

**CORPORATE GOVERNANCE AND SERVICE  
DELIVERY IN PUBLIC INSTITUTIONS OF  
UGANDA:  
THE CASE OF UGANDA NATIONAL ROADS AUTHORITY**

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**A RESEARCH PROJECT DISSERTATIONS SUBMITTED TO  
GRADUATE SCHOOL IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE AWARD OF MASTER DEGREE IN  
BUSINESS ADMINISTRATION OF KYAMBOGO UNIVERSITY**

**NOVEMBER, 2016**

## DECLARATION

I, **Adio Mirriam** declare that I am the rightful author of this research report and any assistance I received during its preparation is fully acknowledged and disclosed. I also confirm that I have cited all sources from which I obtained data, ideas and words that are either quoted directly or paraphrased. This is my original work and has never been submitted for any award to any institution or published in any form whatsoever.

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## APPROVAL

This is to certify that this research dissertation has been conducted under our supervision. It is now ready to be submitted in fulfillment of the requirements for the award of Master of Business Administration Degree of Kyambogo University.

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## **DEDICATION**

I dedicate this dissertation to all people who have had a hand in my education;  
My late father -Mr. G. W. Obany (RIP) and my dearest sister-Edith Ruth  
Auruga Obany.

## ACKNOWLEDGMENT

This research would not have been possible if it were not for the support I received from several individuals. It is my great joy to recognise them here. First, I recognize the love, support and encouragement I received from my family; Edith, Florence, Dan Mutoto, Dan Malinga and to my beloved son Jordan Moris Okwi.

Secondly, my Supervisors deserve special gratitude; Dr. Titus Bitek Watmon and Dr. Teopista Kyamanywa who provided me with professional guidance throughout the whole process of writing this dissertation. I humbly appreciate the devotion with which they guided me throughout the whole period of the course. I will never be able to repay the time they spent as well as the effort, mentorship, interest, guidance and expertise that went towards the compilation of this work right from topic formulation.

Thirdly, I am greatly indebted to all the informants who participated in the research and who provided me with rich information that was indispensable at the data analysis stage of my research.

Not forgetting my class mates and colleagues (Denis and Stephen) who have been my source of encouragement and support. May the Almighty Lord guide, protect and bless them all abundantly.

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## LIST OF ACRONYMS, ABBREVIATIONS AND SYMBOLS

ANOVA	Analysis of Variance
CVI	Content Validity Index
EACM	East African Common Market
FY	Financial Year
KIIs	Key informant Interviews
KYU	Kyambogo University
NPM	New Public Management
SPSS	Statistical Package for Social Sciences
UNRA	Uganda National Roads authority
$\alpha$	Alpha coefficient
NPM	New Public Management
CSR	Corporate Social Responsibility
RAFU	Road Formation Unit
R	The <b>Correlation Coefficient</b> of two variables in a data set
$R^2$	is a statistical measure of how close the data are to the fitted regression line. It is also known as the <b>Coefficient of Determination</b> , or the coefficient of multiple determination for multiple regression.

## ABSTRACT

This study examined the effect of corporate governance on service delivery in public service organizations taking Uganda National Roads Authority as a case study. The study explored how accountability, transparency and decision making processes in UNRA have affected her services delivery. A total of 256 respondents, including 14 key informants from top management and 242 non-management employees, participated in the study. Primary data was obtained using a questionnaire and a structured interview guide and secondary data from public reports. Data was analyzed using descriptive and inferential quantitative as well as qualitative methods. The findings have revealed that: Accountability, transparency and participatory decision making, practices that originated from profit oriented organizations can increase services delivery in public organizations. These aspects increase organizational effectiveness and employee engagement. This promotes efficiency and effectiveness in resources utilization and goals achievement. In UNRA, these practices were not fully implemented due lack of commitment among top management, weak monitoring and supervision by the Board and central government. This scenario eclipsed service delivery objectives leading to low organizational commitment among employees. The result was low job performance among employees and subsequently poor service delivery. The study recommends that: UNRA develops an organisational culture that promotes strong organisational commitment to accountability and transparency. There is need to have a strong governing board that is able to regularly monitor the performance of top management against key resultant areas of their job descriptions. The central government ministry responsible for the oversight of this organization should step up her supervisory role to ensure effective governance in this organisation.

# CHAPTER ONE

## INTRODUCTION

### **1.0 Introduction**

The study examined the implementation of Corporate Governance practices and their implications in the performances of public service organizations in Uganda. The study was motivated by the fact that several applications of corporate governance exist in private organizations, but empirical studies attempting to examine the contribution of corporate governance practices in public organizations in Uganda were rather limited. This scenario had left knowledge gaps and yet it is such information that public organizations in Uganda needed to fix performance challenges they face.

This chapter presents the background of the research problem; the statement of the problem; the purpose of the study; research objectives; research questions; scope of the study and significance of the study. First, a detailed background and rationale for the study are provided.

### **1.1 Background to the Study**

#### **1.1.1 Historical Perspective of Corporate Governance**

The roots of corporate governance can be traced to Adam Smith in 1776. Smith (1776) advised that the selfish objectives of the owners of business organisations can be diluted rather than ideally fulfilled when organisations are controlled by a person or group of persons other than the owners. Smith (1776) hence advocated for business organisations having governance structures that separate ownership from management. Berle and Means

(1932), however, initiated a discussion on the separation of ownership and control in large corporations. Berle and Means (1932) argued that as ownership of business organisations got increasingly held by different individuals, the industry became consolidated and hence the checks to limit the use of power tended to disappear.

Jensen and Meckling (1976) developed the concern of ownership-control separation into a fully-fledged agency problem. Jensen and Meckling (1976) identified managers as the agents who are employed to work to maximise the returns to the shareholders.

In Africa, corporate governance, however, became widely used in public organisations, beginning in the year 2000, owing to the practices advocated by the NPM adherents (Okpara, 2011; Tricker, 2011). The popularity of corporate governance in public institutions resulted from a growing realisation that they need managers to run them and management boards to ensure that the institutions are run effectively and in the right direction (Adams, 2002). Hence, corporate governance has become popular in the non-profit-making institutions in Africa, because it is seen as a strategy for promoting good performance of institutions by preventing poor governance from taking root. Monks and Minow (2004) argue that the worldwide concern for transparency and accountability in all types of human endeavors has solidified the popularity of corporate governance in public institutions. The concern among stakeholders and central government for public service organizations to provide more efficient services has increased the need for more effective governance in these organizations. Further, the emergence of the New Public Management (NPM) doctrines of the 1980s has motivated public institutions, such as UNRA, to adopt, in their running, corporate governance practices from the private sector. Heineman (2010) defends the need for structures through which public institutions are directed, administered or controlled. This has made corporate governance relevant in the governance of public

institutions. Corporate governance structures have been adopted by public institutions in different parts of the world because they encourage institutions to be more effective by providing accountability and control systems that enhance service delivery Cadbury (2012). Currently, corporate governance is looked at as an institutional governance framework that can shape the efficiency and effectiveness of public institutions.

OECD Principles describe corporate governance in terms of relationship between management of company, its shareholders, its board and other stakeholders (It is a system which is used for the purpose of controlling and directing the companies). Corporate governance is not a new concept but it has got popularity in the last few decades due to various crises such as: East Asian crisis of the late 1990s and various other fraudulent activities in the corporate world.

Globalization has increased the volume as well as the complexity of business trade due to which the external control is becoming more difficult and thus the concept of corporate governance is getting popularity. Although many people are aware about the corporate governance but few really understand the concept of “Good Corporate Governance” which is essential for the progress and prosperity of any organization. Good corporate governance is actually a balance of power among managers, shareholders, and boards. It ensures that the transparency standards are in line with international requirements, shareholders are treated equally, and that the board and auditors are independent.

### **1.1.2 Importance of Corporate Governance to an organisation**

It is empirically proved that good governance is essential for good business which is the need of every organization. Good corporate governance helps in achieving greater fairness

and transparency and also discourages fraud, Lipman (2006). It protects the rights of shareholders along with protecting the long term strategic objectives of the organization.

Corporate governance ensures the careful management of an organization because there are various important decisions which could benefit any actor such as: shareholder, directors, social welfare etc. Basically, there are two views regarding the maximization of economic interests. One is the Anglo-American view which is directed towards the improvement of owner's economic interest. Other is Non Anglo-American view which encourages the social welfare of society. Therefore, care must be taken to protect the multiple goals rather than protecting the self - interests of board of directors or shareholders Wei (2003), Brealey et al. (2007). Such practices will ultimately lead to transparent management, lower corruption opportunities and improve risk assessment. Similarly, organizations also face the issue of distrust in the integrity of executives and management due to popular scandals such as: Enron, Solomon (2005). People perceive integrity of the organization in different ways. Corporate governance can be used to encourage, measure and project the integrity.

Stability of stock prices is one of the important factors for the investors to predict the future performance of a company or organization. Corporate governance has great impact on the efficiency of stock markets. For example, in the Asian crisis in 1997, poor corporate governance influenced the stock markets efficiency to the large extent Sabri (2007). This stability is only possible with the help of good corporate governance. Investors are always attracted towards well governed companies because such companies adopt transparent governance policies and have better financial accountability and higher profit margins. There is a worldwide effort to improve the corporate governance and insure greater shareholder accountability and corporate transparency, Solomon (2005). Therefore, those organizations which are seeking new funds for businesses must ensure good corporate

governance in place. Stock prices stability shows the level of risk for investment. Investors will only invest if they undertake appropriate risk for their investment.

Training of Directors, it is very difficult for the organizations to find the right people for the jobs, and train them once they are selected. When the directors are selected they come up with different experiences, expertise and qualifications. It is therefore important to train the directors so that they adhere to the good corporate governance practices, du Plessis et al. (2005). Directors are the major integral part of an organization. They have major role in the decision making process and thus the success or failure of an organization is largely dependent upon them. If the directors are incompetent, careless or selfish then the chances of success are dark. On the other hand, competent, loyal, careful and honest directors are essential for achieving the long term objectives of the organization. Therefore, proper governance, monitoring and training of directors is very important. Corporate governance encourages the honest and transparent monitoring of each and every activity. It also assists the training and development of directors so that they can perform well in decision making process.

Involvement of Stakeholder, every organization has various stakeholders such as: directors, employees, shareholders, customers, suppliers etc. These stakeholders are important for the productivity and efficiency of the organizations. Therefore, they deserve proper attention from the organizations. But unfortunately there is lack of major stakeholders (e.g. shareholders) involvement and contribution. Davies A. (2006). One way to build relationship with the stakeholders of the organization is to involve them in the process of business activities. This could be done by providing important information to the stakeholders from time to time. Similarly, stakeholders could be involved in the process of decision making. Such practices will improve the public image of organization and will

build a relationship between the organization and its stakeholders which is very crucial for the success. But the sharing of information with stakeholders is only possible through good corporate governance.

Improved Shareholder Communication, Shareholders communication refers to the investors' ability to vote their shares. It is the process by which individual investors could communicate with the companies in which they invest. Corporate governance could be used as a tool for improving the shareholders communication. Nowadays more focus is given to the enhancement of shareholders communication. For example, Canada Business Corporation Act (CBCA) introduced new provisions related to corporate governance in 2001 in order to enhance shareholders involvement in decision making and improve shareholders communication Sarra (2003). Investors usually do not have any idea about their rights. Corporate governance could protect and enhance the rights of individual investors and other market participants.

Talented Workforce, Talented workforce is a human capital and is considered as competitive advantage by the organizations. The ability of a company to attract and hold good people is imperative for its success Malik. F. (2006). It's a common misconception that more capital and improved technology leads to the successful organization. Although they are important for the progress of organization but the most important factor which makes a difference is the human capital. People with different skills, knowledge, values and beliefs e.t.c are vital for the long life of an organization. Corporate governance helps in attracting such talented workforce by creating good brand image. Similarly, human skills could be developed through various training and development programs.

Checks and Balances, Corporate governance ensures the system of checks and balances in the organization. The three important disciplines of checks and balances are: self - discipline, market discipline and regulatory discipline Fleisher, B. (2008). The management of an organization including board of directors is in a strong position to exploit the resources of the organization for their self - interest. They can charge high bonuses and remuneration for their work. Due to lack of check and balance, the directors of the organization can take excessive risks. The current financial crisis is the result of high risk and irresponsible lending by some of the world's biggest lenders. Corporate governance is an important tool to check and monitor the risk level of the organization. If the management is involved in taking high risk projects then all the stakeholders could be informed with the help of corporate governance. In this way management will try to take risk within the limits because information will be available to the stakeholders.

Goodwill and Market Reputation; Many organizations spend huge sums of money to build their brand image because it is imperative for the long term success of organization. Goodwill and the reputation can be improved through various tactics such as: marketing, corporate social responsibility, strong relationship with the stakeholders etc. Corporate Governance also develops the goodwill of company over a period of time Lipman and Lipman (2006). With the help of good corporate governance, organizations build strong customer relationship which leads to the development of brand loyalty. Those organization which have good corporate governance, enjoys good market reputation. In the absence of corporate governance, the goodwill of an organization is at stake because any fraudulent activity will spoil the image of company. Scandals of Enron and WorldCom are the important examples in this regard which collapsed due to lack of proper governance.

### **1.1.2 Theoretical Perspective**

Several theories exist to explain, describe, understand and predict the relationship among study variables (stakeholder theory, stewardship theory). However, this study was based on two theories that directly relate to corporate governance and the performance of public institutions. First is the principal-agent theory. This theory relates the first two independent variables, i.e. accountability and transparency – to the dependent variable, i.e service delivery. According to Jensen and Meckling (1976), public institutions have owners (called principals) and then managers (called agents). The theory advocates public institutions having governance structures to separate ownership of institutions from management. The theory argues for the existence of professional managers to manage institutions on behalf of owners (Kiel & Nicholson, 2003). The principal-agent theory further advocates the setting up of governance rules and incentives to align the behaviour of managers to the desires of stakeholders (Hawley & Williams, 1996).

In the case of public institutions like UNRA, governance rules and incentives motivate managers and employees to perform to the expectations of the principals. Therefore, the Principal-agent theory calls for collaboration between stakeholders and employees of public institutions. The theory suggests that, through participation in planning and decision-making, stakeholders of the institutions should have significant powers in the operations of the institutions in order to have an effect on their performance (Mallin, 2010).

Secondly, the Institutional performance theory which relates to the dependent variable i.e. service delivery in public institutions. This theory is reviewed to highlight what service delivery entails and the dimensions that could be used to measure services delivery. According to Cameron (2005), services delivery of public institutions is viewed in terms of how seriously they take the responsibility of setting and pursuing their guiding visions and

missions. Scott (2001 p. 17) adds that, given the fact that public institutions are social structures that exist to meet the needs of government and citizens, they can only perform well if they have strongly held governance rules that can enable them to effectively use the available resources. Berger and Luckmann (1966) advise that in order for public institutions to be effective, they need to use governance rules and resources to pursue visions that will enable them to provide useful change to stakeholders.

UNRA was set up by the Act of Parliament to provide basic life services in the area of roads infrastructure to the stakeholders (country). As such, it has a mission and governance structures accorded to it by stakeholders to guide its operations. The effectiveness of this institution is perceived in terms of its managers and employees achieving the mission and service delivery objectives for which it was set up. These two theories, i.e. Principal-agent, and Institutional performance, provide a clearer explanation of relationships between the study variables.

### **1.1.3 Approaches to Corporate Governance**

#### **1.1.3.1 The Shareholder Value Approach**

This approach emphasizes the need for the company to act in the best interest of the owners and shareholders of the company. According to Coyle (2003) this approach requires that the board of directors should govern their company with the main objective of maximizing the wealth of shareholders in the form of shareholder price growth and dividends payment. Directors should therefore, be accountable to shareholders. As the company goes about its business, it is also expected to conform to the rules of society as embodied in laws and customs.

This approach however, is not exclusive of other stakeholders. By conforming to the rules of the society, laws and customs, the interests of other stakeholders are taken care of. The

Organization for Economic Corporation and developments definition of governance is inclusive. Maximizing value subject to meeting the corporation's financial and other legal and contractual obligations

The definition stresses the need for boards of directors to balance the interests of shareholders with those of stakeholders. These stakeholders include employees, suppliers, investors, communities and many others. This approach is generally acceptable since successful companies are perceived as those that pay dividends to shareholders and whose price goes up.

#### **1.1.3.2 The Stakeholder/Pluralist Approach**

This approach indicates that corporate governance is not just focused on the objectives of shareholders but also take due regard for the interest of other individuals and groups with major stake in the company, including the public at large. This therefore, means from the stakeholder point of view, corporate governance aims at achieving a balance between economic and social goals and between individual and communal goals. Coyle (2003) argues that a pluralist approach emphasizes that cooperative and productive relationships will be optimized only if the directors are permitted to balance shareholder interest with those of their stakeholders who are committed to the company. Company law however, gives certain rights to shareholders while other stakeholders' interest may not be protected. While this may be so, it should be noted that extensive protection is provided by other aspects of the law such as employment laws, health and safety legislation' and environmental laws. By maximizing shareholder values the board of directors also act in the interest of employees, customers, suppliers and others.

### **1.1.3.3 The Enlightened Shareholder Approach**

This approach emphasizes the inclusion of stakeholders' interests as the directors of a company pursue the interest of shareholders. Managers should be aware of the need to create and maintain productive relationships with a range of stakeholders having an interest in their company. A criticism of the approach, however is that most shareholders cannot necessarily be viewed as enlightened investors. The other aspect is that most shares in public companies are also owned by institutional investors who are relatively accountable to their beneficiaries.

### **The Inclusive Approach**

As established above, corporate governance is concerned with holding a balance between economic and social goals and between individual and communal goals. The King Report (2002) highlights that there is need for companies to recognize that they no longer act independently from the environment they exist. There has to be a mutual relationship, therefore between organization and stakeholders. The relationship between organization and stakeholders can be contractual or non-contractual. What comes out clear here is the issue of stakeholders and the need for the organization to take care of their interests. There is need for an inclusive approach, therefore especially when developing strategies, both Cadbury Report (1992) and King Report (2002) agree on the importance of this approach to company business.

An inclusive approach recognizes the shareholder such as the community. In which the company operates its customers, employees and supplies. In local authorities, for example, the residents and rate payers of the area are key stakeholders in the management of the authority's affairs.

The inclusive approach requires that the purpose of the company or organization be defined and the values by which the organizations will carry on its daily life should be identified and communicated to all stakeholders, (King Report, 2002).

It is therefore very important for the organization to be able to identify stakeholders relevant to the organizations business. The purpose of the organization, its values and stakeholders become the three important factors to be combined in developing strategies to achieve organizational goals. Inclusiveness is therefore at the heart of good corporate governance as it promotes trust and gathers social energy and social Act.

### **1.1.3 Conceptual Review**

#### **1.1.3.1 The role of Corporate Governance in Service Delivery of Public Institutions**

The major concepts of this study were corporate governance and service delivery of public institutions. The ASX Corporate Governance Council (2007) defines corporate governance as the 'framework of rules, relationships, systems and processes by which institutions are directed and controlled'. Mwanzia and Wong (2011), on the other hand, define corporate governance as the 'process by which institutions are directed, controlled and held to account by major stakeholders'. Clarke (2007) indicates that in public institutions such as UNRA, corporate governance can enable them to achieve efficiency and effectiveness. Good corporate governance underpins credibility and confidence in public institutions. It also promotes openness, integrity and accountability (Harpham and Boateng, 1997).

Cadbury (2012) gives five key aspects of good corporate governance, which are: accountability, transparency, effective decision making, fairness and social responsibility. Organisations that practice these five aspects are open, honest and have good reputation. Corporate governance therefore, is essentially about good leadership. It should emphasize

clearly the description and distribution of rights, power, authority and responsibility among members of the board, management and shareholders (Michael, 2012).

Public organizations are established through an Act of Parliament (Rwanyekiro, 2014). They have a statutory existence hence are statutory institutions. These entities are wholly owned, managed and controlled by government. These institutions normally have minimal powers devolved to them from central government and exist through Acts of Parliament. In Uganda they are not constitutionally provided for, thus they exist at the pleasure of parliament.

In order to be effective, public institutions need frameworks that provide policies and guidance on effective use of public resources, to enhance delivery of public services. Corporate Governance can provide this framework. Hodson, Marvin, Robinson and Swilling (2012) define governance as the framework in which the institution pursues its goals, objectives and policies in a coherent and coordinated manner'. This framework clarifies the means by which various stakeholders influence decisions, management is made accountable and to whom such accountability is made. Basing on the above definition, the governance in public institutions refers to policies and rules that articulate the rights and responsibilities of various actors, and how they interact. To meet their performance targets, public institutions need effective governance. Governance is a growing topic within public administration (Kasambira & Nyamunda, 2001).

Johnson (2008,) states that 'governance is an interactive process which involves various forms of partnership.' Governance involves multiple agencies that are interconnected to conduct business through collaboration (Hakim, 2009). Principles of corporate governance

bring into governance of public institutions, the separation of powers, leadership collaboration and stakeholder participation – aspects that promote good governance. Corporate governance also emphasises accountability, transparency, direction and control in leadership aspects that promote performance. These aspects are advocated in the governance of public administration institutions (Mashavira & Juhenkanda, 2004).

Corporate governance recognises the need for checks and balances in the process of managing institutions and it is, therefore, a more comprehensive style of institutional governance. It also highlights the core leadership and governance challenges of accountability and control affecting public institution in Uganda. Given the fact that corporate governance influences all the activities of institutions that relate to performance and service delivery, as pointed out by Coyle (2003), it can be a more practical means of governing, directing and controlling public institutions. According to Cameron (2005), corporate governance enables public institutions to take seriously the responsibility of setting and pursuing their guiding visions and missions. Grueson (2009) indicates that this practice results in useful change in the institution and effective use of human and non-human resources. Corporate governance forces managers of public institutions to strive to achieve service delivery targets by focusing on the interests of stakeholders (Solomon, 2007).

### **1.1.3.2 The Concept of Service Delivery in Public Institutions**

Service delivery is increasingly becoming the main reason why governments exit. Citizens who elect governments into power are becoming more service delivery oriented. So in order to satisfy their citizens, governments strive to create institutions to enhance service delivery. Public service delivery is the result of the intentions, decision of government and government institutions, and the actions undertaken and decision made by people employed

in government institutions (Daniel, 2013). Effective service delivery will require scaling up of the quantity and quality of all resources, internal and external. Effective service delivery therefore is rendering services that correspond to the customer's desires, needs and expectations, Michael (2012).

The major roles of central government are to deliver basic services to the population. The principal agent theory can be used to explain the role of government in providing public services. The citizens become the principals when they elect government into power to meet their needs. In this case the central government becomes the servant of the people. As a servant, the central government is the agent. In this case, the agent (central or local government) is motivated to act on behalf of the principal (citizens). Citizen (the principals) signs a contract with the agent (government) through votes to serve the interests of the principals (Grossman & Helpman, 1994). This is the case even when, the contracts are signed collectively through the aggregation of some actions of principals such as voting. The contract made through voting gives the principals (citizens) authority over agent (government) and they do exert oversight on the agent, within the level of independence granted to agents to perform their duties as best they see fit. In this case the agent is accountable to the principal (Dixit 1996). The central government delivers services through its agencies and departments. Central government is responsible for providing national goods. Roads infrastructure is a one of the national goods. The government of Uganda gave UNRA the responsibility to provide this national good to citizens.

A service is an activity or a series of activities of more or less intangible nature that normally, but not necessarily, takes place in interactions between the customer and service employees and/or systems of service providers, which are provided as solutions to customer problems (Finn and Kayande, 2006). Service delivery can be taken to be an outcome of

performance depending on the context in which it is used (Ayen, 2002). According to Samuel (2002), services can be expressed in terms of capacity to deliver desired services and from which customers get satisfaction. A service delivery gap is that gap between the established delivery standards and the actual service delivered (Crosby, 2000). It is an inconsistency between service design/quality specifications and the actual service quality by the service delivery system. Effective engagement between citizens, service providers and elected representatives is essential to democratic service delivery (Porter, 2000).

Quality of service delivery has emerged as the most significant strategy in ensuring the survival of governments (Lindquist, 2007). Service provision that is de-linked from citizen influence and democratic decision making is unlikely to deliver quality services for the poor. For meaningful contributions, the poor require the ability and capacity to ask questions and, sufficient information of their right and entitlements, service options, local and national budgets, and the systems to address when decisions are taken undemocratically or when services are of poor quality.

Morgan (2005) insists that service delivery by public institutions has to be communicated over and over again to everyone; the employees at all levels must be aligned with a single vision of what the organization is trying to accomplish. Thus, effective internal communications is the requisite for integration and harmony in the service organizations activities and quality. Rossi (1993) also said that the goal of any public service organization is to improve the results of the target population in some way by providing the right type of services and by providing them in an appropriate and adequate way.

#### **1.1.4 Contextual Review**

The Uganda National Roads Authority (UNRA) is a government agency mandated to develop and maintain the national roads network, advise the government on general roads policy, contribute to the addressing of national transport concerns, and perform certain other functions (Ahimbisibwe, 2015). UNRA is charged with, among other things, the selection of contractors, the supervision of construction, the scheduling of maintenance, and the prioritization of national road works (Namutebi, 2015). UNRA was established in 2006 by parliamentary enactment of the Uganda National Roads Authority Act. The agency became fully functional on 1 July 2008.

UNRA is governed by a nine-member board of directors, chaired by Angela Kayima Kiryabwire. The executive director is Allen Kagina. She replaced Ssebugga Kimeze, who was suspended following accountability and transparency issues.

#### **1.2 Statement of the Problem**

Uganda National Roads Authority (UNRA) is one of the most important public service institutions charged with the development of the national roads infrastructure (Rwanyekiro, 2014). Road transport is a key pillar in the 2040 Uganda development vision. However, despite its projected role in the future development of Uganda, UNRA has had significant governance issues that have affected her service delivery (Namutebi, 2015). Recently, UNRA's management board cited poor governance, mismanagement of funds, corruption and unethical conduct among employees which resulted into poor quality roads (Ahimbisibwe, 2015). A recent report by the commission of inquiry into UNRA by Bamugemerire (2016) revealed serious breaches of accountability, transparency and control by employees of the institution. The institution purchased poor quality weigh bridges, and did not have well trained staff to operate them. Poor performance in UNRA is also

evidenced in delays and ineffective procurement, inadequate planning and lack of follow up on compensations and valuations (Auditor General's Report 2015).

If this situation continues, UNRA will not be able to contribute to the 2040 Uganda development vision. Meanwhile, a limited number of empirical studies had been done on how corporate governance could explain performance and service delivery in public service institutions in Uganda, yet it is that kind of information that could guide policy decision-making. This created a knowledge gap that this study intended to fill

### **1.3 Purpose of the Study**

The study examined the effect of corporate governance on service delivery at Uganda National Roads Authority.

### **1.4 Objectives of the Study**

To achieve the study purpose, the research addressed the following specific objectives;

- (i) To establish the effect of accountability on service delivery in UNRA
- (ii) To investigate the effect of transparency on service delivery in UNRA.
- (iii) To determine the effect of decision making processes on service delivery in UNRA

### **1.5 Research Questions**

The study sought answers to the following questions;

- (i) How does accountability affect service delivery in UNRA?
- (ii) What is the effect of transparency on service delivery in UNRA?
- (iii) In what way do decision making processes affect service delivery in UNRA?

### **1.6 Significance of the Study**

The findings of this study may shed more light on the role of corporate governance practices in the performance of public service institutions in Uganda. Thus, the findings might be used to evaluate the current governance practices in public institutions. The

findings could also highlight the strengths and weaknesses of the current governance practices in the governance of UNRA. This may enable the responsible central government ministries to initiate programmes to amend governance guidelines. Policy makers in government might utilize the study findings as a baseline for reviewing policies and strategies to address the prevailing problems of corporate governance in public service organizations, so that they can adopt strategies and procedures for the proper management and use of public funds and other public assets.

The Government of Uganda could utilize the study findings to write and standardize institutional corporate governance procedures for better integrated financial management in the public sector.

The findings of this study might also hopefully add to the existing body of knowledge and fill a gap in the corporate governance and performance of public institutions' literature through making special reference to national-wide autonomous government institutions. The results will offer important insights to other public service institutions that have governance and performance challenges in Uganda and East Africa.

### **1.7 Justification of the Study**

Public service institutions play a very important role in the fulfillment of central government service delivery programs and in improving the lives of Ugandans. They provide services that contribute positively to the quality of life of citizens. Services by UNRA are used by many businesses that support important sectors of the economy. Additionally, these institutions provide employment for many people and a market to many suppliers. Viewed in this perspective, it became evident that effective governance in UNRA

benefits many stakeholders. Therefore, a study on the corporate governance and performance of service delivery of UNRA was worthwhile and merited attention.

Public service institutions in Uganda needed empirical data that would be used to improve their effectiveness so as to make Uganda more competitive both in the East African Common Market (EACM) and the world at large. This could be achieved through the effective implementation of corporate governance practices on their part, thus improving their performance.

Given that these institutions are fully funded by tax payers, they have an obligation to comply with the accountability and transparency requirements of public institutions. The Ugandan government demands that governance in public institutions be exercised in the best way possible, but there is limited available evidence to assist these institutions in facing this specific need. Therefore, this study has provided valuable information to the central government ministries and departments that oversee the operation of governance standards in Public institutions.

## **1.8 Scope of the Study**

### **1.8.1 Subject Scope**

The study focused on examining the effect of corporate governance on service delivery at Uganda National Roads Authority by examining how transparency, accountability and decision making processes influenced service delivery in Uganda National Roads Authority.

### **1.8.2 Area Scope**

The study was conducted at the Uganda National Authority (UNRA); a government agency established by parliament in 2006 and became fully operational on 1<sup>st</sup> July 2008 as

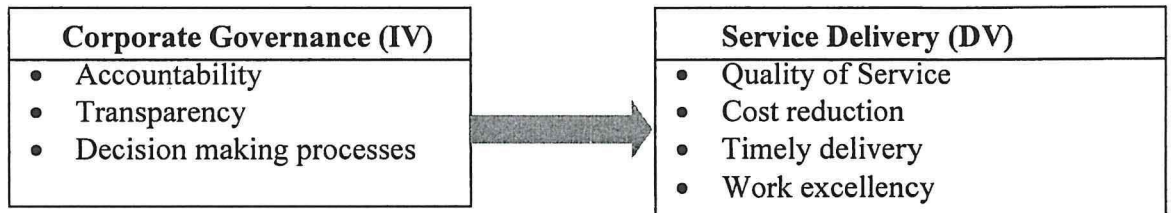
successor to the former Road Formation Unit (RAFU). Its headquarters is located at plot 5, Lourdel Road, Nakasero - Kampala, Uganda.

### 1.8.3 Time Scope

This study was concerned with governances and service delivery issues from 2012 to 2015. This is the period when the organization has had issues with accountably, transparency and decision making, leading to firing of 80 managers in June 2015 and another 58 staff in September 2015 (Tajuba and Musisi, 2014).

### 1.9 Conceptual Framework

Figure 1.1 below gives a graphical conceptual representation of the variables of study and how they related to one another. The independent variable was corporate governance while the dependent variable was services delivery.



*Figure 1.1: The Conceptual Frame Work: adapted from Mwanzia, M.B. & Wong, P. (2011) and Okpara, J.O. (2011).*

According to the diagram above accountability, transparency and decision making processes were identified as corporate governance practices that influence service delivery in public service organizations. Mwanzia and Wong (2011) say that accountability among public organizations ensures that officials in public institutions are answerable for their actions and that there is redress when goals and commitments are met. Accountability ensures actions and decisions taken by public officials are subject to oversight so as to guarantee that government initiatives meet their stated objectives and respond to the needs

of the community they are meant to be benefiting, thereby contributing to better governance and service delivery. Compliance, these are techniques and policies put in place and must be adhered to in the execution of duties and tasks assigned. They are within the establishment act. On the other hand, Okpara (2011) says that transparency in public organizations involves engaging all stakeholders in a round table in order to aid the smooth flow of information in order to achieve a common goal and removing doubts among the stakeholders. Decision making processes provide a way in which strategic decisions are made to enhance effective organizational performance. Decision making processes are dependent on power structures. Power structures in the Organisation include the processes in place to monitor what is going on, reporting lines, hierarchies, and the way that work flows through the Organisation (Greenberg and Baron, 2008). When the corporate governance procedures and policies are well structured and administered, the transparency, accountability is sufficient, and compliance is adhered to, hence service delivery in public institutions is improved.

# CHAPTER TWO

## LITERATURE REVIEW

### 2.0 Introduction

This chapter presents literature reviewed about the effect of corporate governance on service delivery in relation to the study objectives. The information is a combination of extracts, paraphrased statements from textbooks, pamphlets, journals, magazines, websites, publications and other official reports related to the extent to which Corporate Governance affects Service Delivery in Public Institutions.

### 2.1 Accountability and Service Delivery in Public Institutions

The key to organizational survival, creating and maintaining wealth primarily lies on accountability built into governance structures of corporations. According to Frost (2000), there is a strong relationship between accountability and service delivery. In his view, the goal of accountability is to improve performance but not to place blame and deliver punishment and hence, accountability improves service delivery. Carmen, Reimer and Singh (2004) argued that the essence of accountability is to make power holders to account for or take responsibility for the actions and resources at their disposal through the establishment of an effective and efficient organization.

Although accountability is viewed as a desirable organizational characteristic by most writers, empirical studies indicate that both leaders and subordinates can avoid accountability (Guixe, (2003) and Brown and Moose 2001). Whereas projects are crucial in the overall success in any economy, in recent years in Uganda, project failures have

become a common practice due to poor accountability. However, empirical research demonstrates that pressure for accountability from a multitude of external and internal stakeholders is on an increase to cause adequate service delivery. This has placed top managers in a difficult position as attempt to devise strategies that will enable their firms to survive and prosper in turbulent environment that require both financial performance and effective stakeholder responsiveness. Under such situations, the difference between management and owners gets thinner and the independency of non-executive directors becomes obscured (Rakodi, 2000).

According to O'connell (2002), improved accountability calls for poor people to increase their formal representation in formal democratic system , influence resource allocation and working practices more pro-poor and sensitive to gender and other social differences, monitor the performance of those responsible for service delivery, hold politicians, officials and NGO service providers accountable for their performance.

Accountability is the liability one assumes for ensuring that an obligation to perform a responsibility is fulfilled (Frost, 2000). Accountability is therefore a requirement to answer for what the agent has accomplished or not the principal as answers are of significance and value for decision making (Hanson, 2010).

Frost, (2000) indicates that there is a strong relationship between accountability and service delivery. This is because accountability improves service delivery- the goal of accountability is to improve performance, not to place blame and deliver punishments. Systems of budget reporting have been established with the accounting for public expenditures, and the provision of information on performance for use by implementers, managers and politicians (Williamson, 2003). The mismanagement and embezzlement of

funds by the officials of the local government councils has contributed to poor financial performance (Lawal, 2002). Shan (2002) argues that for accountability to be effective, action should be taken on employees who render inadequate accountability. It's an indisputable fact that good accountability leads to better performance or service delivery. This notion has been supported by Shah Anwar (2005). But it should be noted from the outset that it's not only accountability of an organisation that has a bearing on the performance of an organization.

Accountability is the liability that one assumes for ensuring that an obligation to perform a responsibility is fulfilled (Frost, 2000). Accountability means being able to provide an explanation or justification and accept responsibility for events or transactions and one's own actions in relation to these events or transactions (Kikonyogo, 1999). Munene (2004) stressed that accountability can be analyzed at the individual, organizational, and general levels. In his view, accountability is like a Semantic tree: the trunk is governance; a main branch is financial accountability which feeds other branches like budgeting, accounting, auditing, and records management. Green (2003) refers to accountability as an organization's capacity to demonstrate, answer or explain its actions. Brown & Moose (2001) considered accountability desirable because it increases the incentives for actors to perform as expected and that reliability can improve performance and relationship among the parties. They argued that accountability increases the efficiency and effectiveness of an institution and equally leading to increased legitimacy and credibility of government.

### **2.1.1 Accountability as an Ethical Concept**

According to the Institute of Corporate governance in Uganda (2004), accountability is often used synonymously with such concepts as responsibility, answerability, blameworthiness, liability, and other terms with the expectation of account-giving.

Accountability involves one being answerable for one's actions. Being accountable is synonymous with being responsible or answerable for something that is not yours. For public institutions to be accountable is to be responsible for how you have the resources under your care. Mechanisms have to be put in place and should be effective to allow for accountability. The mechanisms allow the investors the means to query and assess actions of the board and its committees. To be accountable for performance, businesses and their managers must have autonomy and control over the project. It is only when a manager has the authority over certain activities that they will be able to account for their responsibility. Public entities, agencies and or organizations must be accountable to central government through the responsible minister and to the ratepayers/ citizens. Public servants are accountable to the public. Being accountable to the public means that you have to change your attitude towards the public. The leader of a public organization must therefore be an ethical person who is accountable to his/her followers.

### **2.1.2 Accountability Verses Acknowledgement**

In leadership roles, accountability is the acknowledgement and assumption of responsibility for actions, products, decisions and policies including the administration, governance and implementation within the scope of the role or employment position and encompassing the obligation to report, explain, and be answerable for resulting consequences. This means that a senior manager cannot delegate responsibility but can only delegate authority to a subordinate and then hold that subordinate accountable for the performance. One of the biggest mistakes that managers can make is to continuously frustrate their employees by not holding them accountable. Accountability is the key to achieving results and helps in identifying opportunities in an organization. Holding employees accountable helps them to know the satisfaction of achieving a goal and performing to standard.

political accountability, it exists where the government or an institution has to account for its actions to Parliament (Muwanga, 2003).

#### **2.1.4 Financial Accountability**

Bothwell (2001) asserts that financial accountability as a performance indicator is connected with ensuring that money given to people is spent according to the budgeted items and activities using the set rules. In another perspective, Brown (1998) considers financial accountability as assessment of value for money and acceptance by individuals of personal responsibility for their actions in relation to quality of their outputs and decisions. Cox (2000), Bothwell (2001) and Malinga (2002) noted that financial accountability implies accountability to the public. In essence, this suggested need for management to be transparent and conscious when spending the organizational resources while undertaking their activities in a bid to effectively achieve the institutional mission, ethical standards and good governance Blinkerhoff (2003). The function of transparency is important in accountability and it refers to openness. Transparency is an essential aspect of ensuring accountability, minimizing corruption, and has gained prominence in organizations for economic corporation and development (OECD, 2002).

Corporations measure events of the past not the investments in the capabilities that provide value for money (Kaplan and Norton, 1999). In today's competitive and complex business conditions, managers must concentrate on those issues that influence their long term success (Tricker, 2000). The traditional use of profit based performance measures by many organizations has been criticized on a variety of fundamental grounds namely; their relative incompleteness, lack of accuracy, their encouragement of short terms naturally, and their lack of balance (Kaplan et al, 1999). Financial accountability measures must not be about keeping the score but be about motivating management and the organization to do better

(Inman, 2000). Despite their weaknesses, financial accountability measures are still maintained because they are easily understood and they communicate the effectiveness of past decisions taken. However, there is need to have a multivariate performance measurement system.

## **2.2 Transparency and Service Delivery in Public Institutions**

Transparency concerns the ease with which an outsider is able to make meaningful analysis of a company's actions, its economic fundamentals and non- financial aspects pertinent to that business. Kasambira and Nyamunda (2002) define transparency as being open in what one does, so that one is not accused of being involved in unethical behavior such as corruption, bribery or palm greasing. A fundamental requirement of transparency therefore is that transactions and every decision must be done above board. Amagoh (2009) noted that, Transparency can be defined as public's unbound access to up-to-date and trustworthy information about the public sector institution's performances and decisions. Contextually, Transparency in any service delivery is about a free flow of information between the service provider and service users (the public). In addition to the readiness and availability of working environment for transparency in any organization, the availability of proper media and institutions that help the system to be transparent are the three primary aspects of transparency relevant to management practice, they include; information disclosure, clarity, and accuracy.

Andrews and Shah (2002) reveal that the main topics that the road agencies are assumed to publicize in any media comprises of the physical and financial plans with their accomplishments (construction, maintenance and rehabilitation of roads); announcement of bids and evaluation of competing suppliers; contract award with its quality and time frame

of accomplishment; budget allocated to the sector; human resource formation; active machineries and the challenges that the sector is currently facing.

According to Armstrong (2005), the assessment result on the road agencies at all level shows, the understanding on the topics on which the road sectors are supposed to be transparent are limited only to publicizing physical and financial plans with their accomplishment to very limited stakeholders as well as bids announcement at largely accessible media. The rest, bids evaluation, contract award, human resource capacity, the accomplishment of projects as per the planned schedule and quality, and so on have been taken as non-concerns of the public.

Awortwi (2012) Generally speaking, the road agencies at the higher level are more transparent than those at lower level. For instance, the ERFA publicizes its activities through press conferences with regional road agencies and local governments at least once in a year; present their performance on different magazines at least 2 times a year; provide easily accessible information to the public through their annual brochure; currently make an initiative and conducting a study on how the public budget for road maintenance and safety is free from corruption with the help of the Federal Anti-corruption Commission whose study result is to be published and distributed to the public; present at least semi-annual reports to the state TV (ETV) twice a year; publishing annual magazine and developing their own website that will display activities of the organization.

Bashuna (2013) explained that the organization is publicizing its projects accomplishment through the state TV and radio on every stage of their projects' progress and ERA website regarding any information and data of roads in the country; reaching the public on their

annual magazine; floating local and international competitive bids on newsletters with the highest distribution in the country.

Benishangul Gumuz Regional State Rural Roads Authority (BGRRA) (2011): explained that they publicize their annual and semiannual performances through the regional state radio and TV, and publicize tenders on a nationally widely spread newsletter the same as ERA. Booth (2010), notes that in contrast to the above, the road agencies at zone level have responded, they do not use any mechanism and media to communicate with the public. The main reason that they point out are, the media coverage does not reach except a few zonal areas and there is budget limitation to publish magazines and brochures at their level.

That they have never heard anything about resources allocated for the road agencies, the planning, bid processes and capacity of road agencies. On the other hand private contracting and consulting firms indicated that, the road agency is publicizing the activities of the road sector not as much as it was supposed to be. Additionally, bids are publicized at large just for the sake of getting bidders and sometimes for the sake of formality, but the other processes like the bid evaluation, the award, amount awarded and the project life time are hidden from the public.

Brown, Potoski and David (2006), reveal that as it can be seen from the result of the assessment, the level of the transparency is higher in the agencies at higher levels and as far as we move to the lower levels agencies which were supposed to be more transparent, the extent of transparency is lower, and in some cases non-transparent at all. Additionally, Davis, Schoorman and Donaldson (1997) the understanding on which topics to be transparent is limited only to publicizing the plans and accomplishments to a very limited

stakeholders, especially to the budget providers and the regional councils as well as the announcement of bid to get competitive bidders. This implies, the governance capacity of the road agencies is not proven in a transparent manner; it is difficult to judge their capacity and this shows their service is not demand driven; and the principals are hidden from accessing some critical information like that of the information on the whole bid process including selection and awarding the bid to potential bidders, budget, human resource, machineries as well as challenges and opportunities in the road agencies. The transparency that the agents were supposed to provide for the principals is loose as we move from top to the bottom level agencies.

### **2.3 Decision Making Processes and Service Delivery in Public Institutions**

Greenberg and Baron (2008) say that decision making processes provide a way in which strategic decisions are made to enhance effective organizational performance. Decision making processes are dependent on power structures. Power structures in the Organisation include the processes in place to monitor what is going on, reporting lines, hierarchies, and the way that work flows through the Organisation. Power structures indicate who makes the decisions, how widely spread is power, and on what is power based. According to Conrad (2009), decision making process can increase employees' commitment. Decision making process of the organization that accept the rules and regulations on which it operates both in practice and in spirit, and develop a broader consciousness beyond simple delivery of returns to its shareholders, develop more commitment in employees. Coulter (2005) also indicates that power structures can stimulate organizational commitment when they promote a shared, articulated, values, beliefs, and behaviour that contribute to the unique social and psychological environment of an organization. Power structures can be like glue

that guides employee behaviour and shapes organizational decision-making (Haberberg and Rieple, 2008).

Good decision-making is dependent on quality of availability of proper information and extent of participation wide participation. According to (OECD, 2004), public institutions should have a system of collecting accurate information, especially on stakeholder needs, modern and efficient operations and should have structures to allow all stakeholders, i.e. project beneficiaries, central government management, auditors and subordinate staff to participate in decision-making. Institutions need to have well-established systems for gathering information and forecasting, so that customers can also access.

#### **2.4 Summary**

The literature reviewed the three objectives of the research which include; Accountability and service delivery in public institutions, Transparency and service delivery in public institutions and Decision making processes and service delivery in public institutions.

It also points to the interests of a wide range of stakeholders regarding not only the fundamental and social principles of good financial practices but including the ethical and environmental practices as well. In so doing, there is an emphasis on the public enterprises' need to recognise that they no longer act independently from the societies and the environment in which they operate. In fact, public entities are an embodiment and an object of citizens' hopes, expectations and aspirations. This is so because they are founded on, if not continue to be funded by, the citizens' taxes and as such they owe their existence to the citizens and society at large. While striving to achieve excellence, public enterprises are often hindered by such challenges as finding a balance between the responsibility of the state for actively exercising its ownership functions, such as the nomination election of the

boards of directors. At the same time they have to refrain from imposing undue political interference in the management of the entity and ensure that there is a level playing field in markets where private sector companies can compete with state-owned enterprises and that the government does not distort competition in the way they use their regulatory or supervisory powers. The research seeks to establish the effect of corporate governance on service delivery in Public Institutions of Uganda taking Uganda National Roads Authority as a representative sample.

# CHAPTER THREE

## METHODOLOGY

### **3.1 Introduction**

This chapter presents the practical procedures and techniques that were used to carry out this study. It gives details of the research design, population of the study, nature of sample, sampling procedures, data collection procedures and the data analysis techniques that were applied, the methods of data collection and analysis.

### **3.2 The Research Design**

A research design refers to the overall strategy that integrates the different components of the study in a coherent and logical way, thereby ensuring the effective approach to address the research problem (Amin, 2005). A case study design was used since it is an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used (Yin, 1984). A case study method was employed because of its strength in allowing the researcher to concentrate on a specific situation and to identify, the various interactive issues affecting the research problem and thus present a deeper analysis of a situation pertaining to the unit of concern (Ary, and Razavieh, 2002). A case study was more appropriate because of being more holistic and specific; it enables suggestion of possible links between phenomena, a very important requirement for this particular study.

The study employed both quantitative and qualitative methods. Quantitative research methods were used because they enabled a structured statistical measurement of variables (Trochim, 2006). Qualitative methods were used so as to collect in-depth information on the research variables and this enabled triangulation of the data collected so as to increase its validity (Ary, and Razavieh, 2002).

### **3.3 Area of the Study**

The study was conducted at Uganda National Authority (UNRA). Uganda National Roads Authority is a government agency established by parliament in 2006 and became fully operational on 1<sup>st</sup> July 2008. Its headquarters is located at plot 5, Lourdel Road, Nakasero. The agency is mandated to develop and maintain the national roads network, advise the government on general roads policy, contribute to the addressing of national transport concerns, and perform certain other functions. Given that roads are one of the key social – economic development infrastructures, the agency has a key role to play in national development. UNRA is also among the heavy funded public organizations, hence requiring good corporate governance practices to ensure accountability, transparency and effective decision making so as to achieve her mission and service delivery goals. Hence the organization was an appropriate case study.

### **3.4 Population of the Study**

The target population of this study included all staff that appeared in the human resources records of UNRA. On the quantitative aspect, the study obtained responses representative of non-management employees who were selected from 5 departments of UNRA. Though UNRA is still in the employee recruitment process in order to fill the 1,740 staff allocation given to it, current HR records show that the organization has 894 employees, including management and non-management staff (Wesonga, 2016). So the sample was selected from

the population of 894 employees, including 867 non-management employees and 27 management employees. The 27 included top management and heads of departments (Bamugemerire, 2016).

### 3.5 Sample Techniques and Sampling Selection

The Krejcie and Morgan (1970) guide was used to determine both the random sample of non-management employees and the target non-random sample. The selection procedure is summarised in the tables below.

**Table 3.1: Sample Determination**

Staff Category	Target Population	Target Sample		Sampling Technique
Top Management	12*	10**	5	Purposive
Heads of Departments	15*	14**	9	Purposive
Non-management employees ( <i>Administrative and support staff</i> )	867*	265**	242	Simple Random
<b>TOTAL</b>	<b>N=894</b>	<b>S=289</b>	<b>256</b>	

\*UNRA HR records (2016)

\*\* Krejcie and Morgan (1970)

The table above shows that the target random sample of non-management employees (not working in managerial capacity) was 265 respondents and the non-random sample of key informants was 24 respondents, including 10 top managers and 14 heads of departments. The total target sample size was 289 respondents. However 14 key informants were available for interviews and out of the 265 questionnaires that were given out, 23 were not fully completed, making the final sample to be 242. So the actual sample was 256 respondents.

### **3.5.1 Sampling Procedure**

Both random and non-random sampling techniques were used to select a representative sample. Random sampling strategies gave every individual in the population a chance to be part of the sample. This reduced bias and increases the representativeness of the sample. On the other hand, Amin (2005), say that non-random sampling strategies enable the researcher to select respondents who have the information. Simple random sampling was used to select non-management employees. This method was used in order to give more respondents in the population a chance of being part of the sample. This technique increased representatives that enable collection of a cross section of data. Purposive sampling was used to select management employees, who included officials from top management and some heads of departments. This sampling method was used for this sub sample in order to collect in-depth responses from respondents who are well informed about the research problem.

### **3.6. Research Instruments**

Both Primary and secondary data was used to collect data from the field. Primary data was collected using structured questionnaire and interview guide. Secondary data was gathered from documentary review of reports on the UNRA state of affairs.

#### **3.6.1 Structured Questionnaire for Employees**

A structured questionnaire was used to collect data from the main respondents who were UNRA staff from; Accounts and Finance, Procurement, Engineering/technical, Stores and Audit department. After being briefed, the respondents were given a structured questionnaire to complete. As advised by Bush and Ortinau (2000), the questionnaire had items derived from the study objectives and Likert scale responses. Section A of the questionnaire measured the demographic variables of respondents. Section B, measured

accountability, section C, transparency, section D, decision making processes, while section E measured services delivery.

### **3.6.2 Interview Guide for Key Informants**

In-depth Key informants interviews (KIIs) were used to collect data from key informants. This method was preferred because it enables the collection of reliable, in-depth information. With the use of the interview guide, the researcher asked key informants selected from top management and departments heads. The key informants' responses were written down by the researcher (Sekaran, 2003). The real opinions of the respondents on the research problem were sought. Using appropriate probing, the researcher sought detailed information that was relevant to the research questions (Amin, 2005). Interview guides are a far more personal form of research instruments than questionnaires, Amin (2005).

An interview is a conversation between two or more people where questions are asked by the interviewer to elicit facts or statements from the interviewee. Interview guides were used to collect qualitative data from Top Management. Interview guide helped to obtain in-depth and detailed information through probing during face-to-face interaction.

### **3.6.3 Documentary Review**

Secondary data was obtained from existing documents and reports of UNRA. These include the UNRA act, FY 2014/2015, and a report on the commission of inquiry by Justice Catherine Bamugemerire.

## **3.6 Validity and Reliability of the Instrument**

### **3.6.1 Validity**

With regard to content validity, the researcher ensured that the items that measured the main variables (independent and dependent variables) conformed to the study's conceptual framework (see Figure 1.1). The opinion of the supervisor on the relevance, wording and

clarity of the items in the instruments was sought and there was validation of the instruments. Basing on the supervisors' rating, a content validity test was done on a scale for which 1 = relevant, 2 = quite relevant 3 = somehow. The CVI was measured using the formula:

$$\text{Content Validity Index (CVI)} = \frac{\text{Number of items declared valid}}{\text{Total number of items}}$$

The results are presented in the table 3.2 below.

**Table 3.2:** Content Validity Index (CVI) of Instruments

<b>Evaluator</b>	<b>Questionnaire for UNRA staff</b>	<b>Interview guide for key informants</b>
Supervisor 1	0.87	0.82
Supervisor 2	0.85	0.84
<b>Average</b>	<b>.86</b>	<b>.83</b>

*Source: Pre-test data*

The average content validity index for the questionnaire was 0.86 and that for the interview guide for key informants was 0.83. As recommended by Arya *et al.* (2002) and Amin (2005), the CVIs for all the instruments were above 0.7, a value recommended for research instruments. So the instruments were valid and reliable enough to measure the study variables.

### **3.6.2 Reliability**

Reliability is the measure of the degree to which a research instrument yields consistent results after repeat. Cronbach's Alpha coefficient was used to measure reliability of the instrument.

Pre-test data from 10 participants selected from accounts, works and administration departments of UNRA was entered in the Statistical Package for Social Sciences (SPSS)

and Cronbach's alpha coefficient test of reliability was calculated. The results are shown in table 3.3 below.

**Table 3.3:** Reliability coefficients (Cronbach's alphas) of the variables

Variable	No. of items	Alphas ( $\alpha$ )
Accountability	10	.802
Transparency	10	.873
Decision making	10	.717
Services delivery	10	.817

Cronbach's alpha coefficient results were analysed and all scales of accountability (.802), transparency (.873), decision making processes (.717) and services delivery (.817) were found to be above Cronbach's alpha value .500 as recommended by (Amin, 2005; Sekaran, 2003) and, therefore, considered satisfactory (see Table 3.3).

### 3.7 Data Collection Procedure

The research was carried out basing on the laws/regulations governing research. Permission to conduct the research was obtained from the relevant authorities, i.e., an introductory letter from the Dean Graduate School- Kyambogo University. The letter was addressed; To Whom It May Concern in Uganda National Roads Authority. The research explained the purpose of the study and its benefits and then requested for permission to sample respondents. Permission was granted and the researcher met respondents. With the help of heads of departments, the researcher assured respondents of the utmost confidentiality; that only data would only be used to draw conclusions to the study for academic purposes. Then data was collected from respondents. Interviews were conducted for two days while questionnaires were collected after two weeks.

### **3.8 Data Processing and Analysis**

#### **3.8.1 Quantitative Data Analysis**

The quantitative data was obtained using questionnaires. The raw data was cleaned, sorted and coded. The data coded was entered into the computer and analyzed using SPSS version 20. Descriptive statistics and frequency tables run to describe the level of occurrence of the study variables. Simple linear regression was used to analyze the effect of the independent variables on the dependent variable.

#### **3.8.2 Qualitative Data Analysis**

Qualitative data was collected using an interview guide and documentary review. Descriptive data was categorized under different themes and sub-themes using critical judgmental approach and quotations to obtain meaningful inferences. Data was further analyzed and organized based on pattern, repetitions and commonalities into themes based on study variables.

### **3.9 Ethical Considerations**

The issue of ethics is an important consideration in research that involves human subjects. Research ethics is appropriate behaviour of a researcher relative to the norms of society (Zikmund, 2010). This research considered ethical factors in a number of ways. Participation in the research was voluntary, and research participants were informed of the right to withdraw at any time of their choice. Therefore, before the study was carried out, the researcher sought for the consent of respondents by explaining the purpose of the study to them and assuring them of their confidentiality. In addition to this, the researcher discussed the intended data collection period with the respondents before the questionnaire administration. Approval to conduct the study was sought from the

research review committee of Kyambogo University which also consider ethical standard of the research.

The respondents were adequately informed before the research commenced regarding how they would be treated throughout the research, how risks would be managed and the benefits of participating in the study. The research participants were provided with information sheets prior to the research to enable them to freely decide to participate. All their questions and concerns were answered, and requests of voluntarily consent to participate in the study were made. The researcher assured the respondents that anonymity and confidentiality would be maintained and guaranteed. The researcher allowed adequate time to reflect on the information provided, and minimise coercion and undue influence. The respondents were not paid for their participation in the study and were not required to write their names or signatures.

### **3.10 Summary**

This chapter described the detailed research methodology, which was a step by step approach in aiding collection of in-depth and detailed information that enhanced presentation of the research findings.

## CHAPTER FOUR

### PRESENTATION, INTERPRETATION AND ANALYSIS OF FINDINGS

#### 4.1. Introduction

This chapter presents the findings of the study that examined the effect of accountability, transparency and decision making processes on service delivery of UNRA. Data were presented, objective by objective using quantitative and qualitative techniques. The demographic data of respondents are presented first, followed by descriptive statistics, then by correctional analysis and finally by regression analysis.

#### 4.2. Demographic Characteristics of Respondents

In the study, the researcher collected demographic information on respondents that were then used to explain the findings. These are presented below

##### 4.2.1. Gender

**Table 4.2:** Respondents' Gender (N = 256)

Gender	Employees(n = 242)		Key informants(n = 14)	
	Frequency	Percent	Frequency	Percent
Male	159	65.7	8	57.1
Female	83	34.3	6	42.9
<b>Total</b>	<b>242</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>

*Source: Primary data from the field (2016)*

According to the findings in table 4.2 above, majority of non-management employees (65.7%) were male while the female were 34.3%. Of the key informants, 57.1% % were

male and 42.9% were female. Although the proportion male respondents were higher than that of the female, both genders were well represented, so the opinions given were representation of both genders.

#### 4.2.2. Age of Respondents

Respondents also indicated their age category. The findings are shown below.

**Table 4.3: Age Bracket of Respondents (N = 256)**

Age Bracket	Employees (n = 242)		Key informants(n = 14)	
	Frequency	Percent	Frequency	Percent
20-29 years	27	11.2		
30-39	124	51.2		
40-49 years	78	32.3	9	64.3
50 and years above	13	5.3	5	35.7
<b>Total</b>	<b>242</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>

*Source: Primary data from the field (2016)*

As indicated in the table above, majority (51.2%) of non-management employees were aged 30-39 years, 32.3 % were aged 40 -49 years, 11.2% were aged 20-29 years and 5.3 % were aged 50 years and above. As far as key informants are concerned, the majority (64.3%) was aged 40- 49 years, followed by 35.7 % who were aged 50 years and above. This finding reveals that participants were selected from a variety of age brackets, so views of most ages were represented. In addition, participants were mature enough to understand the research question and were able to give valid responses.

### 4.2.3. Department where Respondents Work

Respondents also indicated the departments where they work. The findings are shown in table 4.4 below.

**Table 4.4:** Department (N = 256)

Department	Employees (n = 242)		Key informants(n = 14)	
	Frequency	Percent	Frequency	Percent
Audit	27	11.2		
Accounts and Finance	38	15.8		
Stores	25	10.3		
Procurement	26	10.7		
Engineering/technical	112	46.2		
Administration	14	5.8	14	
<b>Total</b>	<b>242</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>

*Source: Primary data from the field (2016)*

As indicated in the table 4.4 above, majority (46.2 %) of non-management employees were working in the technical department, 15.8% were working in accounting and finance, 11.2% were in audit, 10.7% were in procurement, 10.3% were in stores and 5.8% were in administration. As far as key informants were concerned, all (100%) of them were in administration.

### 4.2.4 Length of Employment at UNRA

The study established the number of years respondents had served in UNRA. The findings are presented in table 4.4 below.

**Table 4.5:** Length of Employment at Uganda National Roads Authority (N = 256)

Tenure	Employees (n = 242)		Key informants (n = 14)	
	Frequency	Percent	Frequency	Percent
1-2 years	78	32.3		
3-4 years	92	38.0	4	28.5
5-6 years	46	19.0	7	50.0
Above 6 years	26	10.7	3	21.5
<b>Total</b>	<b>242</b>	<b>100.0</b>	<b>14</b>	<b>100.0</b>

*Source: Primary data from the field (2016)*

Results in table 4.5 revealed that majority of the employees (38%) had served in UNRA from 3 – 4 years followed by those who had served from 1-2 years (32.2%) and those who had served 5-6 years (19%) and finally by those who had served above 6years (10.7%). As far as the key informants were concerned, the majority (50%) had served for 5-6 years, 28.5 % had served 3.4 years while 21.5% had served for 6 years and above. This implies that respondents had served for long enough to understand the work environment of the organization and their responses were expected to be rich in experience. Besides, respondents had enough time to have significantly observed accountability, transparency and decision making issues affecting UNRA.

#### **4.3 Accountability, Transparency, Decision Making and Services Delivery**

Descriptive statistics and frequency analysis were used to establish the level of Accountability, Transparency, decision making and services delivery by UNRA. Respondents indicated the extent to which they disagreed and agreed to each of the statements measuring the variable. Scores on each variable were calculated. Scores were

derived by summing up the numbers representing the responses on each of the items measuring the variables, following a technique recommended by Mugenda (2005). This turned the scale on which the variables were measured from nominal to ordinal that enabled both descriptive and inferential quantitative analysis (zikumund, 2000). The mean scores and standard deviations of the variables were calculated and the scores were used to do correlation and regression analysis. All the variables were measured on the scale of 10 to 50. The mean response was calculated by the mean of the numbers representing the responses that were ticked by respondents to measure the variable. The more the items on which respondents generally agreed, the higher the level of occurrence of the aspect. Descriptive statistics of the variables are shown in table 4.6 below.

**Table 4.6:** Descriptive Sstatistics (N = 242)

<b>Variables</b>	<b>Mean score</b>	<b>SD</b>	<b>Mean response</b>	<b>Overall Rating</b>
Accountability	27.2	1.4	1.9	Disagree
Transparency	25.8	1.8	2.0	Disagree
Decision making	19.1	2.1	3.1	Undecided
Services delivery	21.3	1.5	3.2	Undecided

*Source: Primary data from the field (2016)*

The descriptive statistics in the table above show low occurrence of accountability, transparency and inclusive decision making processes in UNRA. The findings also imply low implementation of corporate governance in UNRA. This is likely to have affected service delivery due to the fact even its values are also low. The apparent relationship between accountability, transparency and inclusive decision making processes and services delivery was further explored using frequency tables and regression analysis. In the sections below.

### **4.3.1 Accountability**

The findings in the table 4.6 show that the mean for score for accountability was 27.2 (SD=1.4) with a mean response of 1.9. This implies that respondents generally disagreed

that UNRA practices accountability to stakeholders. Frequency analysis was further used to explore the aspects of accountability that were being practiced in the organization. The findings are presented in the table 4.7 below.

**Table 4.7:** Mean responses, SD and ratings on Accountability (N = 242)

Aspect	Mean Response	Sd	Rating
UNRA employees comply with established procedures and practices in use of organisation resources	2.04	1.55	D
Operations of all UNRA staff are regularly monitored to ensure achievement of organisation mission and goals	1.1	.82	SD
Top management of UNRA ensures that organisation resources are only used to pursue organisation objectives	1.93	1.01	SD
Our organisation has a clear Process for evaluating completion of organisation goals.	2.92	1.3	UD
Officers in UNRA give reasons for all their decisions to stakeholders	2.82	1.1	UD
UNRA has a Process for dealing with Misconduct among all categories of employees.	1.98	.84	D
All employees are fully answerable to stakeholders for their actions	3.02	1.1	UD
UNRA maintains a good financial accountability system using budgeting, accounting, auditing and records management	1.21	.72	D
All UNRA services are legitimate and credible	3.1	.34	UD
UNRA accounts for all her operations and performance through parliament	3.0	1.1	UD

*Source: Primary data from the field (2016)*

**Key:** *SD = strongly disagree, D = disagree, UD = undecided, A = agree, SA = strongly agree*

The findings in the table above confirms that accountability of UNRA was below average Respondents strongly disagreed that operations of all UNRA staff are regularly monitored to ensure achievement of organization mission and goals (mean response = 1.1, SD = .82) and Top management of UNRA ensures that organization resources are only used to pursue organization objectives (mean response = 1.93, SD = 1.01). Respondents also disagreed that UNRA employees comply with established procedures and practices in use of organization resources (mean response = 2.04, SD = 1.55). UNRA has a Process for dealing with Misconduct among all categories of employees. (Mean response = 1.98, SD = .84) and UNRA maintains a good financial accountability system using budgeting, accounting, auditing and records management (mean response = 1.21, SD = .72). Respondents were undecided on whether, UNRA has a clear Process for evaluating completion of organisation goals (mean response = 2.92, SD = 1.3), Officers give reasons for all their decisions to stakeholders (mean response = 2.82, SD = 1.1) and All employees are fully answerable to stakeholders for their actions (mean response = 3.02, SD = 1.1). It was also revealed that respondents were undecided on whether, all UNRA services are legitimate and credible (mean response = 3.1, SD = .34) and UNRA accounts for all her operations and performance through parliament mean response = 3.0, SD = 1.1)

The findings above point to low commitment by UNRA management to accountability. Out of the ten aspects that were measured, respondents agreed to none being implemented. There was reluctance in the organization to ensure that resources are only used to pursue organisation objectives and officers act in the interest of services delivery. There was little commitment by employees to strive to achieve the mission and objectives of the organization and stakeholder points of view were not collected.

### 4.3.2 Transparency

The mean score for Transparency was 25.8 (SD= 1.8) with a mean response of 2.0. Respondents generally disagreed that UNRA was transparent in her activities. A frequency table was further used to explore the aspects of transparency that were being practiced in the organisation. The findings are presented in table 4.8 below.

**Table 4.8:** Mean responses, SD and ratings on Transparency (N = 242)

Aspect	Mean Response	Sd	Overall Rating
All employees provide accurate records of organisations' operations	2.1	1.3	D
Records of activities of all employees are readily accessible to stakeholders	1.1	.96	SD
Records of operations of all employees are clearly understood by all stakeholders	2.2	2.1	D
All UNRA records give a true and fair picture of the current state of affairs of the organisation	1.3	3.1	SD
We have an effective process for auditing all organization activities	3.1	.56	UD
The funds allocated to UNRA projects are portrayed in the quality of services	2.1	1.4	D
The Public is able to make meaningful analysis of UNRA's actions	3.1	1.6	UD
At UNRA there is free flow of information between the service provider and service users	3.0	.56	UD
UNRA publicizes in any media all her physical and financial plans with their accomplishments (construction, maintenance and rehabilitation of roads);	4.1	.56	A
contract awards ,quality and time frame of accomplishment are done using open-processes	3.1	1.6	UD

*Source: Primary data from the field (2016)*

**Key:** *SD = strongly disagree, D =disagree, UD =undecided, A =agree, SA =strongly agree*

The findings in the table above show that Respondents generally strongly disagreed that Records of activities of all employees are readily accessible to stakeholders (mean response = 1.1, SD = 0.96) and UNRA records give a true and fair picture of the current state of affairs of the organization (mean response = 1.3, SD = 3.1). Respondents also disagreed on all employees provide accurate records of organisations' operations (mean response = 2.1, SD = 1.3), Records of operations of all employees are clearly understood by all stakeholders (mean response = 2.2, SD = 2.1) and funds allocated to UNRA projects are portrayed in the quality of services (mean response = 2.1, SD = 1.4). respondents were also undecided on whether, UNRA has an effective process for auditing all organization activities (mean response = 3.1, SD = .56), Public is able to make meaningful analysis of UNRA's actions (mean response = 3.1, SD = 1.6), in UNRA, there is free flow of information between the service provide and service users (mean response = 3.1, SD = .56), and contract awards, quality and time frame of accomplishment are done using open-processes (mean response = 3.1, SD = .56).

The findings point to low transparency in UNRA. Out of the 10 aspects that were measured none were being fully implemented. There was no transparency in terms of letting the major stakeholders; the citizens know how they are being served. There were no avenues of citizens, who fund the organization's operations through paying taxes to know what is going on in the organization.

#### **4.3.3: Decision Making**

The mean score for decision making process was 19.1 (SD=2.1), with a mean response of 3.1. This implies that respondents were undecided on whether decision making in UNRA is participatory. A frequency table was further used to explore the aspects of decision making processes that were being practiced. The findings are presented in table 4.9 below.

**Table 4.9: Mean Responses, SD and ratings on Decision making (N = 242)**

Aspect	Mean Response	Sd	Overall Rating
In UNRA managers give chance to employees to identify their needs and priorities	2.3	2.1	D
All employees participate in making decisions on service delivery by UNRA.	1.2	.76	SD
UNRA regularly organizes meetings for stakeholders to give suggestions on performance Projects	3.2	1.3	UD
Stakeholders are involved in formulation of UNRA service delivery targets	1.3	2.1	SD
Stakeholders are involved in monitoring and reviewing UNRA service delivery	2.04	1.55	D
All decisions in UNRA are based on accurate information	1.1	.82	SD
All categories of employees in UNRA take responsibility for implementing action plans made	1.93	1.01	SD
Most decisions in UNRA are made through departmental and manager- employee meetings	2.92	1.3	UD
Decision in UNRA are made through Open information-sharing	2.82	1.1	UD
All UNRA decisions are made through discussion and dialogue.	2.92	1.1	UD

*Source: Primary data from the field (2016)*

*Key: SD = strongly disagree, D = disagree, UD = undecided, A = agree, SA=strongly agree*

The findings in the table above also indicate that decision making in UNRA was not open enough to allow free participation by all categories of employees. Respondents strongly disagreed that All employees participate in making decisions on service delivery by UNRA (mean response = 1.2, SD = .76), Stakeholders are involved in formulation of UNRA service delivery targets (mean response = 1.3, SD = 2.1). All decisions in UNRA are based on accurate information (mean response = 1.1, SD = .082) and All categories of employees in UNRA take responsibility for implementing action plans made (mean response = 1.93, SD = 1.01). Respondents also disagreed that UNRA managers give chance to employees to identify their needs and priorities (mean response = 2.3, SD = 2.1) and Stakeholders are involved in monitoring and reviewing UNRA service delivery (mean response = 2.04, SD = 1.55). Respondents were further, undecided on UNRA regularly organizes meetings for stakeholders to give suggestions on performance projects (mean response = 3.2, SD = 1.3), most decisions in UNRA are made through departmental and manager- employee meetings (mean response = 2.92, SD = 1.3), Decision in UNRA are made through open information-sharing (mean response = 2.82, SD = 1.1) and All UNRA decisions are made through discussion and dialogue (mean response = 2.92, SD = 1.1).

The findings also point to very limited inclusive decision making processes in the organization. Out of the 10 aspects that were measured respondent agreed to none. So there was no inclusive decision making in UNRA. Decision making mainly lay in the hands of top management and heads of departments due to the fact that Power hierarchies were more important. Decision making was more enshrined in managers and administrators. Hence, there was less encouraging of equal participation in decision making across all levels of employees so as to promote commitment, engagement. This affected the effectiveness of the organization.

## Services Delivery

The mean score for services delivery was 18.3(SD=1.4.) with a mean response of 3.2 implying that respondents were undecided on whether UNRA provides quality services to stakeholders. A frequency table was further used to explore the aspects of services delivery that were being practiced. The findings are presented in table 4.10 below.

**Table 4.10:** Mean responses, SD and ratings on Service Delivery (N=242)

Aspect	Mean response	Sd	Rating
UNRA employees provide their services to stakeholders effectively	1.04	1.55	SD
UNRA services have improved the quality of road infrastructure in Uganda	1.17	.82	SD
UNRA ranks among best performing government Institutions	1.93	1.01	D
All stake holders are happy with services provided by UNRA	2.62	1.3	UD
The benefits from services provided by UNRA are felt by all people in Uganda	1.02	1.1	SD
UNRA provides all her services efficiently	3.98	.84	A
UNRA has achieved her service delivery mission in all her operations.	1.43	1.24	D
UNRA's work accurately reflects value for the money they are given	2.67	2.1	UD
UNRA has achieved her service delivery goals in all her operations.	1.23	3.2	D

*Source: Primary data from the field (2016)*

**Key:** *SD = strongly disagree, D = disagree, UD = undecided, A = agree, SA = strongly agree*

As far as serviced delivery is concerned, the findings in the table above show that it was only average. Respondents UNRA employees provide their services to stakeholders effectively (mean response = 1.04, SD = 1.55), UNRA services have improved the quality of road infrastructure in Uganda (mean response = 1.17, SD = .82) and the benefits from services provided by UNRA are felt by all people in Uganda (mean response = 1.02, SD = 1.1). Respondents also disagreed that UNRA ranks among best performing government Institutions (mean response = 1.93, SD = 1.01), UNRA has achieved her service delivery mission in all her operations (mean response = 1.43, SD = 1.24) and UNRA has achieved her service delivery goals in all her operations (Mean response = 1.23, SD = 3.2). Respondent were undecided on whether, all stakeholders are happy with services provided by UNRA operations (Mean response = 2.62, SD = 1.3) and UNRA's work accurately reflects value for the money they are given (Mean response = 2.67, SD = 2.1). However, respondents agreed that UNRA provides all her services efficiently (Mean response = 3.98, SD = .84).

The findings above point to poor services delivery by UNRA. The organization has not been able to meet stakeholder needs fully. Out of the 10 aspects that were measured, respondents only agreed to one. This implies that the other 9 were not being effectively meet by the organization. Hence descriptive findings indicate low, but positive values on the independent and dependent variable. These findings, point to a low, but positive relationship between the independent variables and the dependent variable. Before this fact was explored using regression analysis, the researcher first established the level of variance across the independent variables (Accountability, Transparency, Decision making processes) with regard to the departments where respondents work.

#### 4.4 Variation of the independent variables across Departments

One way Analysis of Variance (ANOVA) was done to establish whether there were significant differences in the independent variables and the dependent variable of department where respondents work.

**Table 4.11:** One way ANOVA on Variation of Accountability, Transparency, Decision making Processes in the organization (n = 242)

Accountability	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	23.841	4	23.841	27.320	.02
Within Groups	63.705	238	12.873		
<b>Total</b>	<b>87.547</b>	<b>241</b>			
Transparency	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	5.867	4	5.867	4.612	.135
Within Groups	92.879	238	1.272		
<b>Total</b>	<b>98.747</b>	<b>241</b>			
Decision making	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	11.974	4	5.987	2.800	.217
Within Groups	153.946	238	2.138		
<b>Total</b>	<b>165.920</b>	<b>241</b>			

The findings in the table 4.11 above show that a significant difference existed in respondents' perception of accountability across departments ( $f(4,241)=27.320.p<0.05$ ). Respondents in Accounts and Finance department had lower scores on accountability of the organisation. As far as transparency is concerned, the findings in the table above show that ANOVA was not significant ( $f(4,241)= 4.612.p>.05$ ). There were no significant differences of respondents in their perception of transparency of the organization. As far as decision making processes were concerned, the table above shows that difference between scores on decision making processes in the organization was not significant, ( $f(4,241)=$

2.800, $p>0.05$ ). This implies that generally the view of respondents on the existence of the independent variables in the organization did not differ significantly.

#### 4.5 The Effect of Accountability on Service Delivery in UNRA

The first objective of the study was to determine the effect of accountability on service delivery in UNRA. Scores on accountability were regressed with scores on services delivery. The findings are shown in Table 4.12 below.

**Table 4.12:** Simple Regression Results of Accountability Vs. Service Delivery by UNRA

R	R <sup>2</sup>	Ad R <sup>2</sup>	B	Beta	F Stat	Sig.
0.292	.085	.083	2.10	.292	121.3	.01*

*Source: Primary data from the field (2016)*

\*Values significant at 0.05 level (2-tailed)

#### **Predictor: Accountability, Dependent Variable: Services Delivery**

The regression results in the table 4.12 above show that a positive relationship existed between accountability and service delivery by UNRA. This implies that increased accountability by the organization leads to an increase in the quality of services delivery. The results of the regression model indicated a low contribution of 8.3 % of accountability to services delivery. This implies that, on average, accountability by UNRA employees could result into a positive variation in services delivery by the organization. However, descriptive statistics had indicated that the mean scores on accountability was low (mean=27.2) indicating low level of the employees using organization resources to pursue organization objectives, little motivation for the organization to be fully answerable to stakeholder. This finding was explored using key informant interviews.

Interviews with Key informants also confirmed existence of accountability issues in UNRA. Key informants said that top management had free reign in all its activities with insignificant controls and checks from the governing board and central government. Top management was reluctant to ensure that organisation resources are only used to pursue organisation objective, Officers acted as they wished and there was little motivation for the organisation to be fully answerable to stakeholder. A head of department from the technical and works section said that; *“UNRA top management has had minimal commitment to the performance of the institution. Top management officers have only acted to meet their selfish needs and the governing board has not been able to supervise its operations, so achievement of mission and goals has been slow”*.

The assistant head of accounts department added that; *“UNRA top management has only been interested in using organisation resources to further personal financial ambitions, meeting stakeholder interests through effective service delivery was not on their agenda; this even de-motivated lower cadre employees and resulted into tardiness”*.

Key informants also mentioned a number of illegal operations by top management that resulted into loss of billions of organisation funds. Key informants, especially from works and technical staff felt that the previous top management was not experienced to lead this big organisation so as to enable it be more effective. Most heads of departments complained that top management has not been able to effectively pursue the mission and goals of the organisation. They intimated that top management failed to develop organisational commitment and engagement among employees so most employees acted as they wished. One senior officer from the audit department said; *“Some members of top management and heads of department’s sanctioned operations that were overvalued and by unqualified companies”*

Bamugemereire commission of Inquiry report (May, 2016) indicates serious breaches in accountability among UNRA officials. There was inside trading, forgery, conflict of interest, air supply and fictitious hire of equipment. Over payment, fraud, inflated costs, extortion, and wrong issuance of land titles were also rampant in more than 90% of the contracts signed in the last 8 years.

Hence, former management employees in UNRA had difficulties in ensuring that organisation resources are only used to pursue organisation objectives. Even lower cadre Officers acted as they wished due to the fact they were not required to give reasons for all their decisions. There was little motivation for the organisation to be fully answerable to stakeholder. There was incompetence, dishonesty, false honesty and collusion among managers. This brewed misconduct among all categories of employees and accountability was subsequently lowered.

#### **4.6 The Effect of Transparency on Service Delivery in UNRA**

The second objective of the study was to investigate the effect of transparency on service delivery in UNRA. Scores on transparency were regressed with scores on services delivery.

The findings are shown in Table 4.13 below.

**Table 4.13:** Simple Regression Results of Transparency vs. Services delivery

<b>R</b>	<b>R<sup>2</sup></b>	<b>Ad R<sup>2</sup></b>	<b>B</b>	<b>Beta</b>	<b>F Stat</b>	<b>Sig.</b>
0.331	.109	.092	0.57	.331	91.3	.02*

*Source: Primary data from the field (2016)*

\*Values significant at 0.05 level (2-tailed).

**Predictor: Transparency, Dependent Variable: Services Delivery by UNRA**

The regression results in table 4.13 above show that transparency had a low but positive contribution on service delivery By UNRA. The results of the regression model indicated an adjusted R-square of 9.2 %. This implies that transparency contributed to a variation in the quality of services delivery in UNRA by 9.2 %. Descriptive statistics had however, pointed to low transparency in UNRA because, UNRA did not portray a true and fair picture of her operations. The Public was not able to make meaningful analysis of UNRA's actions. There were public complaints on contract awards, quality and time frame of accomplishment of contracts using open-processes. This finding was further explored using key informant interviews.

Interviews with key informants indicated that there was high distrust and resentment of top management by employees due to lack of transparency. The assistant head of stores said that; *“Top management was only interested in amassing wealth instead of fostering institutional development”*.

The assistant head of Audit said that; *“Top management behaved as if they did not know their roles. Management sanctioned over payment, fraud, inflated costs and extortion”*.

This lack of transparency led the Commission of Inquiry report by Bamugemereire to recommend imprisonment of over 90 officers. The report further showed lack of open process operation in the organisation. It was revealed that lower cadre employees generally complained of closed operations through cliques that had developed in the organization resulting from the perceived divide and rule leadership style that was used by top management. This “cliquish” form of management resulted into negative consequences on group processes and outcomes. The head of procurement confided that; *“The organisation lacked team work, which resulted into low organizational commitment”*.

They further added that lower cadre staff resented top management because they felt that it was not interested in their well-being. This general lack of cordial relations between top management and lower cadre staff negatively affected the organisation's effectiveness and subsequently service delivery.

A report by *allafrica.com* indicated that, lower cadre officers complained that some officers within the same department did not get any allowance, while others did without a clear criterion for allocating the allowances. They further added that promotions were done unfairly and with favouritism. Officers who are favourites of top management were being promoted without necessarily having a record of good performance. This scenario resulted into overt conflicts within departments that impaired employee performance and service delivery. Key informant also complained of lack of a communication structure in the Organisation. Top management rarely communicated to both employees. This de-alienation between employees and top management has resulted into mistrust.

#### **4.7 The effect of Decision Making Processes on Service Delivery in UNRA**

The third objective of the study was to determine the effect of decision making processes on service delivery in UNRA. Scores on decision making were regressed with scores on services delivery. The findings are shown in table 4.14 below.

**Table 4.14:** Showing Regression Results of the influence of decision making on Services Delivery by UNRA

<b>R</b>	<b>R<sup>2</sup></b>	<b>Ad R<sup>2</sup></b>	<b>B</b>	<b>Beta</b>	<b>F Statistic</b>	<b>Sig.</b>
0.212	.044	.041	0.040	.212	431.4	.04*

*Source: Primary data from the field (2016)*

\*Values significant at 0.05 level (2-tailed)

**Predictor: Decision Making Processes, Dependent Variable: Services delivery by UNRA**

The findings in table 4.14 above show that decision making process had a very low contribution on services delivery. The results of the regression analysis indicated 4.4 % effect. This implies that decision making processes are significant and could increase services delivery of a public organisation by 4.4 %. The low, but positive contribution implies lack of implementation of inclusive decision making in the organization.

The views of key informants on these issues were also explored. The findings revealed that decision making in UNRA was hierarchical and very-closed. It was not very supportive of free employee participation in the running of the organisation and decision making. The head of human resources at the head office said; *“Employees have bosses and as subordinates they are supposed to whole heartedly follow their leaders”*.

The head of procurement intimated that; *“Top managers make decision that we subordinates must follow”*.

Hence implies that in UNRA decision making power is in the heads of departments and top management instead of being in teams.

The Commission of Inquiry report by Bamugemereire showed that one of the causes of serious accountability procedures by UNRA management was lack of team work. Non-management employees revealed that a closed system of decision-making existed in UNRA. This created a communication gap between top management and employees. Many decisions that were supposed to be done by a team have been taken by individuals in top management. With regard to many operations decisions, key-informants from Works and Technical department complained; *“We are normally at the receiving end”*.

Employees from some departments complained that they did not even know some members of top management. One head of department from accounts intimated that; *“I have only met the director physically when I went to his office to claim my payments”*.

A senior officer from the human resources department said that; *“Information and decisions get to lower cadres through hearsay”*.

Key informants also intimated that sometimes employees communicate to top management and it does not respond. Therefore, opportunists had taken advantage of this situation to misinform employees and divert organisational objectives. Also due to in-fighting within cliques, there was existence of concealment of relevant information by the opposing cliques. This had resulted into low participation of employees in making decisions regarding organisation operations. It also reduced availability of information employees required to do their work effectively.

# CHAPTER FIVE

## DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Introduction

This chapter presents the discussion, conclusions and recommendations of the study that examined the effect of accountability, transparency and decision making processes on service delivery of UNRA. A discussion of the findings is presented first, followed by a conclusion and finally by recommendations for action and further research.

### 5.2 Discussion

#### 5.2.1 Accountability and Services Delivery of UNRA

The first objective of the study was to determine the effect of accountability on service delivery in UNRA. The findings revealed that accountability was low in the organization. It was only able to contribute about 8.3 % ( $adr^2= 0.083$ ) to the effectiveness of service delivery by UNRA. The small positive contribution resulted from the two aspects that were being implemented out of the 10 aspects that were measured. This implies that accountability is so important in the service delivery of public institutions that even the few aspects that were being implemented led to some significant influence on services delivery. However, the findings revealed that the management of the organization was not very intent on being accountable in their activities. The findings revealed that top management was reluctant to ensure that organisation resources were only used to pursue organization objectives, officers acted as they wished and there was little motivation for the organization to be fully answerable to stakeholders. According to Adams, (2002), employees striving to

achieve the mission and objectives of the organization is a pillar to accountability and lack of it results into poor performance by the organization. Monks and Minow (2004) also add that accountability in public organizations is based on the principle that an organisation recognizes and strives to fulfill interests of significant stakeholders. However, this was lacking in UNRA. The study established that UNRA managers operated on their own without any active oversight and so mainly care for their personal interests. Furthermore, UNRA top managers did not see any need to act in the best interest of stakeholders partly due to lack of active oversight of the governing board. So stakeholder points of view were not collected and UNRA did not aim at achieving a balance between their individual and social goals. As indicated by Coyle (2003) lack of cooperative and productive relationships between UNRA and stakeholders led balanced interests could not be achieved. Low accountability also resulted from the governing board not being able to monitor the activities of top management, leaving top management to run the organization without any expectations of scrutiny from the stakeholders. This finding is in line with Cadbury (2012) who says that Lack of or weak supervision of top management by the board and the central government can lead to low organisational commitment by top management. This scenario likely resulted into some members of top management doing illegal operations that have resulted into loss of billions of public funds. There was a clear lack of the need for the organization to act in the best interest of the public, the major stakeholders. The motivation to conform to the rules of society as embodied in laws and customs was absent. Hence, due to lack of serious commitment to accountability by UNRA management, its governance was not able to motivate employees to provide quality services. This resulted into poor services delivery.

### **5.2.2 Transparency and Services Delivery of UNRA**

The second objective of the study was to investigate the effect of transparency on service delivery in UNRA. The findings revealed that transparency was low in the organization. Transparency only contribute about 9.2% ( $\text{adr}2 = 0.092$ ) to services delivery in UNRA. This was due to the fact that UNRA did not portray a true and fair picture of her operations. Monks and Minow (2004) advise that a public organization, working in a sector that affects all citizens in the country, should ensure that her operations are clearly known by stakeholders. Cadbury (2012) argues that for public service organizations, the Public should be able to make meaningful analysis of its actions. But in case of UNRA, there were public complaints on contract awards, quality and time frame of accomplishment of contracts using open-processes. While guidelines for ensuring transparency were available, they were not respected by top management. The Public as a major stakeholder was not able to make meaningful analysis of UNRA's actions. The funds allocated to UNRA projects were not portrayed in the quality of services. There was no relationship between UNRA and users of her services (the general public). Contract awards and accomplishment were not done using open-processes. Top management engaged in activities that made it look like it was only interested in amassing wealth instead of fostering organizational effectiveness. Top management has not been able to convince stakeholders that it is interested in promoting their interest.

### **5.2.3 Decision Making Processes and Services Delivery of UNRA**

The third objective of the study was to assess the effect of decision making processes on services delivery by UNRA. The findings have revealed that decision making in UNRA was more hierarchical though positively contributed to ( $\text{Adjusted } r^2 = 0.044$ ) service delivery. It is evident that UNRA followed the traditional hierarchical power structure.

Decision making lay in the hands of top management and heads of departments. Power hierarchies were more important than mission accomplishment. Hence headship was used to ensure task accomplishment instead of motivating employees of better performance. Decision making was more enshrined in managers and administrators. Hence, there was less encouraging of equal participation in decision making across all levels of employees so as to promote employee commitment and autonomy. Yet according to Baron (2008), this autonomy and effective employee participation in leadership results into higher job commitment and work performance. This can negatively affect effective solutions to organization's problems since, Conrad (2009) shows that the best idea of a team approach to problem solving leads to higher employee commitment and effective service delivery.

Hence, leaders in UNRA did not encourage equal participation across all levels of employees. This affected commitment and autonomy. Coulter (2005) also indicates that decision making processes can stimulate organizational commitment when they promote a shared, articulated, values, beliefs, and behaviour that contribute to the unique social and psychological environment of an organization. Decision making through teams can be like glue that guides employee behaviour and shapes organizational decision-making (Haberberg and Rieple, 2008). This was not the case in UNRA.

### **5.3 Conclusion**

The study is complete and all objectives have been met as discussed in the previous section. The study confirmed that corporate governance practices of accountability, transparency and participatory decision making that have been more common in private sector organizations are relevant and could improve the performance of public institutions. The findings indicated that though the implementation of accountability, transparency and participatory decision making was low in UNRA, the few aspects that were being

implemented made positive contributions to services delivery. Accountability contributed ( $adr^2 = 0.083$ ) about 8%, transparency ( $adr^2 = 0.092$ ) about 9% and participatory decisions making contributed (Adjusted  $r^2 = 0.044$ ) about 4% to services delivery of UNRA. This implies that services delivery in UNRA was dependent on accountability by 8% on transparency by 9% and on participatory decision making by 4%. The magnitudes of the betas in the three regression models suggested that the independent variables significantly predicted the dependent variable. These views were agreed to by all categories of employees that participated in the study. ANOVA results showed that respondents views varied with regard to accountability ( $f(4,241)=27.320.p<0.05$ ), and never varied with regard to transparency ( $f(4,241)= 4.612.p>.05$ ) and participatory decision making ( $f(4,241)= 2.800.p>0.05$ ).

Hence, accountability, transparency and participatory decision making are significant factors in the services delivery of public organizations. These three factors if implemented by top management result into better services delivery. This due to the organisation's efforts to meet stakeholder needs through effectively using public resources. However, the prevalence of these three aspects in an organization depends on the commitment of top management to organizational effectiveness and principles of accountability and transparency. Organizations need to have well-structured policies and procedures and to ensure that accountability transparency and participatory decision making is sufficient and adhered to so as to improve service delivery in public institutions.

## **5.4 Recommendations**

In view of the findings, the following recommends are made:

### **(a) Improving Accountability in Public Sector Organizations**

- i.* There is need to create a framework for enabling the general public to participate in monitoring the operations of UNRA.
- ii.* A frame work where stakeholders can demand for accountability from UNRA officers should also be created to start from the grassroots.
- iii.* Efforts by central government to make public organizations more accountable should be stepped up

### **(b) Improving Transparency in Public Sector Organizations**

- i.* There is need for the Central government ministry responsible for the oversight over UNRA to step up her supervisory role to ensure her operations are clearly discernable by all.
- ii.* UNRA needs to show more trust in the citizens by providing an accessible platform for providing relevant information to the public on UNRA operations. This may increase the public trust in the operations of the organisation.
- iii.* There is need to create a framework for ensuring transparency. Citizens need to be involved in the management of UNRA, especially through monitoring her operations.

### **(c) Improving Decision Making Processes in Public Sector Organizations**

- i.* UNRA should initiate opportunities for more stakeholder participation to improve on effective identification of stakeholder needs.

- ii.* There is need for a structure of stakeholder participation in UNRA activities.  
This structure should be made with consultation with the public.
- iii.* All categories of employees need to be empowered through education on effective stakeholder engagement.

### **5.5 Contributions of the Study**

The study has revealed that corporate governance practices of accountability, transparency and participatory decision making that originated from profit oriented organizations can be beneficial in public organizations. Implementing these aspects can improve organizational effectiveness and the quality of service delivery in public organizations. Accountability, transparency and participatory decision making increases efficiency and effectiveness of organization's operations, thus leading to better services delivery.

### **5.6 Recommendations for Further Research**

This study had limitations on; time scope, financial resources, direct access to some materials within the organisation because the study objectives focussed on the specifics. However, in the course of the study some of the areas identified for further research are as follow:

1. The researcher recommends that further research should be carried out on the effect of autonomy of public organisations on their accountability and services delivery.
2. The researcher recommends that further research should be carried out on appropriate strategies to develop values of accountability and transparency in public organisations.

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# APPENDICES

## APPENDIX A:

### QUESTIONNAIRE FOR UNRA STAFF

Dear respondent,

I am Adio Mirriam, a student of Masters of Business Administration of Kyambogo University Graduate School, conducting a research to generate data and information on *Corporate Governance and Service Delivery in Public Institutions of Uganda: A Case Study of Uganda National Roads Authority*. Given your unique experience, wealth of knowledge and position in the organization, you have been selected to participate in this study. The data you provide is for academic purposes only and will be treated with utmost confidentiality. Kindly spare your valuable time to answer these questions by giving your honest views or ticking one of the alternatives given where necessary.

#### SECTION A: Personal Information

1. Gender:

a) Male                       b) Female

2. Age bracket: 20-29 years                       30-39 years

40-49 years                       50 and years above

3. Department served at Uganda National Roads Authority

a) Audit Department                       d) Procurement department

b) Accounts and Finance department                       e) Engineering/technical dep't

c) Stores Department

4. Length of employment at Uganda National Roads Authority

- a) 1-2 years
- b) 3-4 years
- c) 5-6years  (d) Above 6 years

**SECTION B: Accountability in UNRA**

Please indicate level of Agreement or disagreement on the accountability practices in your organisation by ticking (√) in the appropriate box. (1) Strongly disagree (2) Disagree (3) Not sure (4) Agree (5) Strongly agree.

	<b>Accountability</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	UNRA employees comply with established procedures and practices in use of organisation resources	1	2	3	4	5
2	Operations of all UNRA staff are regularly monitored to ensure achievement of organisation mission and goals	1	2	3	4	5
3	Top management of UNRA ensures that organisation resources are only used to pursue organisation objectives	1	2	3	4	5
4	Our organisation has a clear Process for evaluating completion of organisation goals.	1	2	3	4	5
5	Officers in UNRA give reasons for all their decisions to stakeholders	1	2	3	4	5
6	UNRA has a Process for dealing with Misconduct among all categories of employees.	1	2	3	4	5
7	All employees are fully answerable to stakeholders for their actions	1	2	3	4	5
8	UNRA maintains a good financial accountability system using budgeting, accounting, auditing and records management	1	2	3	4	5
9	All UNRA services are legitimate and credible	1	2	3	4	5
10	UNRA accounts for all her operations and performance through parliament	1	2	3	4	5

### SECTION C: Transparency in UNRA

In this section, please circle (or tick) the number on the scale that best indicates the level of transparency in UNRA using the aspects below. (1) Strongly disagree (2) Disagree (3) Not sure (4) Agree (5) Strongly agree.

	Transparency	1	2	3	4	5
1	All employees provide accurate records of organisations' operations	1	2	3	4	5
2	Records of activities of all employees are readily accessible to stakeholders	1	2	3	4	5
3	Records of operations of all employees are clearly understood by all stakeholders	1	2	3	4	5
4	All UNRA records give a true and fair picture of the current state of affairs of the organisation	1	2	3	4	5
5	We have an effective process for auditing all organization activities	1	2	3	4	5
6	The funds allocated to UNRA projects are portrayed in the quality of services	1	2	3	4	5
7	The Public is able to make meaningful analysis of UNRA's actions	1	2	3	4	5
8	At UNRA there is free flow of information between the service provider and service users	1	2	3	4	5
9	UNRA publicizes in any media all her physical and financial plans with their accomplishments (construction, maintenance and rehabilitation of roads);	1	2	3	4	5
10	contract awards ,quality and time frame of accomplishment are done using open-processes	1	2	3	4	5

## SECTION D: Decision Making Process in UNRA

In this section, please circle (or tick) the number on the scale that best indicates how decision are made in UNRA; (1) Strongly disagree (2) Disagree (3) Not sure (4) Agree (5) Strongly agree.

	<b>Decision Making Process</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	In UNRA managers give chance to employees to identify their needs and priorities	1	2	3	4	5
2	All employees participate in making decisions on service delivery by UNRA.	1	2	3	4	5
3	UNRA regularly organizes meetings for stakeholders to give suggestions on performance Projects	1	2	3	4	5
4	Stakeholders are involved in formulation of UNRA service delivery targets	1	2	3	4	5
5	Stakeholders are involved in monitoring and reviewing UNRA service delivery	1	2	3	4	5
6	All decisions in UNRA are based on accurate information	1	2	3	4	5
7	All categories of employees in UNRA take responsibility for implementing action plans made	1	2	3	4	5
8	Most decisions in UNRA are made through departmental and manager- employee meetings	1	2	3	4	5
9	Decision in UNRA are made through Open information-sharing	1	2	3	4	5
10	All UNRA decisions are made through discussion and dialogue.	1	2	3	4	5

## SECTION E: Service Delivery in UNRA

In this section, please circle (or tick) the number on the scale that best indicates the quality of service delivery by UNRA using the aspects below; (1) Strongly disagree (2) Disagree (3) Not sure (4) Agree (5) Strongly agree.

	<b>Service Delivery Indicators</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1	UNRA employees provide their services to stakeholders effectively	1	2	3	4	5
2	UNRA services have improved the quality of road infrastructure in Uganda	1	2	3	4	5
3	UNRA ranks among best performing government Institutions	1	2	3	4	5
4	All stake holders are happy with services provided by UNRA	1	2	3	4	5
5	The benefits from services provided by UNRA are felt by all people in Uganda	1	2	3	4	5
6	UNRA provides all her services efficiently	1	2	3	4	5
8	UNRA has achieved her service delivery mission in all her operations.	1	2	3	4	5
9	UNRA's work accurately reflects value for the money they are given	1	2	3	4	5
10	UNRA has achieved her service delivery goals in all her operations.	1	2	3	4	5

## **APPENDIX B:**

### **INTERVIEW GUIDE FOR TOP MANAGEMENT AND HEADS OF DEPARTMENTS IN UNRA**

1. What services does UNRA offer?
2. How does UNRA ensure accountability to stakeholders in her operations?
3. How has accountability affected service delivery by UNRA?
4. How does UNRA ensure transparency in her operations and how has it affected service delivery?
5. How are decision made at UNRA and what do you think is the best decision making process for UNRA?
6. What has been the effect of decision making processes on service delivery by UNRA?

**‘Thank you for your contribution, May God bless you’**

**APPENDIX C: DETERMINING SAMPLE SIZE FROM A GIVEN  
POPULATION**

N	S	N	S	N	S	N	S	N	S
10	10	100	80	280	162	800	260	2800	338
15	14	110	86	290	165	850	265	3000	341
20	19	120	92	300	169	900	269	3500	246
25	24	130	97	320	175	950	274	4000	351
30	28	140	103	340	181	1000	278	4500	351
35	32	150	108	360	186	1100	285	5000	357
40	36	160	113	380	181	1200	291	6000	361
45	40	180	118	400	196	1300	297	7000	364
50	44	190	123	420	201	1400	302	8000	367
55	48	200	127	440	205	1500	306	9000	368
60	52	210	132	460	210	1600	310	10000	373
65	56	220	136	480	214	1700	313	15000	375
70	59	230	140	500	217	1800	317	20000	377
75	63	240	144	550	225	1900	320	30000	379
80	66	250	148	600	234	2000	322	40000	380
85	70	260	152	650	242	2200	327	50000	381
90	73	270	155	700	248	2400	331	75000	382
95	76	270	159	750	256	2600	335	100000	384

Note: "N" is population size

"S" is sample size.

*Adopted from Krejcie et al, (1970).*

## APPENDIX D: INTRODUCTION LETTER

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**Office of the Dean, Graduate School**

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Your Ref.....  
Our ref KYU/GSch/01/15

9<sup>th</sup> August, 2016.

**TO WHOM IT MAY CONCERN**

**Dear Sir/Madam**

**RE: LETTER OF INTRODUCTION**

This is to introduce to you, Adio Mirriam Registration Number 14/U/13813/GMBA/PE who is a student of Kyambogo University pursuing a Master of Business Administration of Kyambogo University.

She is carrying out a research on *“Corporate Governance and service Delivery in Public Institutions of Uganda: The Case of Uganda National Roads Authority (UNRA).”* The study will be conducted in UNRA in partial fulfillment of the requirements for the award of the Master of Business Administration of Kyambogo University.

This is to kindly request you to grant her permission to carry out this study in your establishment.

Any assistance rendered to her will be highly appreciated.

Yours faithfully,

  
Dr. M.A. Byaruhanga Kadoodooba  
**Dean-Graduate School**

BK/nmb

