareness. There is desire therefore, to analyse corporate governance practices in public institutions like UCAA.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

The purpose of this chapter described the research methodology of this study. Specifically, this section highlighted the methods and procedures that the researcher followed while collecting and analyzing data that supported the research study in the most effective manner. It explained the research design, study population, sample size and techniques as well as data collection methods, tools, procedure, data analysis, presentation and measurement of variables.

3.2 Research design

This study used a mixed method design, which is a methodology that focus on mixing the quantitative and qualitative data collection and analysis techniques (Zohrabi, 2013). The design was adopted because it is useful in understanding data in terms of breadth and depth achieved with the help of quantitative and qualitative methods (Creswell & Clark 2017). In view of Palinkas, Aarons, Horwitz, Chamberlain, Hurlburt, and Landsverk (2011) asserted further mixed design gives a voice of study participants that ensured that the study findings are grounded on participants' experiences. The study further employed a triangulation approach of qualitative because there was a need to develop a complete understanding of phenomena through the combination of information from different sources (Amankwaa, 2016). More so a deductive approach was applied for quantitative data mainly because it enables researchers to start with hypotheses and then collect data which can be used to determine whether empirical evidence to support that hypothesis exists (Choy, 2014).

3.3 Study population

According to Cooper and Shindler (2011) a study population is the total collection of elements on which the researcher wishes to make some inferences**.** In this study, the target population involved all the employees of UCAA and some employees of the local and international scheduled operators (airlines) in Uganda all totaling to 1,442 in number (UCAA Human Resource Manual, 2019). The study population covered employees in the different departments, and other units as shown in the table 3.1 below.

3.4 Sample size and technique

The study implemented the Yamane's formula for calculating sample size (Yamane, 1967). According to him, for a 95% confidence level and p = 0.5, size of the sample should be:

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

Where, N is the population size and e is the level of precision. In the context of this study, N =1,442 with 95% level of precision. In this study the sample size was calculated in proportion to the target population of the study.

Assuming 95% confidence level and p =0.5, we get the sample size as

$$n = \frac{1442}{1+1442(0.05^2)} = 313$$

The sample size for this study was 313. Samples from the different sections were selected using purposive and simple random sampling which provided every member of population same and known chances of being nominated in each section hence simple random sampling (Kothari, 2017, Yamane, 1967). Under this, the sampling frames (lists) was obtained from the Human Resource Officer (all workers at UCAA) local and secluded operators (airlines). Purposive sampling technique was applied in order to select those with the specific information that was needed for the research objectives which other categories were not able to provide adequately. The 3 board of directors out of 8, 2 top managers out of the 3 and 6 directors were chosen because they were the ones willing to give the information out. For collecting data, 313 respondents were nominated representing the study population of 1442 employees as revealed in table 3.1 below;

Table 3. 1 Target population and sample by sections

No.	Unit/Section	Target pop.	Sample size	Sampling technique
1.	Board of directors	8	3	Purposive sampling
2.	Top management	3	2	Purposive sampling
3.	Directors	6	6	Purposive sampling
4.	Directorate of HR & Administration	169	36	Simple random sampling
5.	Directorate of Corporate Affairs	85	18	Simple random sampling
6.	Dir. of Safety, Security & Econ. Reg.	53	12	Simple random sampling
7.	Directorate of Finance	93	21	Simple random sampling
8.	Directorate of Aviation Security	201	42	Simple random sampling
10.	Directorate of Air Navigation Services	786	166	Simple random sampling
11.	Local airlines	21	4	Simple random sampling
12.	International airlines	17	3	Simple random sampling
	Total	**1,442**	**313**	

Source: Primary data, 2020

3.5 Sources of data

The main sources of data for this study were both primary and secondary sources. Primary data was obtained from respondents' responses that were solicited by self- administered questionnaires and interviews on the effects of corporate governance practices on organization performance. Secondary data was obtained from reports and documents of UCAA, academic and professional journals, text books. Published literature, and previous dissertations that were accessed from the internet and the library.

3.6 Data collection methods

Data collection methods are collection techniques that are used for gathering details from various sources to find the required answers to the research problem, test the hypothesis and evaluate the outcomes (Harrell & Bradley, 2009). In this study, the researcher used self-administered questionnaire, and in-depth interviews.

3.6.1 Questionnaire Survey Method

The study among other methods used self-administered questionnaire which served as the main technique of collecting data. According to De Leeuw (2008) a self-administered closed ended questionnaire is data collection technique in which written questions are presented that are to be answered by respondents in a written form. The self-questionnaire was chosen because it allowed the researcher to code the information easily for subsequent quantitative analysis hence reducing the error gap (Schraeder, Becton, & Portis, 2007).

3.6.2 Interview Method

An interview is a data collection technique that involves oral questioning of respondents either individually or as group (De Leeuw, 2008). In this study, interviews complemented the questionnaire method in collecting data. It involved conducting oral questioning of respondents in order to keep the researcher focused. Interviews were vital to this because, if worded effectively, questions encouraged unbiased and truthful answers from interviewees since the interviewer had better control over the types of information that they received. They can pick their own questions (King, Horrocks & Brooks, 2018).

3.7 Data collection instruments

Accordingly, Leung (2001) defines data collection instruments as devices/tools used to collect data. The main data collection instruments that were used for the study are questionnaires and interview guide. Both the questionnaire and interview guide were designed to collect data which answered all the research questions raised.

3.7.1 Self-administered Questionnaire

The study employed a questionnaire as the main tool of data collection. The questionnaire for respondents had four sections. First section dealt with the demographic characteristics of the respondents, section two focused on the variables of corporate and organisation performance, and section three focused on the elements of good corporate practice and performance while the last section presented organisation performance as an outcome of corporate governance at UCAA. The questionnaire had the close-ended questions. Close-ended questions are developed to help respondents make quick decisions; in addition, they helped the researcher to code the information easily for subsequent analysis and narrow down the error gap while analyzing data as observed by (De Leeuw, 2008; Sekaran & Bougie, 2010).

3.7.2 Interview guide

The interview guide is a list of questions directed at participants during the interview. The interview guide used by the researcher in this study focused on the study variables. Also interview schedules were used during interviews for in-depth inquiries in the subject matter for ascertain specific details and facts about the study variables. This guide is used to dig deeper and get in-depth investigating and understanding of variables better from key informants (Amin, 2005).

An unstructured interview guide was also used as a tool for collecting in depth information from the key informants. The guide had a list of typical issues and themes which explored and enabled the researcher collect the appropriate data in the course of conducting the interviews (Boyce & Neale, 2006). The guide was drawn with the questions soliciting for the perception of the key informants regarding the examination of corporate governance and organization performance in UCAA. The interview guide was also preferred because it provides in-depth data which may not be possible to obtain when using self-administered questionnaires (King et al., 2018).

3.8 Quality control

This was done as a way of eliminating or reducing errors in the study instruments. In order to ensure quality of the research findings, the researcher carried out reliability and validity tests on the research instruments that were used in data collection as below:

3.8.1 Validity of the study instruments

Validity is described as the degree to which the research instruments adopted measures what they intend to measure and perform as they are designed to perform (Wan, 2011). To achieve this the researcher used a content test validity to steadily examine the study content to determine whether the content in the questionnaire covers a representative sample of the behavior domain to be measured (Sekaran & Bougie 2010). A content validity index (C.V.I) was calculated using the formula below; number of items declared valid/number of items in the questionnaire.

$$\text{CVI} = \left(\frac{n_e - \left(\frac{N}{2}\right)}{\left(\frac{N}{2}\right)}\right)$$

Where n_e is the number of raters who accepted that the tool is essential and N the total number of raters (Wilson, Pan & Schumsky, 2012). A CVI of above 0.7 is acceptable that the tool passed the test of validity. The researcher set questions according to objectives of the study. This made it easy to determine the number of scales that helped to identify redundancy of item content using Cronbach’s Alpha determined that 0.7 which indicated acceptable level of validity.

Unlike quantitative research, where statistical methods for establishing validity of research findings are applied, in qualitative research the researcher aimed at designing and incorporating methodological strategies to ensure the ‘trustworthiness’ of the findings such as inviting participants to comment on the interview transcript and whether the final themes and concepts created adequate reflection of the phenomena being investigated. More so, Data triangulation whereby different methods and perspectives applied to help produce a more comprehensive set of findings (Slevin, 2002).

3.8.2 Reliability of the study instruments

Reliability is broadly defined as the degree to which measures are free from error and therefore, yield consistent results (Mohamad, Sulaiman, Lai & Mohd Salleh, 2014). Reliability was computed through different methods like test-retest reliability, internal consistency reliability and equivalent forms reliability. In this study, questionnaire reliability was checked by using internal consistency method to measure the correlation between each item in the questionnaire and others. Pre-testing of the instrument was done by administering the questionnaires to 10% of the total sample size. Cronbach alpha was used to calculate for statements in the questionnaire since the Likert scale questionnaires use Cronbach alpha method (Taber, 2018). The outcomes were used to establish the reliability of the questionnaire as a research tool.

According to Cooper and Schindler (2008) reliability coefficient refers to the scores obtained on a test. A reliability coefficient is a numerical value that can range from zero to one. For research purposes, tests with a reliability score of 0.7 and above is accepted as reliable, whilst for clinical decision making, test scores of between 0.8 and 0.9 are acceptable. It is because stated that reliability coefficient of zero indicates that the test scores are unreliable but a higher value indicates more reliability or accuracy of the test scores (Nicewander, 2018; Sekaran & Bougie 2010). A pre-test was done on 31 of the respondents who didn’t form part of the final study. Data was coded and entered into the computer. Cronbach’s Alpha Reliability Coefficient was generated using the Statistical Package for Social Scientists (SPSS) computer program to estimate the reliability of the questionnaire.

Table 3. 2 Reliability statistics

Cronbach's Alpha	N of Items
.934	23

Source: Primary data (2020)

The Cronbach's Alpha test for current study produced a coefficient of 0.934. As stated above that reliability coefficient of zero indicates that the test scores are unreliable but a higher score (above 0.7) like in this current study indicates more reliability or accuracy of the test scores (Nicewander, 2018; Sekaran & Bougie, 2010).

3.9 Data Analysis

Data analysis is a process of inspecting, cleaning, transforming, and modeling data with the goal of discovering useful information, informing conclusions, and supporting decision-making.(Coakes & Steed 2009).

3.9.1 Analysis of quantitative Data

The statistical package that was used for analysis of data in this study is the SPSS version 23.0. Different statistical analyses to be used are correlation and regression analysis. Where correlation analysis is a numerical measure correctional data type aiming at finding a statistical relationship between two variables while regression analysis is a set of statistical processes for estimating the relationships between a dependent variable with one or more independent variables. The higher level of statistical significance for hypothesis testing is at 5%. All statistical test results were computed at 2-tailed level of significance. The descriptive statistics were implemented in this study to analyze the demographic data of respondents including frequency counts, percentages, means and standard deviations representing the respondents' opinions on the effects of corporate governance and performance in UCAA. Data was then analyzed and correlated using Pearson Product-Moment correlation coefficient to establish the relationship between corporate governance and performance in UCAA.

3.9.2 Analysis of qualitative data

Qualitative data was analyzed using content analysis. Responses from key informants were grouped into recurrent issues/themes. The recurrent issues which emerge in relation to each guiding question was presented in the results with selected direct quotations from participants who offered them as illustrations.

3.10 Measurement of variables

Data on the respondent's views and opinions about the corporate governance and organisation performance in UCAA were obtained using scaled variables from a self-administered questionnaire. A five Point-Likert scale of 1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree was used to tap respondents' perception on the study variables.

3.11 Ethical consideration

Finally, the researcher observed ethical and legal issues in research like the principle of confidentiality, anonymity, consent and acknowledgement of other people's input into this study because it is imperative to respect the rights and dignity of the research subjects (Artal & Rubenfeld, 2017). This study ensured confidentiality of respondents and that the information obtained was strictly used for the intended research purpose as the instrument used in the study didn’t contain any space for name or telephone number as a way of increasing confidentiality and increasing the confidence of participants to engage in the study. Further, the researcher ensured that permission was sought from the UCAA, and participation in this current study was voluntary and whoever accepted to do so was served with the instrument in private.

3.12 Limitations of the study

Some respondents were hard to get because of the COVID-19 Pandemic because they were working remotely in a bid to abide by the Ministry of Health Standard Operating Procedures of social distancing.

However, the researcher had to get their contacts and meet them wherever they were hence making data collection more expensive.

CHAPTER FOUR

PRESENTATION, ANALYSIS, AND INTERPRETATION OF FINDINGS

4.1 Introduction

The study examined the effect of corporate governance practices on organizational performance in Uganda Civil Aviation Authority. The chapter deals with the presentation, analysis and interpretation of findings on the study variables. The chapter first presents the response rate, followed by the background characteristics and descriptive statistics, and lastly the findings on the study objectives.

4.2 Response Rate

The percentage of respondents in the sample who completed and returned questionnaires is what meant by the response rate. The study adopted Westat (2007) definition and formula in determining the Response Rate (RR). A response rate measures the level of success or quality achieved in collecting survey data (Westat, 2007). In other words, response rate is a ratio of the number of people who respond to a study to the estimated sample size for the study. The response rate in this study was calculated using the formula below:

$RR = \frac{NR}{SZ} \text{x } 100$

Where;

RR = Response Rate; NR = Number of response; and SZ = Sample size

A total of targeted of 302 questionnaires were hand delivered to the respondents and targeted 11 key informant officials for open ended interviews (313) but 276 questionnaires were returned and 11 informants participated totaling to 287. Response rate was therefore arrived at as;

$RR = \frac{287}{313} x\ 100 = 91.7\%$

RR = 91.7%. The detailed findings on the response rate are shown in table 4.1 below.

Table 4.1: Response Rate for the study

	Data collection instruments distributed	**Data collection instruments received back**	**Percentage**
Questionnaire	302	276	91.4%
Interview	11	11	100%
Total	313	287	91.7%

Source: Primary data (2020)

Therefore, the response rate for this study is 91.7%. Accordingly, Babbie (2004) posits that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good. According to the above calculation and results in table 4.1 above, the response rate of 91.7% in this study is very good, which is of great significance in making generalization and conclusions for this study.

4.3 Background characteristics of the respondents

In the background characteristics of the study, the researcher describes the characteristics of the respondents in relation to corporate governance practices, and organizational performance. The characteristics studied include gender, age groups, education level, period worked with UCAA, and the organizational level of the respondents as presented in the tables below;

4.3.1 Gender distribution of respondents in the study

Both male and female respondents were engaged in semi-structured interviews to get their responses on the effect of corporate governance practices on organizational performance in Uganda Civil Aviation Authority. The findings on gender distribution in the study are presented in table 4.2 below.

Table 4.2: Gender of the respondents

Gender	Frequency	Percentage
Male	162	58.7
Female	114	41.3
Total	276	100.0

Source: Primary data (2020)

The study findings in table 4.2 above reveled that majority of the respondent were males (58.7%) and females constituted only 41.3% of the respondents. The findings may imply that both females and males are in UCAA and therefore corporate governance practices were responsibility of both genders.

4.3.2 Distribution of respondents by age group

This sub-section provides findings on how age was distributed across the respondents in the study. The results are presented in table 4.3 below.

Table 4.3: Age group of respondents

Age bracket	Frequency	Percentage
18-25	4	1.4
26-33	71	25.7
34-41	120	43.5
42-49	55	19.9
50-59	26	9.4
Total	276	100.0

Source: Primary data (2020)

According to the findings in Table 4.3 above, the age group of respondents played an important role towards respondents' understanding on corporate governance practices and performance of UCAA. The findings show that most of the respondents were aged between 34 and 41 years (43.5%) and lowest proportion (1.4%) of respondents was aged between 18 and 25 years. The findings may indicate that the majority of the respondents are mature enough to be likely with high understanding level of corporate governance practices and its influence on performance of UCAA since most of the respondents were aged between 34 and 41 years, an age group which is believed to be experienced and knowledgeable.

4.3.3 Distribution of respondents by education level

Education level plays a significant role in respondents' understanding of corporate governance practices and its influence on organizational performance. Thus, justifies why the researcher made an investigation to establish the distribution of education across the respondents in the study. The findings are presented in table 4.4 below.

Table 4.4: Education level of respondents

Respondent's education level	Frequency	Percentage
Post graduate	71	25.7
Bachelor's	181	65.6
Diploma	23	8.3
Certificate	1	.4
Total	276	100.0

Source: Primary data (2020)

From table 4.4 above, it is observed that majority of the respondents (65.6%) were Bachelor holders, followed by post graduate while the least proportion of respondents (0.4%) had certificate. This clearly indicates that most of the respondents (employees of UCAA) are literate therefore in a position to give a response on corporate governance practices and its influence on organizational performance since employees with a degree are deemed to be knowledgeable.

4.3.4 Period respondents worked with UCAA

The period an employee spends in an organization is an indicator that he/she has enough knowledge and experience on corporate governance practices and its effect on the organizational performance or not. Therefore, the researcher analyzed the distribution of respondents by period worked with UCAA either as employee or board member. The results are shown in table 4.5 below.

Table 4.5: Period respondents worked with UCAA

Period of service	Frequency	Percentage
Less than 1 year	17	6.2
1-5 years	116	42.0
6-10 years	78	28.3
11 years & above	65	23.6
Total	276	100.0

Source: Primary data (2020)

The findings in table 4.5 above reveal that majority of the participants (42%) in the study had worked with UCAA for a period between 1 and 5 years, followed by 28.3% who had worked between 6 and 10 years while the smallest proportion of participants (6.2%) had worked with UCAA for a period less than 1 year. This may imply that respondents have been with UCAA long enough to give an objective assessment of corporate governance and its effect on organizational performance at UCAA.

4.3.5 Organizational position/level of the respondent

The researcher sought to find out the organizational position/level of the respondents since this would determine the level of understanding on corporate governance practices and its effect on organizational performance. The findings are shown in table 4.6 below;

Table 4.6: The Organizational position/level of respondents at UCAA

Position	Frequency	Percentage
Board	9	3.3
Management	23	8.3
Middle	36	13.0
Lower	208	75.4
Total	276	100.0

Source: Primary data (2020)

The findings in table 4.6 above reveal that most of the respondents (75.4%) were in the lower level of the organization, followed with 13% in middle level, 8.3% in management, and the least proportion of respondents (3.3%) were board members. This is an indication that the study sample was representative enough and well distributed according to the positions and organization structure where the majority on the organization structure are always at the bottom and fewer on top- the pyramidal hierarchical structure in UCAA.

4.4 Analysis on the specific objectives of the study and study hypotheses

The analysis of study objectives and testing of study hypotheses is area presented by the descriptive and inferential statistics. The descriptive statistics presented in this area include means and standard deviations while the inferential statistics include correlation analysis and regression models. It should however be noted that a mean value which is greater or equal to 3.5 shows a high effect of independent variable on dependent variable and a mean value lower than 3.5 indicates a lower effect of independent variable on dependent variable (Emerson, 2017).

4.4.1 Board size and composition on performance of UCAA

The study made an attempt to examine the effect of board size and composition on performance of UCAA. In the first step, the researcher assessed the perceived level of respondents on Board size and composition of UCAA. It should be noted that the mean score which is above or equal to 3 indicate an agreement or high level understanding of respondents on a particular item while the mean score below 3 shows a disagreement or low level understanding of respondents on a particular item. The findings on Board size and composition of UCCA are presented in table 4.7.

Table 4.7: Respondents' perceived level on Board size and composition of UCCA

Item	Mean	Std. deviation
Among others UCAA board has an audit and risk committee	4.38	0.859
The UCAA board size and composition is as prescribed under the CAA Act , 1991	4.33	1.087
UCAA board consists of directors with a diverse set of functional expertise industry experiences and education	4.10	0.919
UCAA board is mostly composed of non-executive directors (independent directors) than executive (dependent directors)	4.08	0.959
External board members play a crucial role in monitoring the organisation's activities	4.00	0.952
The higher the number of directors sitting on the UCAA board the better is their performance.	2.69	1.312

Source: Primary data (2020)

Table 4.7 presents the respondents' perceived level on Board size and composition of UCCA. The findings revealed that most of the respondents strongly agreed that UCAA board size and composition is as prescribed under the CAA Act, 1991 (mean=4.33). Therefore, the findings imply that UCAA board size and composition are in line with CAA Act, 1991. Also, the majority of the respondents in the study agreed that UCAA board consists of directors with a diverse set of functional expertise, industry experiences and education as shown by a high level mean of 4.10. The results indicate that UCAA board has directors which highly educated, experienced and with a lot of functional expertise.

The findings in table 4.7 also show that majority of the respondents concurred that UCAA board is mostly composed of non-executive directors than executive (mean=4.08). The findings imply that the board is mainly composed of independent directors thus their decisions wouldn't be influenced by the senior managers of UCAA.The findings in table 4.7 further revealed that the external board members play a crucial role in monitoring the organisation's activities since the highest percentage of respondents was in support with the argument (mean=4.00). This indicates that the organisation's activities are effectively implemented since they are monitored by the external board members. In support of this, Sheaff et al., 2015 and Lu & Boateng, 2018 noted that board of directors perform an important corporate governance function and that non-executive directors act as necessary monitors of management. This is also in line with what Executive Director (ED) UCAA said;

> "*The board plays a key oversight role especially carrying out a rigorous monitoring of all the major financing decision and overall performance of the authority"*(ED UCAA)

The study outcomes also indicate that a bigger number of directors sitting on the UCAA board does not indicate a better performance since majority of the respondents were in strong disagreement with the item (mean=2.69). The implication is that a bigger number of directors sitting on the UCAA board does not necessitate that they will yield higher performance echoing

Tulung and Ramdani (2018) view that the optimal board size is that the higher the number of directors sitting on the board the less is their performance because of the fact that communication, coordination of tasks, and decision-making effectiveness among a large group of people is harder and costlier than it is in smaller groups and this is why one informant who requested for anonymity confined to the researcher that;

> *"The current CAA law prescribes too big a number for the UCAA board size, which may be affecting its effectiveness because if a board becomes too big, it often moves into a more symbolic role, rather than fulfilling its intended function as part of the management."*

In relation with audit and risk committee, a bigger proportion of the respondents agreed that UCAA board has an audit and risk committee (mean=4.38) and this reflects the significance attached by Roxana-Ioana & Petru (2017) that the audit function and/or compliance function are established to ensure that the policies and are appropriate and compiled with which ensures effectiveness.

4.4.2 Effect of Board size and composition on performance of UCAA

To establish whether Board size and composition has a significant effect on the performance of UCAA, the researcher employed a simple linear regression model as shown in table 4.8 below;

Table 4.8: Model findings on the effect of Board size and composition on performance of UCAA

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.664[a]	.441	.439	.57907

a. Predictors: (Constant), Board size and composition

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.376	1	71.376	212.860	.000[b]
	Residual	90.536	270	.335		
	Total	161.911	271			

a. Dependent Variable: Performance of UCAA

b. Predictors: (Constant), Board size and composition

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.622	.225		2.763	.006
	Board size and composition	.826	.057	.664	14.590	.000

a. Dependent Variable: Performance of UCAA

Source: Primary data (2020)

The model results in table 4.8 revealed that additional increase in Board size and composition leads to a significant improvement in performance of UCAA by 0.826 ($P<0.05$). The findings indicate that Board size and composition had a positive significant effect on the performance of UCAA. The findings may imply that as the board consists of directors with a diverse set of functional expertise, experience and good education among others improves on the performance of UCAA. The findings are a true reflection of the views of writers (Lu & Boateng, 2018; Biswas et al., 2018; Naciti, 2019) that Board composition and structure are taken as a critical issue in the effectiveness of the board where Board composition represents the common segmentation of board structure is by numbers, gender by equality, non-executive directors.

Echoing this, during the interviews the Corporation Secretary (CS) praised the framers of the CAA Act that;

> *"They were cognizant of the issue of board structure and composition as prescribed under section 9 (3) a-c (CAA, 1991, sec 9(3) a-c) where our directors are with diverse set of functional expertise, industry experiences, educational qualifications and gender mix."* (CS)

Furthermore, the ANOVA results show that the model fits well the data on both the independent and the dependent variable ($P<0.05$), thus Board size and composition statistically predicate the performance of UCAA. The results from the Adjusted R Square of the model show that 43.9% of the total variations in performance of UCAA is explained by Board size and composition and 56.1% of the variations are explained by other factors. Hence the results accept the research hypothesis $\mathbf{H_1}$ that there is a significant effect of board size and composition on performance of UCAA.

4.4.3 Principles of corporate governance and performance of UCAA

The researcher sought to establish the effect of the principles of corporate governance on performance of UCAA. The researcher first presents the descriptive statistics to assess the perceived level of respondents on the principles of corporate governance of UCAA. It should be noted that the mean score which is above or equal to 3 indicates an agreement or high level understanding of respondents on a particular item while the mean score below 3 shows a disagreement or low level understanding of respondents on a particular item. The findings are presented in table 4.9.

Table 4.9: Respondents' perceived level on the Principles of corporate governance of UCAA

Item	Mean	Std. deviation
UCAA produces financial statements that meets International, regional & local financial reporting standards.	4.16	0.897
UCAA takes into account the interest of all stakeholders in accordance with the principles of Corporate Governance	4.09	0.795
Separated role of the UCAA board chairman & CEO is a corporate governance initiative that reduce agency problems & result in improved performance	4.07	0.998
UCAA has a clearly defined & publically accessible disclosure policy which defines principles, rules & procedures of reporting to relevant authorities, public, and other interested parties	4.04	0.942
There is a transparent disclosure system at UCAA where it discloses information both financial & nonfinancial to its stakeholders	3.94	1.032
UCAA publish its business reports including the report of the External Auditor in compliance with the laws & regulations	3.88	0.978

Source: Primary data (2020)

The study results in table 4.9 show that a bigger percentage of respondents agreed that UCAA takes into account the interest of all stakeholders in accordance with the principles of Corporate Governance as shown by a high level mean of 4.09. The findings indicate that the interests of all stakeholders are taken into account by UCAA in accordance with the principles of Corporate Governance.

The findings revealed that majority of the respondents supported that UCAA has a clearly defined and publically accessible disclosure policy which defines principles, rules and procedures of reporting to relevant authorities, public, and other interested parties (mean=4.04). A bigger proportion of the respondents agreed that UCAA publishes its business reports including the report of the External Auditor in compliance with the laws & regulations (mean=3.88). The findings may imply that business reports of UCAA are published in compliance with the laws & regulations. In addition, Director General said that;

> *"All the financial transactions at UCAA are done and recorded in accordance with relevant laws of the country hence complying with the laws and regulations, in fact this brought financial discipline among our employees."* (DG UCAA)

Findings in table 4.9 show that most of the respondents agreed that separated role of the UCAA board chairman & CEO is a corporate governance initiative that reduce agency problems & result in improved performance as indicated by a high level mean score of 4.07.

The study also found out that there is a transparent disclosure system at UCAA where it discloses information both financial & nonfinancial to its stakeholders since majority of the study participants were in agreement with the item (mean=3.94). This reflects what Du Plessis et al., (2018) maintains that transparency, accountability and openness in reporting and disclosure of information, both operational and financial, are internationally accepted to be vital to the practice of good corporate governance. Echoing this, one of the informants from the Directorate of Finance (DoF) during the interviews said that

> *"When reporting the authority's financial information (financial reports) we strictly adhere to international norms and standards which ensures transparency, accountability and openness like in most governments and corporate institutions."* (DoF)

In addition, the study found out that UCAA produces financial statements that meet International, regional & local financial reporting standards since majority of the respondents were in agreement with the item (mean=4.16).

4.4.4 Effect of principles of corporate governance on performance of UCAA

The researcher used a simple linear regression model to examine the effect of the principles of corporate governance on performance of UCAA. The findings are presented in table 4.10.

Table 4.10: Model findings on the effect of the principles of corporate governance on performance of UCAA

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.708[a]	.501	.499	.54705

a. Predictors: (Constant), Principles of corporate governance

ANOVA[a]

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	81.109	1	81.109	271.025	.000[b]
	Residual	80.802	270	.299		
	Total	161.911	271			

a. Dependent Variable: Performance of UCAA

b. Predictors: (Constant), Principles of corporate governance

Coefficients

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.748	.192		3.893	.000
	Principles of corporate governance	.722	.047	.708	16.463	.000

a. Dependent Variable: Performance of UCAA

Source: Primary data (2020)

The model findings in table 10 reveal that additional principles of corporate governance results into a significant improvement in the performance of UCAA by 0.772 ($P<0.05$). This means that Principles of corporate governance have a positive and significant effect on the performance of UCAA hence the research hypothesis **H_2** that 'there is a significant effect of principles of corporate governance on performance of UCAA' is accepted. The results from the Adjusted R Square show that Principles of corporate governance explain 49.9% of the total variations in performance of UCAA and 50.1% of the variations are accounted for by other factors which are not in the model. These findings are in line with what Khomba and Vermaak (2012) stated that traits good corporate governance such as discipline, transparency, independence, accountability, responsibility, fairness, ethical conduct and good corporate citizenship are important because they lead to better performing organisations which are sustainable in the long-term. This is in line with the interview response of Directorate of Finance who had this to say;

> *"Applying the principles of corporate governance assist institutions like ours to improve the legal, institutional and regulatory framework for better decision making and financial performance"*(DoF)

The model results also show that the Principles of corporate governance significantly predict the performance of UCAA since the P-value of the ANOVA is less than 0.05 level of significance.

4.4.5 Information Technology governance and performance of UCAA

In this section, the study attempted to examine the effect of Information Technology governance on performance of UCAA. In the first step, the researcher analyzed the descriptive statistics to obtain the respondents' perceived level on Information Technology governance of UCAA. It should be noted that the mean score which is above or equal to 3 indicates an agreement or high level understanding of respondents on a particular item while the mean score below 3 shows a disagreement or low level understanding of respondents on a particular item.

Table 4.11: Respondents' perceived level on Information Technology governance of UCAA

Item	Mean	Std. deviation
IT governance helps UCAA to move forward to more advanced stages of cost-effective service delivery, values creation & strategic partnership.	4.04	.852
IT increased efficiency and effectiveness of service delivery due to decreasing the number of steps involved and cutting the timeframe	3.92	0.916
The effective & innovative applications of IT and electronic governance at UCAA ensure a controlled corporate environment due to improved technologies.	3.85	0.997
IT governance & e-governance as strategic tools have enhanced the quality of external services and streamlined internal operations at UCAA,	3.84	0.993
IT governance has combated corruption in UCAA through e-government because of introduction of data transparency, making decisions traceable, developing accountability	3.69	1.094

Source: Primary data (2020)

The results presented in table 4.11 show that most of the study participants agreed that IT governance helps UCAA to move forward to more advanced stages of cost-effective service delivery, values creation & strategic partnership (mean=4.04). This finding is in close agreement where IT is seen as an organizational capability that plays a significant role in value delivery from information technology (IT) investments (ISACA, 2012a; Van Grembergen & De Haes, 2009).

From our interviews, in line with this, one informant from Directorate of Aviation Security (DAAS) stressed that;

> "*Today it is unheard of that the Aviation Industry can operate effectively without the effective and innovative applications of IT and electronic governance, which are critical to protect privacy, secure information, manage services and above all enforce security within the country and between countries/regions. IT has been one reason why security in airports improved.*" (DAAS)

The study revealed that a bigger percentage of respondents were in agreement that the effective & innovative applications of IT and electronic governance at UCAA ensures a controlled corporate environment due to improved technologies (mean=3.85). This result echoes what Iskandar and Salleh (2010) said that most organisations face quite a number of challenges and risks but these have been ably managed and watered-down by implementing IT governance as a risk management and performance measurement tool, which eventually provide necessary actions to extend success in e-commerce environment. Also, the findings revealed that IT governance and e-governance as strategic tools have enhanced the quality of external services and streamlined internal operations at UCAA since majority of the respondents agreed with the item (mean=3.84).

The study also found out that IT increased efficiency and effectiveness of service delivery due to decreasing the number of steps involved and cutting the timeframe since majority of the study participants were in strong agreement with the statement (mean=3.92). This is no surprise because Iskandar and Salleh (2010) maintains that the primary objective nowadays is that all levels of organizations and governments adopt IT governance and e-governance as strategic tools for enhancing the quality of external services and streamlining internal operations, including offering public information, services and promotional tools for government policies based on web-based collaborative filtering system. In support of this during the interviews response from the Department of Information Technology (DIT) said that;

> *"Our airline industry recently was heavily affected by e-commerce technology by moving to e-ticketing as a mandatory requirement by IATA, so you can imagine the impact of IT in the aviation industry. However, the recent move into digital ticketing has improved on our effectiveness and efficiency in serving our customers."* (DIT)

Lastly, the study findings revealed that majority of the respondents agreed that IT governance has combated corruption in UCAA through e-government because of introduction of data transparency, making decisions traceable, and developing accountability (mean=3.69).This clearly reflects the assertion that the implementation of e-governance (IT) helped the government of India realize among a number of social, increased transparency and reduced corruption as a result of reducing the number of intermediaries (Kumar & Sharma, 2019; Margaret & Kumar, 2015; Kaushik, 2015).

4.4.6 Effect of Information Technology governance on performance of UCAA

The study employed a simple linear regression model to examine the effect of Information Technology governance on performance of UCAA. The findings are presented in table 4.12.

Table 4.12: Model findings on the Effect of Information Technology governance on performance of UCAA

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.747[a]	.558	.556	.51494

a. Predictors: (Constant), Information Technology governance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	90.319	1	90.319	340.621	.000[b]
	Residual	71.593	270	.265		
	Total	161.911	271			

a. Dependent Variable: Performance of UCAA

b. Predictors: (Constant), Information Technology governance

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.036	.156		6.627	.000
	Information Technology governance	.731	.040	.747	18.456	.000

a. Dependent Variable: Performance of UCAA

Source: Primary data (2020)

The results in table 4.12 reveal that growth in Information Technology governance by one unit results into a significant increase in performance of UCAA by 0.731 ($P<0.05$). The findings indicate that Information Technology governance has a positive and significant effect on performance of UCAA by 0.731 hence accepting the research hypothesis **H_3** that ‘there is a significant effect of IT governance on performance of UCAA’. This echoed what Iskandar and Salleh (2010) indicated that all levels of organizations and governments adopt IT governance and e-governance as strategic tools for enhancing the quality of external services and streamlining internal operations, including offering public information, services and promotional tools for government policies. In support of this finding, during the interviews the Director of Air Navigation Services (DANS) stressed that

> *"IT has totally changed our work life and touched each and every operation in UCAA but specifically in my directorate it has improved information management, resource management, performance management, service delivery and risk management. In fact, with the existing IT systems in place, we receive or deliver real-time services wherever and whenever" (DANS)*

The F-test results in the ANOVA table were significant at 5% level thus indicating that Information Technology governance significantly predicts the performance of UCAA. In addition, the Adjusted R Square results show that Information Technology governance account for 55.6% of the variations in performance of UCAA and 44.4% of the variations are accounted for by other factors which are not in the model. Thus, this shows that the model was a fair fit.

4.4.7 The relationship between corporate governance practices and performance of UCAA

The study examined using spearman's rank correlation whether corporate governance practices were significantly associated with performance of UCAA or not. The results are presented in table

Table 4.13: Correlation results on the relationship between corporate governance practices and performance of UCAA

Correlations

Variables			**1**	**2**	**3**	**4**
Spearman's rho	Performance of UCAA (1)	Correlation Coefficient	1			
		Sig. (2-tailed)	.			
		N	272			
	Board size and composition (2)	Correlation Coefficient	.602**	1		
		Sig. (2-tailed)	.000	.		
		N	272	276		
	Principles of corporate governance (3)	Correlation Coefficient	.726**	.573**	1	
		Sig. (2-tailed)	.000	.000	.	
		N	272	274	274	
	IT governance (4)	Correlation Coefficient	.702**	.550**	.702**	1
		Sig. (2-tailed)	.000	.000	.000	.
		N	272	272	272	272

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

Primary data (2020)

Board size and composition was found to have moderate positive and significant relationship with Performance of UCAA (r=0.602, P<0.01). This indicates that an improvement in Board size and composition significantly improves on the performance of UCAA. Similarly, the correlation results show that the principles of corporate governance had a strong positive and significant relationship with Performance of UCAA (r=0.726, P<0.01). The findings indicate that an improvement in principles of corporate governance would significantly improve on the performance of UCAA. In addition, the results from the correlation analysis also show that IT governance had a strong positive and significant relationship with the performance of UCAA (r=0.702, P<0.01). The implication of the findings is growth in IT governance significantly improves on the performance of UCAA. Therefore, the study findings showed a positive and significant relationship between the independent variables (Board size and composition, Principles of corporate governance, and IT governance) and dependent variable (performance of UCAA) after posting a R values of 0.602, 0.726 and 0.702 respectively, which according to Cohen, West and Aiken (2014) indicates a strong relationship once the R value of -1.0 to -0.5 or 1.0 to 0.5 is produced thus all the four research hypotheses were accepted.

4.4.8 The overall assessment of corporate governance practice and performance at UCAA

True there has been enough statistical evidence that corporate governance influence organizational performance, and table 4.14 below present data establishing the extent to which the status of corporate governance practices at UCAA has enforced good corporate governance and better performance.

Table 4.14: Extent to which status of corporate governance practices at UCCA has enforced good corporate governance and better performance

		Frequency	Percent
Valid			
	No extent	12	4.3
	Less extent	117	42.4
	Moderate extent	128	46.4
	Great extent	19	6.9
	Total	276	100.0

Source: Primary data (2020)

Data in the table above shows that, the majority (46.4%) of the respondents held the view that, corporate governance practices have to a moderate extent enforced good corporate governance and better performance at UCAA while the other 42.4% of the respondents said to a less extent compared to 6.9% stated to a great extent and 4.3% to no extent. This is an indication that indeed corporate governance has an impact on performance at UCAA but moderately.

CHAPTER FIVE

SUMMARY AND DISCUSSION OF THE FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The study findings mainly focused on examining how corporate governance through good practices affects performance at Uganda Civil Aviation Authority (UCAA) and specifically to analyze the effect of board size and composition on performance of UCAA, establish the effect of principles of corporate governance on performance of UCAA, examine the effect of Information Technology governance on performance of UCAA, and examine the relationship between corporate governance practices and performance of UCAA.

5.2 Summary of the findings

This study attempted to examine the effects of corporate governance through good practices on performance at Uganda Civil Aviation Authority (UCAA). The study findings showed a positive and significant relationship between the independent variables namely Board size and composition, Principles of corporate governance, and IT governance, and dependent variable performance of UCAA. However, the principles of corporate governance had a strong positive and significant relationship with Performance of UCAA after posting a R value of 0.726, which according to Cohen et al., (2014) indicates a strong relationship once the R value of -1.0 to -0.5 or 1.0 to 0.5 is produced. The correlation indicates that, there is a positive and significant relationship between the variables; moreover, there is a strong positive correlation between principles of corporate governance and performance of UCAA as well as between IT governance and performance of UCAA. Also, there was a positive relationship between Board size and composition, and performance of UCAA though a moderate positive and significant relationship at R value of 0.602 since the value of between 1.0 to 0.5 was realized (Cohen et al., 2014) thus all the four research (alternative) hypotheses were accepted. Therefore, recommendations given for this study are intended at ensuring UCAA practice corporate governance more effectively so as to improve performance.

5.3 Discussion of the findings

The findings for this study are analysed and discussed as per the objectives of the study and research hypotheses;

5.3.1 Response rate and demographics

This study examines the relationship of corporate governance and performance of UCAA. For obtaining quantitative data, the questionnaires distributed yielded a response rate of 91.4% that was found to be very good for the study (Babbie, 2004). The descriptive statistics shows that, the respondents were a true representative and well distributed in terms of age, gender and departments, and the majority are literate and have been in service with UCAA for more than one year, therefore competent and long enough, and in a position to give credible response on corporate governance and performance of UCAA from a well-informed perspective.

5.3.2 To analyze the effect of board size and composition on performance of UCAA.

This study analyzed the effect of board size and composition on performance of UCAA and through testing research hypothesis $\mathbf{H_1}$ ’there is a significant effect of board size and composition on performance of UCAA'. This study found a positive significant relationship (Cohen et al., 2014) between Board size and composition and performance in the UCAA. The result of research hypothesis **H_1** is consistent with previous studies of Lu & Boateng, 2018; Biswas et al., 2018; Naciti, 2019 that found Board composition and structure are taken as a critical issue in the effectiveness of the board where Board composition represents the common segmentation of board structure is by numbers, gender by equality, non-executive directors. For example, the board consisting of directors with a diverse set of functional expertise, experience and good education among others improves on the performance of UCAA.

5.3.3 To establish the effect of principles of corporate governance on performance of UCAA.

To establish the effect of principles of corporate governance on performance of UCAA, research hypothesis **H_2** was tested and it states that 'there is a significant effect of principles of corporate governance on performance of UCAA'. According to study results, research hypothesis **H_2** was accepted as it indicated a positive and significant relationship between principles of corporate governance and performance and to that a strong and significant in accordance with the R value of 0.726 (Cohen et al., 2014), and these findings are consistent with the study by Khomba and Vermaak (2012), which found that traits of good corporate governance such as discipline, transparency, independence, accountability, responsibility, fairness, ethical conduct and good corporate citizenship are important because they lead to better performing organisations which are sustainable in the long-term

5.3.4 To examine the effect of Information Technology governance on performance of UCAA.

On the objective was to examine the effect of Information Technology governance on performance of UCAA, research hypothesis **H_3** stating that, 'there is a significant effect of IT governance on performance of UCAA' was measured, and the results were also found a positive relationship but a significant one because of the R value of 0.702 which is within -1.0 to -0.5 or 1.0 to 0.5 that indicates a strong relationship (Cohen et al., 2014). These findings are in line with what Iskandar and Salleh (2010) indicated that all levels of organizations and governments adopt IT governance and e-governance as strategic tools for enhancing the quality of external services and streamlining internal operations, including offering public information, services and promotional tools for government policies

5.3.5 To examine the relationship between corporate governance practices and performance of UCAA

The fourth and last objective was to examine the relationship between corporate governance practices and performance of UCAA. Similarly, research hypothesis **H_4** stating that 'there is a significant relationship between corporate governance practices and performance of UCAA'. The study findings showed a positive and significant relationship between the independent variables (Board size and composition, Principles of corporate governance, and IT governance) and dependent variable (performance of UCAA) after posting a R values of 0.602, 0.726 and 0.702 respectively, which according to Cohen et al. (2014) indicates a strong relationship once the R value of -1.0 to -0.5 or 1.0 to 0.5 is produced thus the final research hypotheses **H_4** was accepted. Therefore, all the four research hypotheses for the current study were accepted.

5.4 Conclusion

The research study was to examine the effects of corporate governance through good practices on performance at Uganda Civil Aviation Authority (UCAA).and it was found that, variables of Board size and composition, Principles of corporate governance, and IT governance have a positive effect on performance of UCAA. The multiple regression model shows the significantly strong and moderate relationship between set of 3 independent variables and the dependent variable which is performance. Principles of corporate governance were found to be the most significant independent variable having strong relationship with the dependent variable of performance. The regression coefficient R shows the value of 0.726 or 72.6% which shows 72.6% proportion of variability between IV's and D.V. The results show that, an increase in principles of corporate governance will contribute to a 49.9% (Adjusted $R^2 = 0.499$) increase on performance and 50.1% may be due to other factors that were not considered in this study. The independent variables thus Board size and composition, Principles of corporate governance, and IT governance influenced performance by 60.2%, 72.6%, and 70.2% respectively. Overall, the results revealed that, Board size and composition, Principles of corporate governance, and IT governance and dependent variable performance of UCAA were positively correlated Principles of corporate governance and IT governance were found to be with a strong and positive significant relationship while Board size and composition had a moderate significant relationship (all R values within 1.0 to 0.5 range according to Cohen et al., 2014). Moreover, corporate governance was found to have a positive impact on the performance of UCAA as a result of good corporate practices.

5.5 Recommendation

The current study's recommendations will support UCAA, its employees and policy makers to enhance organizational performance generally through embracing Corporate governance, which influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized as stated below;

i. As much as the board members are appointed by the Minister in accordance with the UCAA Act, an attempt must be to follow recruitment/selection criteria that consider professional and personal qualifications, knowledge about the aviation industry, diversity (in experience, age and gender), educational background as the necessary qualities of an effective board since board composition in terms of their diverse experience and knowledge has a significant effect on performance of UCAA.

ii. Minister of Internal Affairs should nominate/select members of the board through a transparent process such that only those (persons) who are independent and of high integrity and good governance records are approved since findings revealed that principles of corporate governance such as integrity, transparency have a significant effect on performance.

iii. The UCAA board in its structure must have at least the two critical committees i.e., the Risk and Audit Committee, Planning & Strategy Committee, and also ensure that at least one-third of the risk and audit committee members must have financial and accounting expertise.

iv. Information regarding Authority’s compliance with the principles of corporate governance must be provided in a corporate governance report published in the annual report or on the authority’s website.

v. The government, board, management, employees and all other stakeholders have a common interest in enhancing the Authority’s growth, and as such it is necessary to have a framework for interaction between all the stakeholders.

vi. The Authority management must adopt efficient and effective information and communication technology that ensures that all members regularly receive updates, and expand their knowledge about matters relevant to the Authority, as well as ensure that the special knowledge and skills of each individual member are used in the best possible manner to the benefit of the Authority. This is because IT governance has a significant effect on performance.

5.6 Areas of future research

Corporate governance is basically a code of conduct for organizations and covers all kinds of rules, regulations, legal methods, and policies to enforce the best practices. However, the unethical or bad practice still rampant among every institution is corruption. Therefore, one would be interested to analyze how corporate governance is used to minimize corruption hence a suggested study on the role of corporate governance in fighting corruption in public institutions.

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APPENDIX A: QUESTIONNAIRE

Corporate Governance Practices and Organisation Performance. A Case for Uganda Civil Aviation Authority (UCAA).

Dear Respondent,

I am **Nakabuye Racheal Kagimu** a Masters student of Kyambogo University conducting a research study as a partial fulfillment of the requirements for the Award of a degree in Masters **of Organisational and Public Sector Management**. I wish to request you spare a few minutes of your valuable time and answer this questionnaire on "Corporate Governance Practices and performance: A case study of Uganda Civil Aviation Authority (UCAA)**.** It will not take a lot of your time as it only requires you to select any answer you feel is right. More importantly, the information requested in here, is purely for academic purposes and will be treated with outmost confidentiality as there is no space where to record your name or sign.

I will be very grateful for your assistance.

Thank you.

Yours truly,

……………………………………………..

(Student)

Instructions:

☐✓

Please kindly tick your response.

Do not write your name on the questionnaire

SECTION A: Background characteristics of the respondents

1. **Gender**: Male ☐ Female ☐

2. **Age**: 18-25 ☐ 26-33 ☐ 34-41 ☐ 42-49 ☐ 50-59 ☐

3. What is your education level?
   (a) Post graduate ☐ (b) Graduate ☐ (c) Diploma ☐ (d) Certificate ☐

4. For how long have you worked with UCAA either as an employee or Board Member?

(a) Less than 1 yr ☐ (b) 1-5yrs ☐ (c) 6-10yrs ☐ (d) 11yrs & above ☐

5. What is your department of operation?………………………………………………….
   ……………………………………………………………………………………………...

6. In which organizational level do fall?
   (a) Board ☐ (b) Management ☐ (c) Middle ☐ (d) Lower ☐

SECTION B: Corporate governance at UCAA

7. How well do you understand the concept of corporate governance?

(a) Very well ☐ (b) Well ☐ (c) fairly ☐ (d) Poorly ☐ (e) V/poorly ☐

8. Indicate true or false on each of the following statements about corporate governance in organisations;

No.	**Statements on corporate governance**	**True**	**False**
1.	Corporate governance helps government or government institutions to meet the needs of the masses as opposed to select groups in society		
2.	Corporate governance is concerned with running organizations and businesses efficiently, and within legal constraints		
3.	Corporate governance has become a major focus because of increasing cases of bankruptcies triggered by fraud or errors in financial accounting		
4.	Effective corporate governance system increases public confidence in the firm		
5.	Corporate governance means establishing a set of rules and actions that facilitate the shareholders decision making process		
6.	Corporate governance structures encourage companies to create value & provide accountability and control systems commensurate with the risks involved		
7.	corporate governance is concerned with the process by which corporate entities are governed		
8.	Corporate governance is anchored on fairness, transparency, accountability and ethical business practices		
9.	Corporate governance means direction & control of boards & executives and the structures & decision-making processes to achieve corporate goals		
10.	Corporate governance tries to promote more relationships between government and empowered citizens		

9. To what extent do you think UCAA is practicing corporate governance?

(a) No extent (b) Less extent (c) Moderate extent (d) Great extent (e) Very great extent

SECTION C: Board size and composition on performance of UCAA

10. State the extent to which you dis(agree) with the following statements of board size and composition influencing performance at UCAA Indicate your choice of answer ranging from strongly disagree (1), Disagree (2), Neutral (3), Agree (4) to strongly agree (5).

Statements of board size & composition		**1**	**2**	**3**	**4**	**5**
i.	The UCAA board size and composition is as prescribed under the CAA Act , 1991					
ii	UCAA board consists of directors with a diverse set of functional expertise industry experiences and education					
iii	UCAA board is mostly composed of non-executive directors (independent directors) than executive (dependent directors)					
iv	External board members play a crucial role in monitoring the organisation's activities					
v	The higher the number of directors sitting on the UCAA board the better is their performance.					
vi	Among others UCAA board has an audit and risk committee					

SECTION D: Principles of corporate governance on performance of UCAA.

11. Rate the following statements according to how you feel about how Principles of corporate governance impacts performance in UCAA. Indicate your choice of answer ranging from Strongly disagree (1), Disagree (2), Neutral (3), Agree (4) to Strongly agree satisfied (5).

Statements of Principles of corporate governance		**1**	**2**	**3**	**4**	**5**
i	UCAA take into account the interest of all stakeholders in accordance with the principles of Corporate Governance					
ii	UCAA take into account the interest of all stakeholders in accordance with the principles of Corporate Governance					

iii	UCAA has a clearly defined & publically accessible disclosure policy which defines principles, rules & procedures of reporting to relevant authorities, public, and other interested parties					
iv	UCAA publish its business reports including the report of the External Auditor in compliance with the laws & regulations					
v	Separated role of the UCAA board chairman & CEO is a corporate governance initiative that reduce agency problems & result in improved performance					
vi	There is a transparent disclosure system at UCAA where it discloses information both financial & nonfinancial to its stakeholders					
vii	UCAA produces financial statements that meets International, regional & local financial reporting standards.					

SECTION E: IT Governance and performance

12. Rate the following statements related to the relationship between IT governance and performance at UCAA by choice of your answer ranging from strongly disagree (1), Disagree (2), Neutral (3), Agree (4) to strongly agree satisfied (5).

Statements of IT governance		**1**	**2**	**3**	**4**	**5**
i	IT governance helps UCAA to move forward to more advanced stages of cost-effective service delivery, values creation & strategic partnership.					
ii.	The effective & innovative applications of IT and electronic governance at UCAA ensures a controlled corporate environment due to improved technologies.					
iii.	IT governance & e-governance as strategic tools have enhanced the quality of external services and streamlined internal operations at UCAA,					
iv.	IT increased efficiency and effectiveness of service delivery due to decreasing the number of steps involved and cutting the timeframe					

v.	IT governance has combated corruption in UCAA through e-government because of introduction of data transparency, making decisions traceable, developing accountability					

13. Rate the following statements relate to performance of UCAA. For each statement, please show the extent to which you agree with it ranging from Strongly disagree (**1**), Disagree (**2**), Neutral (**3**), Agree (**4**) to Strongly agree satisfied (**5**).

Statements of performance at UCAA		**1**	**2**	**3**	**4**	**5**
i	UCAA has performed efficiently over the years because of a well-structured board with the appropriate composition and mix of skills with clearly defined roles and duties					
ii	Aviation safety over Ugandan airspace is attributed to internal control procedures supported by management information systems at UCAA					
iii	UCAA performance reports are presented to stakeholders in a transparent and accountable manner covering such important issues as the governance, stakeholder engagement					
iv	UCAA has seen better performance due to the highest standards of ethical conduct, reporting results with accuracy and transparency and maintaining full compliance with the laws, rules and regulations					
v	Good corporate governance has strengthened internal control & reduced unscrupulous behaviors at UCAA hence less financial & other scandals					
vi	Good governance at UCAA serves as an essential foundation for better quality Performance					

14. In what extent do you think the status of corporate governance practice at UCAA has enforced good corporate governance and better performance?

(a) No extent (b) Less extent (c) Moderate extent (d) Great extent

(e) Very great extent

15. What would you recommend to UCAA as far as the practice of good corporate governance is concerned?...

…………………………………………………………………………………………………

……………………………………………………………………………………………………

APPENDIX B: INTERVIEW GUIDE

INTERVIEW GUIDE ON CORPORATE GOVERNANCE PRACTICES AND ORGANIZATION PERFORMANCE OF UCAA

1. Is the current UCAA board formed and operating in accordance with the provisions of the Civil Aviation Authority Act, 2012? If no, which section or particular element of the law was violated?
2. Is the UCAA board chair separate from that of management? What roles does the CEO have on the board?
3. Does UCAA board have the necessary committees such as the Audit Committee to ensure compliance?
4. Does the UCAA board set the company's strategic aims and provide the leadership to put them into effect,
5. Is there political interference with the work of the authority? If yes, I which way does it happen?
6. Is there formal and systematic interaction between the directors, management and other stakeholders of the authority like employees?
7. Are all stakeholders' interests protected by the board and management?
8. Do management provide all the necessary information to enable the board and other stakeholders to make judgements about its performance?
9. UCAA Management has the managerial ability to justify its actions and decisions in the pursuit of maximizing stakeholders' value?
10. In UCAA, there is always an assurance that what is entrusted to managers is put to the rightful use for the benefit of whomever it is intended to and as authorized?
11. Do departments and managers here always adhere to agreed budgets, activities and programmes?
12. Do UCAA demonstrate the reasonableness of policies followed (or not followed)?
13. To what extent do you think the funds in the authority have been used in the authorized manner and laws/rules followed?
14. Do you think information technology has improved service delivery at UCAA? If yes, in which way?

APPENDIX C: INTRODUCTION LETTER

APPENDIX D: APPROVAL