THE MODERATING EFFECT OF FIRM SIZE BETWEEN CORPORATE GOVERNANCE PRACTICES AND DECISION QUALITY IN SELECTED COMMERCIAL BANKS IN UGANDA

BY

SEERA JOAN CLARE

20/U/13209/MBA/WKD

A RESEARCH DISSERTATION SUBMITTED TO THE DIRECTORATE OF RESEARCH AND GRADUATE TRAINING IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION KYAMBOGO UNIVERSITY

JULY, 2025

DECLARATION

I. Seera Joan Clare declare that this thesis is my original work and has never been presented for a degree in any other University except where I stated references.

Signature…………………………………… Date: ………………………………………..

SEERA JOAN CLARE

20/U/13209/MBA/WKD

APPROVAL

The dissertation entitled the moderating effect of firm size between Corporate Governance Practices and Decision Quality in selected commercial Banks in Uganda has been submitted to the university academic board and to examiners with our approval as university approved Supervisors.

Signed: …………………………   Date: ……………………………….

Dr. Samuel Mayanja Ssekajja (PhD)

Signed: …………………………..   Date: …………………………….....

Dr. Samuel Eyamu (PhD)

DEDICATION

This dissertation is dedicated to my father and Mother for pushing me on to pursue further studies and for supporting me morally and financially.

ACKNOWLEDGEMENT

I am thankful to the Almighty God for enabling me complete this work. This dissertation work has not been easy but with his guidance, it has been made possible.

I would like to express my sincere appreciation to my supervisors Dr. Samuel Mayanja Ssekajja (PhD) and Dr. Samuel Eyamu (PhD) whose guidance, encouragement and patience have made me succeed in completing this dissertation.

I am grateful to the role played by my family and friends who have played a big role in enabling me complete my course successfully.

May the Almighty God bless them all abundantly!

TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF ACRONYMS

ANOVA : Analysis of Variance

BOD : Board of Directors

BOU : Bank of Uganda

CI : Confidential Interval

CVI : Content Validity index

DPF : Deposit Protection Fund

MOU : Memorandum of Understanding

ROA : Return on Investment

SPSS : Statistical Package for Social Sciences

ABSTRACT

The study aimed to explore the relationship between Corporate Governance Practices and decision quality in selected Commercial Banks in Uganda. The specific Objectives were to examine the relationship between Transparency and decision quality; To examine the effect of accountability on decision quality; To examine the effect of Board of Directors Independence on decision quality and; To examine the moderating role of firm size on the relationship between Corporate Governance Practices and decision quality. The study used a cross-sectional research design and collected data using self-administered questionnaires from 250 respondents who were comprised of board members, Managers and Bank Officers. From the study findings, the correlation analysis reveals significant relationships among Transparency, Accountability, Board of Directors Independence, Firm Size, and Decision Quality within commercial banks. Notably, there is a positive correlation between Transparency and Decision quality ($r = 0.350$, $p < 0.001$), Board Independence and Decision quality ($r = 0.345$, $p = 0.001$) and Accountability and Decision Quality ($r = 0.575$, $p = 0.001$). While results from simple linear regression show that Board Independence, Transparency and accountability influence Decision Quality, Multiple regression results revealed that only accountability had a significant effect on Decision Quality ($B=0.277$, $P<0.01$). The results also revealed that firm size positively moderates the relationship between accountability and Decision Quality ($B=0.182$, $P<0.01$). In the regression analysis, Accountability emerges as the predominant driver of Decision Quality, boasting the highest standardized coefficient (Beta = 0.489). Finally, it was recommended that organizations prioritize Accountability mechanisms and strengthen board governance structures to cultivate an environment conducive to sound decision-making practices. By doing so, organizations can enhance transparency, accountability, and decision quality, ultimately driving improved performance and stakeholder satisfaction.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Decision quality refers to the quality of a decision at the moment the decision is made regardless of its outcome (Kluver, 2016) Decision quality concepts authorise the guarantee of both effectiveness and efficiency in analysing decision problems (Neal & Carl, 2015). In this regard, decision quality is seen as being part of decision analysis.

Decision quality concepts were first developed in 1964 through innovations in statistical decision theory and game theory by Howard Raiffa of Harvard University and dynamic systems by Ronald Howard a scholar of Stanford University. First implementation of Decision quality idea was documented in Howard's paper of Decision Analysis where he registered the Decision Theory and later published in 1966 (Hertz, Melese, & John, 1966). This has led to the adoption of decision analysis tools and decision quality concepts by many corporations and organisations which guides and improves their decisions (Group, 2000). In 2014, the Society of Decision Professionals recognized organizations that made Decision Quality a core competency across the entire organization with the Raiffa-Howard Award which was presented annually (Professionals, 2014). However, beyond organizational wide implementation, decision quality concepts can also be applied on multi company projects. Properly implemented, the Decision quality process enables maximum value in uncertain and complex scenarios (Group, 2000)

The terms decision and decision quality have increasing consequences on the organisations occupying model fields and management analysis. Decisions are based on news from different fields and information as found in any other sources (Tickell, 2010). In this regard, Board meetings assessment of the different individual behaviours should be done to offer suitable decision quality that could lead to maximization of profitability of an organisation and utilisation of scarce resources optimally (Ovidia, 2013).

Although studies have established a positive relationship between Corporate Governance Practices and decision quality from a global context, less research has been done in regards to the relationship between the variables in the Banking sector in Uganda.

1.1.1 Historical Background

Decision Quality started in the Great Britain in mid-1760's to about 1820-1840 with the industrial revolution where there was a global change from a human economy to more efficient and stable manufacturing processes which succeeded the agricultural revolution leading to an economic recess (Countries, 2021). The transition was from hand production methods to machines, new chemical manufacturing and iron production processes. This led to increased output and great results from the use of machinery by reducing the work load of employees (Anthony, 2018).

Decision quality was also seen in the first, second and third world war. In the first world war of 1914-1918 (Dennis & Graham , 2023), the central powers of Germany, Australia and Turkey oscillated war against their allies of France, Great Britain, Russia, Italy and Japan after the assassination of Archduke Ferdinand of Austria (Editors, 2023). His death led to war across Europe which lasted five years. The war led to the downfall of the great imperial dynasties of Germany, Russia Australia and Turkey. World War 2 occurred in 1939 and lasted for six bloody years. This was caused by Adolf Hitler's invasion of Poland which made Great Britain and France to declare war on Germany (Iwo, 2023). The war involved fifty nations that fought on land, air and sea. The war ended when Japan surrendered to the United States after atomic bombs that killed millions of people (William, 2010).

World war 3 started in the early 1941 because of the occupational status of the Germany capital city, Berlin and of post-World War 2 in Germany. This war wasn't intense as compared to the previous wars, but it cleared almost the effects of the first and Second World War (William, 2010)**.**

In the world, Decision quality of banking institutions which are savings and credit cooperatives started in India through the financial institutions after the 2010 disaster of the southern state of Andhra Pradesh commonly known as the Mecca of finance. During this plight, members failed to pay back the borrowed money which led to the shutting down of many surfacing small financial institutions and a great forfeiture of loan portfolio (Srinivasan, Finance India:state of the sector report, 2008).

ln Africa, the widespread failure of financial institutions in Southern Africa Development Community (SADC) evoked the need for rise of financial means for weak financial institutions (Karim, Finance in Southern Africa Development Community, 2011) **.**During this period, academicians and practitioners felt that it was time to move away from focusing on social impact but also focus on quality of decisions made.

In Uganda, financial services were strictly in small micro credit programs supported by either government or by the donor agencies with more weight put on the agricultural sector (Glaubitt & Hamada, 2010)**.** Coupled to that, the success of the program highly hangs on the outreach to the target clients, poor households and micro enterprises with no need for securities which had some ambiguities (Glaubitt & Hamada, 2010)**.** Therefore, due to the drawbacks during that period, there was an inclination in the main stream of the financial service sectors through building cost efficient operations and expanding the customer base. This ushered financial services program transformation into finance models and hence causing decision quality as one of their objectives and extending their clients to the poor community which led to a good quality of decisions made (Glaubitt & Hamada, 2010).

This study traces the moderating role of firm size between Corporate Governance Practices of the banking sector in Uganda and its attempts to assess the extent to which they affect the decision quality in the banking sector. It starts by reviewing the historical and institutional context of financial services and how the decisions made affected the organisations.

1.1.2 Theoretical Perspective

1.1.2.1 Stewardship Theory

Stewardship Theory assumes that managerial opportunism is not relevant (Donaldson & Davis, 1991) According to the stewardship Theory, a manager's objective is primarily to maximise the firm's Performance because a manager's need for achievement and success is satisfied when the initial condition of better firm Performance is met .Stewardship theory replaces the lack of trust to Agency Theory which refers to respect for authority and an inclination to ethical behaviour. In summary, the stewardship Theory considers the following as essential for ensuring effective Corporate Governance Practices in any organisation: - Board of Directors: The involvement of Non-Executive Directors is important to enhance the effectiveness of the Board's activities because Executive Directors have full knowledge of the firm's operations. This is believed to enhance decision-making and to ensure the transparency of the business. Leadership: Contrary to the Agency Theory, the stewardship Theory stipulates that the positions of CEO and Board chair should be concentrated in the same individual, the reason being that it affords the CEO the opportunity to carry through a decision quickly and without the hindrance of undue bureaucracy; Finally, it is argued that small Board sizes should be encouraged to promote effective communication and decision making.

The stewardship Theory evaluates the optimal strategy for the organisation by considering the possible scenarios, actions, and consequences before a decision is made by the board.

1.1.3 Conceptual Background

1.1.3.1 Corporate governance practices

Transparency as a principle to directors of organizations and board of trustees have a duty to act visibly, predictably and understandably to promote participation and provide accurate and timely information (Tomlinson, 2014). Transparency refers to making information available competently. Large amounts of raw information in the public sphere may breed cloudiness rather than transparency. According to Schnackenberg (2014), transparency is operating in such a way that it is easy for others to see what actions are being performed. It has been defined simply as the perceived quality of deliberately shared information from a sender to the intended recipients for example a teller making change after a point-of-sale transaction by offering a record of the transactions performed as well as counting out the customer's change on the counter demonstrates transparency.

Accountability occurs in every sector of the organisation including the commercial sector (Wheeler, 2006). Where there is scanty accountability, resources will be used inefficiently and ineffectively hence resulting in devastating consequences for people in the organisation and hence affecting the operations of an organization (Kluver, 2016). In governance, accountability is answerability, blameworthiness, liable and account-giving. As an aspect of governance, it has been a central discussion related to problems in both public sector, non-profit and private worlds (Dykstra & Clarence, 1999). It has expanded beyond the basic definition of being called to account for one's actions (Richard, 2000 & Amanda, 1995). It is frequently described as an account-giving relationship between individuals both in private and public corporations. In leadership roles, accountability refers to the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance and implementation within the scope of employment position and surrounding the obligation to report.

The independence of the Board is related to Corporate Governance Practices in the sense that they are bound to considering corporate decisions carefully and challenge management convey all their efforts towards encouraging decision quality of the commercial banking sector (Brown & Moore, 2004) . A director may be compromised not only because he has financial interests but also by virtue of the existence of personal or other relationships to the interested party and hence existence of outside directors would limit such acts within the banks. Furthermore, independence of committees is also related to decision quality in that they consist entirely of independent committees in which at least one expert is included in the committee to detect and report misappropriations (Wruck, 2008).

1.1.3.2 Firm Size

The decisions of an organisation are influenced by the size of the organisation. Smaller businesses have much greater participation in decision making as compared to managers of larger organisations (Duhaime & Baird, 2007)**.** There are inconsistent results that have been developed in Literature review in relation to the size of the organisation and making of strategic decisions for example (Fredrickson, 2006) identified that there is a positive relationship between the size of the firm and decision quality .However, (Dean & Sharfman, 2013) did not find such an existing relationship. On the other hand, Nooraie (2008) studied that the size of an organisation has a positive association in decision quality but there is a negative relationship when compared with the portfolios of the organisations. The study recommendation is that Banks should maintain the small size. According to the available literature, Banks with moderate size perform better than small and big size firms. The study recommends that firm size should be maintained as moderate so as an increase the quality of decisions made. However, management should ensure that the firm size is optimal as a very small firm can also be redundant and may not be efficient in making decisions for the Bank which can delay the Banks' decision-making process.

1.1.3.3 Decision Quality

Board decision quality is one of the most important features that elevates ideally the whole organisation and takes into account its progress or failure in actualisation of pre-determined goals and objectives (Yatim, 2009).Current business enterprises find themselves in the middle of global uncertainties, stiff competition both locally and internationally unprecedented variations in the economy (Tickell, 2010). For these reasons, managers are expected to make immediate decisions if the organisation is to move forward to success. However, the quality of decisions taken by managers highly depend on the reliability and accurateness of information given by systems existing around them (Nooraie, 2011).Since decision quality has an enduring effect on the organisation, it is important to analyse accounting information for producing strategic assessments. Normally top management takes this kind of long-term planned decisions and allocates the company’s core assets to achieve that goal (Eugenia & Tiberiu, 2013). Decision quality results in strategic decisions which are the most distinctive results in a business and they use these for defining goals and direction for long-term development of the organisation (Yatim, 2009). Top management is tasked in these kinds of decisions. A strategic decision that is wrong has a negative effect on the company. This ultimately puts a lot of accountability on the strategic decision maker (Trimisiu, 2012).

The decision-making process requires information which provides important information for the process (Marshall, 2014). Accounting can be divided into financial accounting and management accounting. Financial accounting relates on reporting an organisations financial information to external users and management accounting relates on measuring, analysing and reporting for internal users especially management (Woods, 2008). Management accounting provides financial and non-financial information to make managerial decisions (Zager, 2006).

1.1.4 Contextual Background of Uganda

Uganda's banking sector has evolved from the first commercial bank established in 1906. From the National Bank of India which later became the Grindlays Bank now known as Stanbic Bank to the current 26 commercial banks, six credit institutions and three Microfinance Deposit-taking Institutions (MDIs) (Governement of Uganda, 1966). These are in addition to the rapidly growing semi-formal and informal financial sectors in the country. The sector has also undergone several policies, legal and regulatory reforms with various degrees of results (Uganda B. o., 2005). The evolution of the banking sector has been characterized by bank closures, mergers and acquisitions. Before the country's independence in 1962, the banking sector was dominated mainly by foreign owned commercial banks (Beck, 2006). Uganda Credit and Savings Bank which became Uganda Commercial Bank (UCB) in 1969 was established in 1965 by an Act of Parliament. Bank of Baroda was established, first in 1953, but regularized as a commercial bank in 1969 with the enactment of the Banking Act of 1969. This was the first legal framework for regulation of the banking sector following the country's independence. Bank of Uganda was the country's central bank which was established in 1966 under the Bank of Uganda Act (1966), was followed by the establishment of the Uganda Development Bank under the Uganda Development Bank (UDB) Decree (1972) (Governement of Uganda, 1966) . With the establishment of UCB and UDB, the government-owned banks dominated the banking industry. (Uganda G. o., Uganda Development Bank Act, 1972). There was been continued growth in the banking sector over the past period of years.

Currently, the growth of Banking in Uganda has in the last few years declined because of the emergency of the Covid-19 Pandemic which affected the loan portfolios of many banks and hence poor performance in the banking sector. An examples of growth reduction has been in the years of 2019 to 2022 where over 70% of the running loans were laid off to avoid having a bad loan portfolio and hence causing loss in the banking sector.

However, the operative banks in Uganda are registered by the Ministry of finance, governed by the BOU and regulated by the DPF of Uganda (Ministry of Finance, 2009).

Specifically, this study focused on Corporate Governance Practices and decision quality in the commercial banking sector to see how transparency, Board independence and accountability affect the quality of decisions made and hence the performance of the banking sector

1.2 Statement of the Research Problem

Decision making is the most important component of the Board and a manager's activities. It plays the most important role in the planning process. Good decision-making aids in solving problems effectively and the decision makers become the leader in this process (Zeshan, 2023).Decision quality process requires information as the most important source for the process. The board gives a clear position on the process and procedures to be followed by managers and it is applied as a foundation for all procedures. Firms often use information provided to support management decisions (Ullah & and many others, 2014).

First City Bank of Florida had served Okaloosa County for almost 75 years when it was suddenly shut down by the Florida Office of Financial Regulation (McLaughlon, 2020).The statement said that the bank held about $134.7 million in total assets and $131.4 million in total deposits which made liabilities higher than the assets. This led to the closure of the bank (corporation, 2013).

Saambou's bank was then South Africa's seventh largest. However, in the second half of January 2002, Saambou's deposits dropped by R861 million which made 8.8% of all the banks retail deposits and 5.6% of its liabilities. To cover the gap between its assets and liabilities, Saambou accessed interbank funding (Calominis, 2008). Its deposits then rose from R247 million to R1.027 billion with an increase of R782. However, In February 2002, the share price began to fall rapidly and declined by 46% in the share price which led to the closure of Saambou bank (Havemann, 2021).

The Co-operative Bank in Uganda had a long history of financial distress including insolvency since way back in the 1980s and had been recapitalised by foreign donor agencies. It was discovered to be insolvent by the Bank of Uganda after an on-site examination in September 1998 but remained open in the hope that it could be recapitalised by further financial support from donors. It was eventually closed in May 1999 after it became evident that further donor support was unlikely and that it had serious management and governance problems (Brownbridge, 2002).

However, Directors and management made wrong decisions on the loans and assets which translated into wrong decisions and resorted to bank closure.

Therefore, this study addressees this gap by examining the relationship between Corporate Governance Practices and Decision Quality in selected commercial Banks in Uganda.

1.3 Conceptual Framework

A conceptual framework is the hypothesized model identifying the concepts under Study and their relationships (Garvin, 2007). The independent variable is Corporate Governance Practices. However, Corporate Governance Practices was measured basing on the principals of Accountability, Transparency and Board Independence and Decision making on Results, Situation analysis and Risk assessment. Accountability refers to review of supporting documentation of Internal Controls, financial transparency and information disclosure while Board independence refers to Shareholders, Board of Directors, managers and employees' independent decisions made. The dependent variable is Decision Quality which provides a defining framework for a good decision. It is an extension of a decision and in particular decision analysis. It is made up of a set of concepts and tools that produce clarity about the best choice in an uncertain and dynamic environment. Decision Quality engages most important parties in the decision process to achieve alignment and commitment to action (Oslo & Norway, 2023). It has an intermediating variable of the firm size which focuses on the Number of employees, Total number of assets, Profits of the organisation and shareholders' equity which clearly guides management in the decisions they make for the organisation.

Figure 1. 1:Illustration of the Conceptual Framework

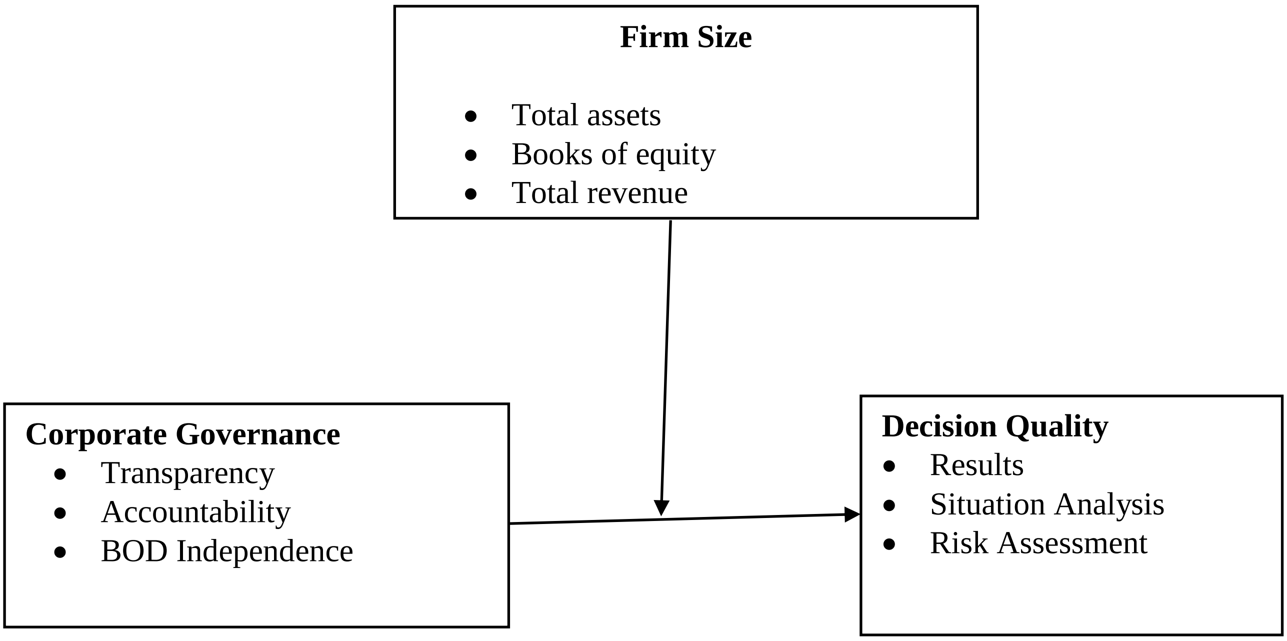

Figure 1.2: Illustration of the Conceptual Framework

Source: Kiel et al (2012), UK and American models (2002), modified by the researcher (2023)

Corporate Governance Practices and Decision quality were based on the UK and American models (2002) which was measured using the linkage to firm size but modified by the researcher basing on the Literature Review.

1.4 Research Objectives of the Study

1.4.1 General Objectives

The research objective was to examine the relationship between Corporate Governance Practices and decision quality in selected Commercial Banks in Uganda.

1.4.2 Specific Objective

i. To examine the effects between Transparency and decision quality.
ii. To assess the effects of accountability on decision quality.
iii. To examine the effects of Board of Directors Independence on decision quality.
iv. To examine the moderating role of firm size on the relationship between Corporate Governance Practices and decision quality

1.5 Research Questions

i. What is the effect of the relationship between Transparency and decision quality?
ii. What is the effect of accountability on decision quality?
iii. What is the effect of Board of Directors Independence on decision quality?
iv. What is the moderating role of firm size on the relationship between Corporate Governance Practices and decision quality?

1.6 Research Hypotheses

This Study was guided by the following hypothesis.

H4 (a): Firm size positively moderates the relationship between accountability and Decision quality.

H4 (ao): Firm size negatively moderates the relationship between accountability and Decision quality.

H4 (b): Firm Size positively moderates the relationship between Transparency and Decision quality.

H4 (bo): Firm size negatively moderates the relationship between Transparency and Decision quality.

H4 (c): Firm size positively moderates the relationship between Board Independence and Decision Quality.

H4 (co): Firm size negatively moderates the relationship between Board Independence and Decision quality.

1.7 Scope of the Study

The Study scope of this Study was categorised into three:

1.7.1 Geographical scope

The Study concentrated on selected Banks in Uganda focusing on Head offices of the 25 commercial banks in Kampala city, Uganda. This is based on the previous performance of the banks as seen in the financial statements usually prepared and released at the end of the financial year.

1.7.2 Content scope

The Study acknowledges Corporate Governance Practices and Decision Quality as being a set of processes, customs, policies, laws, and institutions affecting the way a Company is directed, administered or controlled as a major focus out of which the practices therein would evolve. Parameters used to measure the Corporate Governance Practices were: Board Independence, Accountability and Transparency. The Firm size parameters used are numbers of employees, Profits, Total number of assets and shareholders' equity. Decision Quality parameters included the Results, Situation Analysis and Risk Assessment through analysis of growth in the products base and work force, Business processes involved the re- engineering of business processes due to the dynamics of the Banking industry and innovation of new products.

1.7.3 Time scope

The Study was focused on the time period of 5years from 2018 up to 2022 because it was the period when Banks in Uganda had numerous issues to do with Corporate Governance Practices and Decision Quality because of the outbreak of covid-19 which led to an increase in the rate of non-performing assets and hence lowering the portfolio quality of banks.

1.8 Significance of the study

The Study is expected to be of practical importance to the following Stakeholders.

1.8.1: Academia

Academician scholars in the area of management is hoped to able to access this study from public repository domains like online open access academic sites and journals once the findings of the study are published. They is hoped to able to add value to the academic gap as identified in the study.

1.8.2 Policy makers

The policy makers in the Banking business might find the Study important and use it as a basis of formulating policies which can be effectively implemented for better and easier regulation of the Banking sector. The Government will use the Study so as to come up with policies and ways of promoting Corporate Governance Practices in financial institutions in the country.

1.8.3 The Banking sector

The study is hoped to contribute to improving understanding of Corporate Governance Practices in the Commercial Banking sector in Uganda and the ways Banks can implement good Corporate Governance Practices that aligns with Bank Decision making quality. Many Banks in Uganda might find the Study very valuable to their operations and more rely on it for decisions to improve on Corporate Governance Practices in the Commercial Banking industry.

Bank of Uganda and Board of Directors will use the findings of the Study to provide a basis for assessment of the level of Corporate Governance Practices policy implementation in the Banking sector to guide in future development of banking regulations. The Board of Directors may be in better position to review their policies of Corporate Governance Practices and make important recommendations to improve the Bank's Performance.

1.8.4 Development Practitioners

The study helps researcher practitioners by giving them a major contribution to the Board of Directors of knowledge through suggesting areas that require improvement. Researchers and practitioners in the public sector are able to access this study and hence are able to add value on the gaps identified by this study. The research also contributes to the Board of Directors of literature on Corporate Governance Practices and decision quality.

1.9 Definition of Terms

Corporate Governance Practices is a system of rules, processes and practices which direct and control the operations in the bank (James, 2023) .

Decision Quality is a set of concept and tools that produce clarity about the best choice in an uncertain and dynamic environment (Kluver, 2016)

Firm Size is a measure of the firm's total assets, books of equity and total revenue through the expected returns (Dennis & Graham , 2023)

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This Chapter comprised of four sections which include; Theoretical Review, Empirical Review, Summary of Literature and the Research Gaps. In theoretical review, coverage extends to local Research conducted in the banks under study in Kampala, Uganda. This section provides the gaps for this Study to fill. The literature review section presented how similar problems have been handled elsewhere. It links the Research findings with literature review to examine the extent to which the findings strengthen or disagree to the existing knowledge about the problem.

2.1 Theoretical Review

2.1.1 Stewardship Theory

Stewardship Theory was advanced by (Donaldson & Davis, 1991). It assumes that managerial exploitation is not relevant. Stewardship theory assumes that management aspires to high objectives by creating high levels of responsibility and achievement while still protecting the company's best interests (Samaha & Khlif, 2016). According to the theory, a manager's objective is primarily to maximise the firm's Performance because a manager's need for achievement and success is satisfied when the initial condition of better firm Performance is met. Stewardship theory replaces the lack of trust to Agency Theory which focuses on respect for authority and an inclination to ethical behaviour. In summary, the stewardship Theory considers the following as essential for ensuring effective Corporate Governance Practices in an organisation: - Board of Directors: The involvement of Non-Executive Directors is important to intensify the effectiveness of the Board's activities because Executive Directors have full knowledge of the firm's operations. This is believed to enhance decision-making and transparency of the business. Leadership: Contrary to the Agency Theory, the stewardship Theory stipulates that the positions of CEO and Board chair should be given to the same individual because it gives the CEO the opportunity to carry through a decision quickly and without the hindrance of undue bureaucracy; Finally, it is argued that small Board sizes should be encouraged to promote effective communication and decision making.

Under the stewardship theory, management acts altruistically for the firms' benefit and the owners (Dekker, 2016). The theory is defined as an act that looks at both the firm and its owners (Janvrin & Watson, 2017). However, management plays a role in stewardship theory because they align their benefits with the firm's objectives. In stewardship theory, management focuses on protecting the principals and increase profits (Silva, Quelhas, Gomes, & Domingos, 2017).

Through the stewardship theory, we can understand the study literature of Corporate Governance Practices decisions and what management should consider before making the organisational decisions. The researcher expects this thesis to contribute to the discussions about Corporate Governance Practices and Decision quality in the selected commercial banks in Uganda. The contribution to this research will consist of the knowledge the researchers need to build concerning Corporate Governance Practices in the decision-making process within the field of banking.

2.2 Empirical Review

2.2.1 Transparency and Decision Quality

According to Vishwanath and Kaufinann (1999), the economics theory supports the motion that increasing transparency builds up allocation of resources and effectiveness in an economy. Transparency is a necessary element of Corporate Governance Practices in both public and private organisations (Tomlinson, 2014). Absence of transparency may adversely affect the quality of decisions, stability and integrity of the entire banking system of the bank which appeared in recent credit crunch in terms of transparency of financial transactions such as credit derivatives. Corporate transparency improves democratic culture in public corporations where bigger groups of stakeholders participate and have active control on the management. This makes organisations to do business sensibly while investing stakeholders' capital into risky projects. Therefore, timely information declaration can brace stakeholders' monitoring systems that encourage organisations act prudently and hence improve performance. According to Jensen and Meckling (1976), corporate transparency and information disclosure are important elements of governance, Investors' confidence and investment flows. The firms that do not embrace good transparency and information disclosure policies are likely to suffer agency costs, defined as the value reduction in welfare experienced by the shareholders. This is due to managerial behaviour that splits interests from shareholders (principal). It is more likely that in a firm where a weak transparency and disclosure policy is practiced, managers use their information advantage to pursue their self-interests (Chung, Wright , & Kedia, 2003). Therefore, organisations that control and reduce the agency costs by increasing corporate transparency might also be able to increase the stakeholder's value and improve the quality of decisions.

2.2.2 Accountability and Decision Quality

Accountability is wide, complex and at the heart of which is the motion of one party declaring an account of the use of resources to another party. Gray and Jenkins (1993) have the opinion that accountability is a commitment to present an account and answer for the responsibilities executed to those who entrusted those responsibilities (Kluver, 2016). Accountability forms the basis of the trust in organizations; accountability relationships are damaged when they are not defined. While accountability might at first seem to be easily defined the reality is that it is a complex multifaceted concept. According to Gale (2003), financial accountability gives public corporations and other non-profit organizations legitimacy and credibility, contributes to their reputation and adds to their sustainability. Day and Klein (1987) state that financial accountability is about making sure that funds have been spent as agreed and according to appropriate rules and regulations. Boice (2004) adds that financial accountability is financial responsibility or operational transparency that requires demonstrating how finances to the organization have been allocated and how effective the organization is in achieving its goals. Good financial accountability limits fraud and mismanagement. It also empowers beneficiaries and other stakeholders since information is power thus financial accountability leads to control and efficient use of resources leading to improved performance.

2.2.3 Board of Directors Independence and Decision Quality

Independence of the Board is related to Corporate Governance Practices in the sense that they are obliged to consider corporate decisions carefully and challenge management channelling all their efforts towards enhancing decisions (Adams & Mechran, 2005). A director may be compromised not only if he has a financial interest but also by virtue of the existence of personal relationships to the interested party and hence existence of outside directors limits such acts within the Bank. Furthermore, independence of boards is also related to decision quality in that they consist entirely of independent board committees in which at least one expert is included in the board committee to detect and report misappropriations (Alexander, 2006). Board independence has been an area focus because of its crucial influence on the CEO over the Board of Directors (Abdelbadie & Salama, 2019). Regulations require a certain amount of board members to be independent. The foundation for the regulations is that if board members are independent of bank executives, they are more likely to protect the shareholders (Makai & Tobias , 2016).An independent board is key because they provide control mechanisms that allow the bank to achieve the firm's objectives (Chahine & safieddine, 2011). Agency theory provides the perspective that external and independent board members are more valuable than internal board members because they are not as committed to management and their goals (Kaczmarek, 2017). Internal board members are often agitated about raising sensitive issues related to the performance of the CEO's and actions because they feel obliged to the CEO for their jobs. Independent board members do not have a professional relationship with the CEO and hence do not hesitate to speak up when something is not right (Al-Matari & Al-Arussi, 2016). Board members that do not own a large percentage of the company stock are more likely to monitor and control operations because they look out for the firm (Al-Matari & Al- 40 Arussi, 2016). Both internal and external board members have a legal obligation of making sure that the decisions are significant to both the firm and the stockholders. However, external board members face difficulties because they do not directly communicate with management (Ararat, 2017). An independent Board of Directors protects shareholders' interest by controlling and monitoring the functions to align with management and stakeholders' interests. An independent Board of Directors allows the bank to reduce agency costs while planning and tracking roles more important (Heenetigala, 2017)). Independent directors alleviate the power of management, prevent misuse of firm resources and improve performance and market value. However, independent directors can align themselves with managers instead of stakeholders because they do not have a stake (Chan & Kogan, 2016). Stewardship theory in another perspective argues that insider directors have all the information to make better managerial decisions, so the proponents claim superior decision quality is a result of a board constructed of primary insiders (Davydov & Swidler, 2016). Research about decision quality and board independence is mixed. Several researchers found that board independence improves decision quality while other researchers negatively notice a negative relationship between board independence and decision quality (Isik & Folkinshteyn, 2017). The variance in findings can be attributed to several differences in factors, sample size, performance measures, study timeframe and independent directors' operational definition (Chu, Dai, & Zhang, 2018). However, the success of a bank is as a result of many factors working together in correlation. For example, many banks are successful when the board consists of a balance between inside and outside directors (Sorensen & Miller, 2017).

2.2.4 The Moderating role of Firm Size between Corporate Governance Practices and Decision Quality

The decisions of an organisation are influenced by the size of the organisation. Smaller businesses have better participation in making decisions as compared to managers of larger organisations (Duhaime & Baird, 2007)**.** There are inconsistent results that have been developed in Literature review in relation to the size of the organisation and in making of strategic decisions. For examples Fredrickson (2006) identified that there is a positive relationship in comprehensiveness decision making. Dean and Sharfman (2008) did not find such an existing relationship. On the other hand, Nooraie (2008) studied that the size of a firm and decision quality have a positive relationship but noticed a negative relationship when compared with the portfolio of the organisations.

Jensen (1993) concluded that a large firm size is less effective in coordination, communication and decision making and is more likely to be controlled by the CEO. A large firm is said to benefit corporate performance and decision quality as a result of strengthening the ability of firm to establish internal links with the environment by securing more resources and bringing more exceptional qualified Human resource (Dalton & Lee, 2006). Furthermore, large firm size improves the efficiency of the decision-making process as a result of information sharing, Technological advancement and benchmarking. However, other scholars revealed no relationship between firm size and decision quality (Keymark & Bekats, 2017). Eisenberg (1998) found a negative correlation between firm size and decision quality with supported theories put forward by Lipton, Lorch (1992) and Jensen (1993). All the above different results contribute to the on-going debate of how unresolved the size of the firm is on the various decision quality measures of commercial banks.

2.3 Summary of Literature and Research Gaps

According to the available literature, one of the principal challenges which banks face is establishing a proper governance system (Odera, 2012). Good governance improves the performance of banks and help ensure decision quality, (Tomlinson, 2014). Apparently, very few scholars have studied directly the effect of firm size between Corporate Governance Practices and decision quality found in the literature (Peter & Eyesan, 2015). And of the few, none of them considered Board of Directors composition, Board of Directors leadership and Board of Directors size as measures of Corporate Governance Practices as measures of decision quality. In addition, empirical evidence indicates a positive relationship between Corporate Governance Practices and decision quality. According to Nabwonya (2016), for any organisation to achieve decision quality, it must register good financial performance thorough financial reports without subsidized resources or funds. In regard to the available literature, good Corporate Governance Practices is of great importance in all organizations regardless of their industry, size or level of growth. Therefore, the scarcity of empirical evidence on the moderating role of firm size between Corporate Governance Practices and decision quality of commercial banks in Uganda became a motivating factor for the researcher to carry out this study.

Furthermore, in this case study about the Banking sector in Uganda, we critically examine major developments in the banking sector over the past two decades. In particular, the study provided an overview of the moderating role of firm size between Corporate Governance Practices and Decision quality in selected commercial banks and their outcomes. Some of the key findings of the study are following: Corporate Governance Practices dominates the domestic banking system in Uganda. As much as their 90 percent of existing bank systems in the country, of late there is growing trend towards Corporate Governance Practices and decision making in the banking sector. The financial reports have led to a reduction in the gap between Corporate Governance Practices and decision quality in banks. The government should play a major role in putting in place policies that control and govern the different corporate governors in the different banking sectors. From a host country perspective, the study raised several policy-oriented issues related to decision quality in banks through analysis of the different reports of the banks.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This Chapter presented the Research Methodology used in the study. It highlighted the research design and data collection. It described and discussed the research design, target population, sample design, sampling techniques, data collection methods, data collection instruments, validity and reliability, data collection procedures, data analysis, measurement of variables and ethical considerations.

3.1 Research Design

A research design guides a researcher by giving them a framework that enables them assess a research problem (Cooper & Schindler, 2006). It directs the researcher on how to undertake the research process (Kothari, 2010).

A research design also describes the overall strategy that interrelates the different components of the study in a coherent and logical way by ensuring the effective approach to address the research problem (Amin, 2005). A cross sectional survey was used since it is an experimental query that investigates a phenomenon within its real-life context and in a limited point of time. When the boundaries between the phenomenon and context are not clearly shown and in which different sources of evidence are used (Yin, 1984). A cross-sectional survey study method was used because of its strength in enabling the researcher to focus on the different variables and identify the various interactive issues affecting the research problem concern (Ary & Razavieh, 2002).

A cross-sectional survey was more appropriate because of being more holistic and specific. It enabled suggestion of possible links between the variables and is a very important requirement for this particular study. The study used a quantitative method approach. This research was used because it enables structured statistical measurement of variables (Trochim, 2006). The researcher used a survey research design to study Cooperate governance and its relationship with decision quality in the Banking sector.

3.2 Research Approach

3.2.1 Quantitative Data Analysis

The quantitative data was obtained using questionnaires. Numerical data was obtained from a limited sample of the population. The raw data was organised, sorted and classified. The classified data was entered into the computer and analysed using SPSS version 20. Descriptive statistics and frequency tables were run to describe the level of accuracy of the study variables. A Simple linear regression was used to analyse the effect of the independent variables on the dependent variable.

3.3 Target Population

Target population refers to the specific possible cases on which information is to be collected (Kothari, 2010). According to Creswell (2003), a population is a clear set of people, services, elements and events of things or households that are being examined. The study focused on the Head offices of the commercial banks in Kampala city as the study population. “Population refers to a group of individuals, events or objects having a similar observable characteristic” as of Mugenda and Mugenda (2003) post. The Population of this Study was 25 commercial banks and a random sample of 10 samples was selected from each bank out of the entire Population and comprised of Board members, Managers and Bank Officers divided from each bank using stratas.

3.4 Sample size and Design

The Researcher used a sample size determination table as recommended by Morgan and Krejcie (1970). The sample size of was made of the Board members, Managers and Banking officers from commercial banks using Purposive sampling method.

3.4.1 Sampling Technique and sample size

A sample refers to a subset of a particular population being studied (Sekaran & Bougie, 2010). Purposive sampling technique was applied in determining the sample size. According to Creswell (2003), Purposive sampling is ideal in instances where the population to be sampled consists of groups with equivalent characteristics which the researcher is looking for. This method was preferred because the population sampled is purely commercial Banks in Uganda as they have the information the researcher requires. The sample size of the study is 10 Banking officers from each Bank which constitutes 250 respondents from the commercial banks in Uganda.

3.5 Data collection methods

The study used self-administered questionnaires and review of documentary as data collection methods. The selection of these methods was supported by the type of data needed, the time available and the objectives of the study. The researcher was concerned with the views, opinions and reactions of the Board of Directors and the management staff from the Banks. Such information can easily be collected using questionnaires (Touliatos, Dillman, & Bowker, 2000). Document analysis technique was used in obtaining quantitative data on dependent and independent variables. The researcher also used the questionnaire method in data collection because of the low costs involved since the sample size is big and widely spread geographically. This method also ensured that the data collected is free from the researcher's bias because the answers provided were in the respondents' own words and the respondents had ample time to give well thought out answers. This tool was also applied to all the Board members**,** managers and Bank officers.

3.6 Data Collection Instruments

3.6.1 Questionnaire

As mentioned above, the primary data collection instruments are questionnaires and interview guides which supported by information collected from the review of documentary. According to (Wegner & Schmidt, 2001)**,** the design of a questionnaire is essential in ensuring that the correct research questions are addressed and appropriate data is collected for statistical analysis. Questionnaires were dictated as data collection instruments because the study design is quantitative in nature. Accordingly, the questionnaire for the study is designed to take into consideration the objectives to the study.

3.6.2 Documentary Checklist

A documentary checklist gives the researcher a structure and paves way to reviewing some of the relevant documents that can support other information and facilitate the understanding of how operations were run. For analysis, the interviewer used a checklist to find out the required documents needed for the study. A documentary review method was used to source out secondary data from relevant documents such as financial reports, work plans, staff registers, Board minute's book and Chairperson Management board file, MOU and other Board sub-committee files were also reviewed.

3.7 Data Collection Procedure

The researcher developed a proposal over a period of time under the guidance of supervisors. Upon proposal approval, the researcher proceeded to collect data using both qualitative and quantitative methods. Qualitative data was collected from respondents through interviews and questionnaires through a drop and pick method from the target population during the month of

August using purposive sampling techniques. The questionnaires were self-administered and left with the respondents. Ample time was given to fill them and then be picked at a later time upon being filled. This was affected by following up with phone calls to know if they have been filled.

With permission from management of these banks, quantitative data was collected from the different officers of the bank, Chairperson Management board files, work plans, budgets and different Memorandums of understanding and other Board and sub-committee member's documentations and files from the past five years. Collected data was analysed through a Statistical program of SPSS Version 23 where frequency descriptions and descriptive statistics that shows the mode, mean, median, Range, standard deviation and variance reports were extracted. Furthermore, data was analysed using inferential data analysis techniques such as analysis of covariance (ANOVA), regression and using coefficient of determination information.

3.8 Data Quality Control

The researcher endeavoured to obtain validity and reliability coefficients of at least 70%. Tests to establish the validity and reliability of qualitative data are important in determining the quality of data obtained. According to Leedy (2009)**,** validity of a measurement instrument is the ability of the instrument to measure what it's supposed to measure. It takes different forms each of which is important in the different situations (Oso & onen, 2008) .

3.8.1 Validity

According to (Leedy, Validity and reliability of research Instruments , 2001), validity of a measurement instrument is the extent to which the instrument measures what it's supposed to measure. It takes different forms each of which is important in different situations. Various copies of the instrument were given to Research Supervisors for further analysis to point out areas in which the instrument is deficient and basing on the expertise opinion, various changes were made to the instruments so as to increase their validity. The content validity index was computed using CVI= k/N where N=Total number of items in the questionnaire and K= number of items in the questionnaire known as valid (Steward & Ware, 1992). The Content Validity Index (CVI) is the proportion of items rated as content valid i.e a (rating of 2 or 3 by the experts). It is highly regarded for its ability to establish validity beyond the 95% Confidence Interval (CI). In addition to ensuring content validity, the researcher constructed data collection instruments with an adequate number of items and made sure that each item on the scale has a link with the objectives of the study and ensures that all items covered a full range of issues under study.

Table 3.1: Content Validity Index Results of the Study Variables

Variable	**Anchor**	**CVI (Content Validity Index)**
Firm Size	5-point	0.753
BOARD OF DIRECTORS Independence	5-point	0.760
Transparency	5-point	0.824
Accountability	5-point	0.842

Source: Survey data analysis by the researcher, (2020)

According to the results in Table 3.1 above, Firm Size had Content Validity Index of .753; Board of Directors Independence had .760; transparency had .824 and Accountability had .842. This shows that the values were high, hence valid, according to Amin, (2005).

3.8.2 Reliability

On the other hand**,** Leedy (2001) explains that the reliability of a measurement instrument is how far it yields consistent results when the characteristics being measured have not changed. In other words**,** Reliability of the data collection instruments is measured using Cronbach's Alphas test. Cronbach's alpha is a test reliability technique that requires a single test control to provide unique estimates of the reliability for a given test. Cronbach's alpha is a function of the average inter-correlations of items and the number of items in the scale. The closer the alpha to 1, the higher the reliability of the instrument. The instruments were subjected to a pre-test of 20 respondents from the population which was not part of the sample size to test the reliability of the questionnaire. Therefore, items with reliability coefficients of at least 70% were accepted as reliable in this study (Kathuri & Pals. 1993).

The following were the findings

Table 3.2: Reliability findings

Concept	Alpha Value
Firm Size	0.731
BOARD OF DIRECTORS Independence	0.781
Transparency	0.765
Accountability	0.736

Source: Primary Data (2024)

Results revealed that the research instrument was reliable as the Reliability was measured using the Cronbach Alpha Value. For each of the measures, the lowest values were 0.731 yet the lowest minimum acceptable value is 0.700 according to Inal et. al, (2017). Therefore, the research instruments were reliable

3.9 Data Analysis and Presentation

Data was collected through analysis of primary data using the hypothesis testing for Likert scale where the independent variables were representing the groups and the dependent variable represented the construct to be measured. In this case, data was collected in form of strongly agree, agree, Neutral, disagree and strongly disagree. A response of strongly agree scored at 5, Agree at 4, Neutral at 3, Disagree at 2 and strongly disagree at I and the scores of each respondent on each variable were added together. Since each main variable has a minimum of two dimensions, the maximum score for each variable on each objective is 5 and the minimum is 1 on each variable for each respondent. The responses of all respondents for the banks were be put together to get the overall score for all banks.

3.9.1 Measurement and Operationalization of Variables.

The variables were measured basing on the available literature on Corporate Governance Practices, rational behaviour and Decision Quality using similar documentaries. Each of the variables has respective stand by sources of literature and considerations of measurement.

Table 3.3: Measurement and Operationalization of Variables

Study Variable	Reflective Indicators	Items	Measurement	References
CORPORATE GOVERNANCE PRACTICES (Independent Variable)	• Transparency • Accountability • Independence	-Accountability is where the BOARD OF DIRECTORS staff often follow the regulations in making decisions in the organisations. -Independence is where the Board often drafts policies to be followed by the employees and in making quality decisions. The independence component shows the degree to which regular operators independently and with no influence from political power and other regulatory authorities make basic decisions.	Likert Scale of 1-5	(A.Durand, A., & Pietikainen, 2020) (Casullo & L, 2019) (Koske, 2016)
Decision Quality (Dependent Variable)	• Performance • Results • Risk Assessment	-Problem Recognition through the evaluation of results. -Risk assessment by analysing the actions of specific decisions -Results.	Likert Scale of 1-5	(Marang-Van & Van, 2023) (Howard, 1988)
Firm Size	• Number of Employees • Statements of Equity • Profits • Total number of tasks	-Profits enable the business grow to big size through investments made. -Labour of requisite skill is determines the growth and size of the firm. -It depends on the size of the market through the tasks performed by the organisation.	Likert scale of 1-5	(Nipun) (EduNote, 2023)

3.9.2 Limitations

i. Some respondents were not willing to answer certain questions in the questionnaire for fear that information provided may be used against them for example taxation purposes. However, this was solved by assuring them that the information being sought is purely for academic policies.

ii. Measurement errors arose during the development and administration of the research tool, data entry and analysis which may compromise the quality of the research findings. However, this was avoided by the researcher using search tools that have been tested everywhere to ensure reliability. The researcher carried out the necessary diagnostic tests to ensure that the data is suitable for the study.

iii. Confidentiality and protecting institutional image. However, this was resolved through the use of introduction letters from the university.

3.9.3 Ethical Considerations

It is important to consider issues of ethics in the research because it involves human subjects. Research ethics is an appropriate behaviour of a researcher relative to the norms of society. This research considered ethical factors in a number of ways; -

Participation in the research is voluntary and research participants were informed of the right to retreat at any time of their choice. Therefore, before the study was carried out, the researcher sought for approval 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 questionnaires being administered. Approval to conduct the study was sought from the research review committee of Kyambogo University which also consider ethical standards of the research.

The respondents were adequately be informed before the beginning of research regarding on how they were treated throughout the research, how risks were managed and the benefits of participating in the study.

The research participants were provided with information sheets earlier to study and enable them freely decide to participate. All their questions and concerns were answered and requests of voluntarily consent to participate in the study was made. The researcher assured the respondents that Invisibility and confidentiality was maintained and guaranteed.

The researcher allowed adequate time to reflect on the information provided, and minimise impolite and excessive influence. The respondents were not paid for their participation in the study and were not be required to write their names or signatures.

3.9.4 Conclusion

The purpose of the study was to investigate the effect of firm size between Corporate Governance Practices and decision quality in selected commercial banks in Uganda. Therefore, after a careful administration of the study instruments and examination of all variables, the researcher was able to draw conclusions on the findings based on the research objectives and recommendations made based on the study.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION AND DISCUSSION OF FINDINGS

4.0. Introduction

This chapter details the analysis, interpretation and presentation of the study findings. It is structured around four objectives:

1) To examine the relationship between Transparency and decision quality.

2) To investigate the impact of accountability on decision quality.

3) To assess the influence of Board of Directors Independence on decision quality.

4) To explore the moderating effect of firm size on the relationship between Corporate Governance Practices and decision quality.

The chapter begins with the response rate and then provides the demographic data of the respondents. It then goes on to present descriptive statistics on the main variables. This is followed by the examination of the study correlations and regression to test the hypothesized relationships.

4.1 Response rate

Out of the 250 questionnaires that were sent out and distributed, the study received 235 questionnaires giving a response rate of 94%. This rate surpasses the 60% threshold recommended by Baruch (1999) for quantitative studies, ensuring sufficient data for robust analysis.

Table 4.1: Showing Response rate

Instrument	Issued out (F)	Filled	Percent (%)
Questionnaire	250	235	94%

4.2 Demographic characteristics of the Respondents

This subsection details the demographic characteristics of the respondents and their descriptive statistics. It covers the distribution of respondents by gender, marital status, and tenure at their respective organisations, age group, education level and management level.

4.2.1 Sex of the Respondents

Table 4.2: below presents the sex of the Respondents

	Frequency	Percent
Female	100	42.6
Male	135	57.4
Total	235	100.0

Source: Primary data 2024

Results in the table 4.2 indicate that 42.6% of the respondents were female while 57.4%, were male. This suggests that the bank employs a higher proportion of men, potentially due to diversity in hiring practices that favour a broader range of skills and experiences traditionally associated with male candidates. However, the near balance in gender distribution implies that the organisation is making significant efforts towards achieving gender parity, even though men currently outnumber women.

4.2.2 Marital status

Table 4.3: Table below presents the Marital Status of the Respondents

		Frequency	Percent
Valid	Engaged	24	10
	Married	68	29
	Single	143	61
	Total	235	100.0

Source: Primary data 2024

Table 4.3 shows that 10%, of the total respondents were engaged, 29% were married and 61% were single. This means that the highest number of employees were single. This suggests that most respondents are likely to be flexible and adaptable to varying work schedules and demands as they may have fewer family obligations compared to their married or engaged counterparts.

4.2.3 Number of Years of Service in the Bank

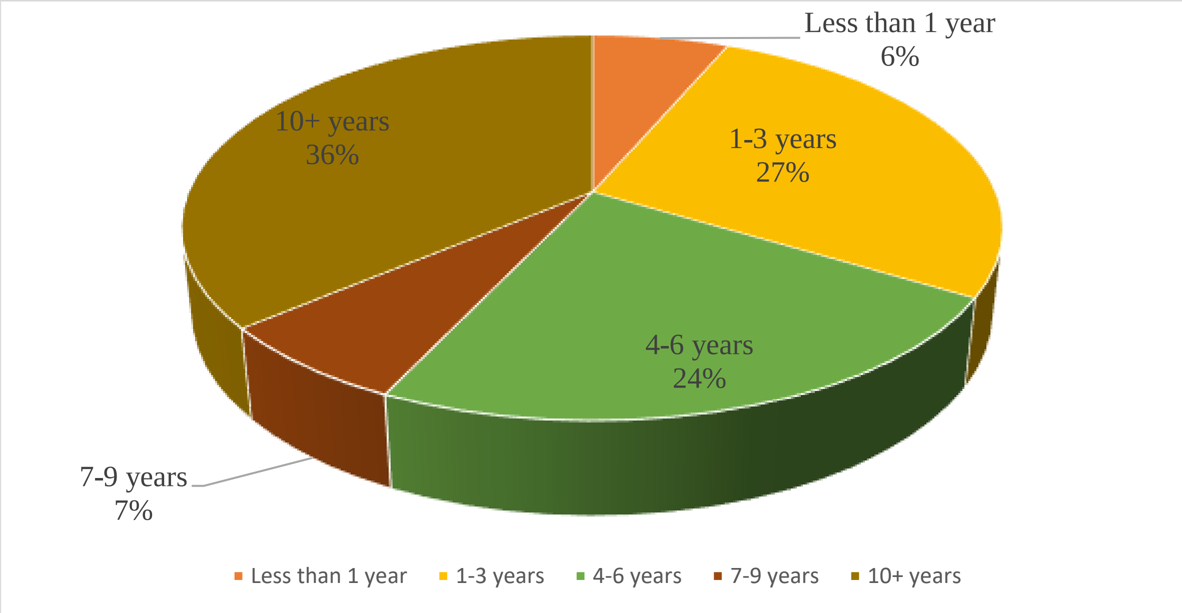

Figure 4.1: The figure above presents the number of years of service in the bank

Source: Primary data 2024

The Results in figure 2 above shows that 6.4% present are relatively new, representing a notable proportion of recent hires, 27.2% present have been in service for 1-3 years hence relatively new in the work field which in turn provides a high labour turn over, 23.4% present have served for 4-6 years indicating a sizeable segment of employees with moderate tenure, 6.8%, present have served for 7-9 years and 36.2%, have served for 10 years and above. The data reveals a workforce with a significant proportion of relatively new employees, which may indicate high recruitment and turnover rates.

4.2.4 Age group

Table 4.4: below presents the Marital Status of the Respondents

Age group	Frequency	Percent
18 - 29 years	142	60.4
30 – 39 years	88	37.4
40 – 49 years	5	2.1
Total	235	100.0

Source: Primary data 2024

The Results in Table 4.4 above shows that 60.4%, present fall in the age group of 18-29 years, 37.4% present belong to the age group of 30-39 years, 2.1%, present belong to the age group of 40-49 years. This demographic insight suggests that a substantial portion of the workforce in the commercial banks comprises of relatively younger individuals. This is because bring fresh perspectives and approaches to decision-making processes, potentially influenced by contemporary trends and technological advancements.

4.2.5 Highest Level of Education Qualification

Table 4.5:below presents the Marital Status of the Respondents

Category	**Frequency**	**Percent**
Chartered Governance Professional	5	2.1
CPA	3	1.3
Bachelor's Degree	165	70.2
Diploma	25	10.6
Masters	34	14.5
PhD degree	3	1.3
Total	235	100.0

Source: Primary data 2024

The Results in Table 4.5 above shows that 70.2%, present hold a bachelor's degree, 14.5% present obtained a master's degree, 10.6% present hold a diploma, while 2.1%, present have achieved professional qualifications such as Chartered Governance Professional or Certified Public Accountant. This demographic insight suggests that a significant portion of the workforce in the commercial banks possesses undergraduate qualifications. This implies that the banks are primarily staffed by individuals with a foundational level of higher education.

4.2.6 Level of Management

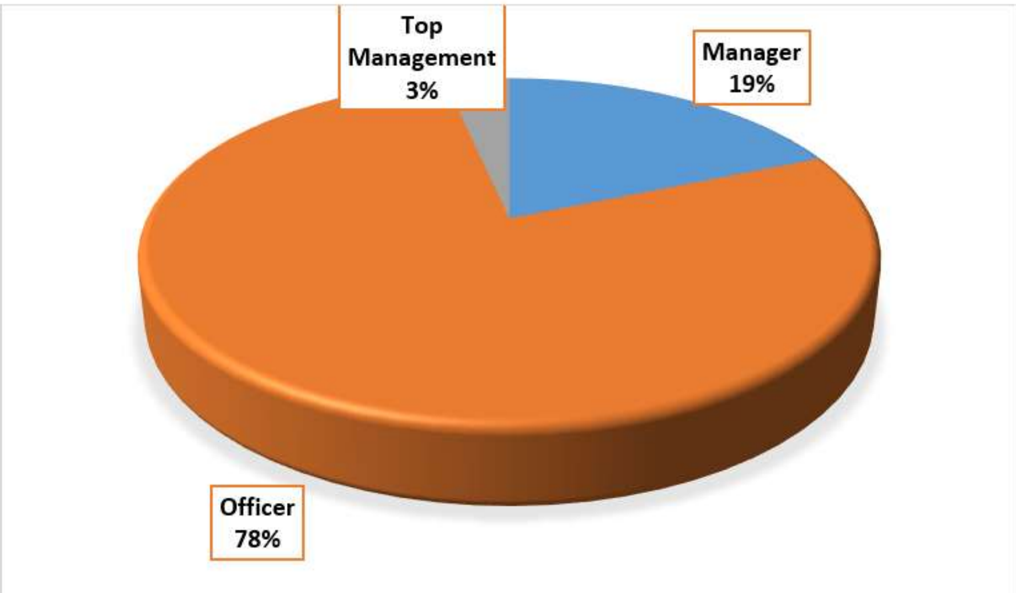

Figure 4.2: The figure above presents the Level of management of the Respondents

Source: Primary data 2024

The results in figure 3 above shows that 77.9%, present hold positions as officers, 18.7% present are managers and 3.4% present belong to the top management category. This suggests that a significant portion of the workforce is involved in operational roles and may be directly engaged in day-to-day decision-making processes.

4.3 Descriptive Statistics

This presents an overview of the descriptive statistics derived from the participants' responses considering both the independent and dependent variables of this study. The mean values for the various statements under each variable were assessed using a 5-point Likert scale, with the responses interpreted as follows: 1.0 - 1.8 (Strongly Disagree), 1.81 - 2.60 (Disagree), 2.61 - 3.40 (Neutral), 3.41 - 4.2 (Agree), and 4.21 - 5.0 (Strongly Agree).

Standard deviation (SD) measures the extent to which data points in a dataset deviate from the mean. The standard deviation indicates the degree of variability within the dataset was calculated. A low standard deviation (close to 0) signifies data points tightly clustered around the mean, indicating low variability, while a moderate standard deviation (towards 1) suggests moderate variability with data points somewhat spread out. In contrast, a high standard deviation (greater than 1) indicates significant variability with data points dispersed widely from the mean.

4.3.1 Descriptive Statistics on Transparency (n = 235)

This section presents the descriptive statistics on Transparency

Table below presents the Marital Status of the Respondents

Table 4.6: The Table below presents the Descriptive Statistics on Transparency

Code	Item	Min.	Max.	Mean	SD
TR1	In this organization, we adequately understand and review the entity's financial reporting requirements and communicate them to the different shareholders.	1	5	2.860	1.320
TR2	The Board of Directors openly share corporation information with the management team.	1	5	3.090	1.408
TR3	The managers of the corporation share with stakeholders' financial reports.	1	6	3.100	1.467
TR4	The person who represents this corporation in coordination meetings with donor and funders shares information with those who are concerned in the corporation	1	5	2.880	1.269
	Average			2.983	1.366

Source: Primary data 2024

Results in Table 4.6 above show that the mean score of 2.860 for the statement "In this organization, we adequately understand and review the entity's financial reporting requirements and communicate them to the different shareholders" suggests that respondents, on average, tend towards agreement with this statement. However, the standard deviation of 1.320 indicates variability in responses, implying that opinions among respondents vary to some extent regarding the clarity and communication of financial reporting requirements.

It was also revealed that the mean score of 3.090 for the statement "The Board of Directors openly share corporation information with the management team" indicates that respondents, on average, agree with this assertion. The high standard deviation of 1.408 suggests that while there is a consensus among respondents, there is variability in perceptions regarding the transparency of communication between the Board of Directors and the management team.

Furthermore, the findings suggests that managers of the corporation are relatively transparent in sharing financial reports with stakeholders, scoring an average of 3.100 out of 6. This indicates a moderately positive perception of transparency in financial reporting practices. However, the standard deviation of 1.467 suggests some variability in responses, implying that while the majority of stakeholders may perceive the financial reporting as satisfactory, there could be a subset of stakeholders who perceive it differently. This variability could stem from factors such as the clarity and comprehensiveness of the financial reports provided, as well as stakeholders' individual expectations and preferences regarding transparency.

On the other hand, the representation of the corporation in coordination meetings with donors and funders appears to have a slightly lower perceived level of effectiveness, with an average score of 2.880 out of 5. This suggests that stakeholders may feel less satisfied with the communication and information-sharing practices in these coordination meetings compared to the dissemination of financial reports. The standard deviation of 1.269 indicates some variability in perceptions among stakeholders, implying that while some may view the representation positively, others may have concerns about the effectiveness or comprehensiveness of the information shared. This variability underscores the importance of understanding and addressing stakeholders' diverse needs and expectations in communication and engagement efforts with external parties such as donors and funders.

4.3.2 Descriptive Statistics on Accountability (n = 235)

This section presents the descriptive statistics on Accountability

The Table below presents the Descriptive Statistics on Accountability

Table 4.7: The Table below presents the Descriptive Statistics on Accountability

Code	Item	Min.	Max.	Mean	SD
AC1	Management provides adequate information when making	1	5	2.880	1.390
AC2	Accountability	1	5	2.990	1.404
AC3	I admire the degree of participation during the Accountability process which leads to compliance	1	5	2.890	1.318
AC4	In this organization, the Bank Management is open in all information it disseminates to Stakeholders	1	5	2.640	1.327
	Average			2.850	1.359

Source: Primary data 2024

Results in Table 4.7 above show that the mean score of 2.880 for the statement "Management provides adequate information when making Accountability" suggests that respondents, on average, lean towards agreement with this statement. However, the standard deviation of 1.390 indicates moderate variability in responses, implying that while there is a general tendency towards agreement, there are differing opinions among respondents regarding the sufficiency of information provided by management during accountability processes.

Similarly, the mean score of 2.890 for the statement "I admire the degree of participation during the Accountability process which leads to compliance" indicates that respondents, on average, agree with this assertion. The standard deviation of 1.318 suggests moderate variability in responses, implying that while there is a general consensus on the importance of participation during accountability processes, there are variations in perceptions among respondents regarding the extent to which participation leads to compliance.

Furthermore, the mean scores for statements regarding the openness of bank management in disseminating information to stakeholders and the opportunity for managers to defend themselves against accusations exhibit similar trends towards agreement, with mean values of 2.890 and 2.640, respectively. However, the standard deviations of 1.318 and 1.327 indicate moderate variability in responses, suggesting diverse perspectives among respondents regarding these aspects of accountability.

4.3.3 Descriptive Statistics on Board of Directors Independence (n = 235)

This section presents the descriptive statistics on Board Independence

Table 4.7: The Table below presents the Descriptive Statistics on Board of Directors Independence

Code	Item	Min.	Max.	Mean	SD
BI1	In this organization, the Separation of Ownership has created the need for a system of independent monitoring and control	1	5	3.25	1.525
BI2_R	In this organization, Shareholders engage less in the Management monitoring process, and they prefer living the Management control in the hands of the managers	1	5	4.221	1.031
BI3_R	In this organization, the roles of the Board of Directors do not interfere with the role of the Shareholders	3	5	4.472	0.781
BI4_R	In this organization, Shareholders are involved in the taking of Management decisions	1	5	4.218	1.101
	Average			4.040	1.109

Note. R means that the items were reverse coded.

Source: Primary data 2024

Results in Table 4.7 above show that the mean score of 3.25 suggests a prevailing agreement among respondents regarding the necessity of an independent monitoring and control system due to the separation of ownership. However, the substantial standard deviation of 1.525 indicates notable variability in opinions, underscoring diverse perspectives on the specific implementation and scope of such independence. Conversely, respondents seem to disagree, on average, with the notion that shareholders prefer leaving management control solely in the hands of managers, as indicated by the mean score of 4.221. Although there's moderate variability in responses (standard deviation = 1.031), it highlights differing perspectives on the extent of shareholder involvement in management control, challenging any blanket assumptions.

Moreover, the mean score of 4.472 reflects a general disagreement with the idea that the roles of the Board of Directors do not interfere with those of the shareholders. The low standard deviation of 0.781 indicates a consistent view among respondents, emphasising a widespread understanding of the interconnectedness of these roles in Corporate Governance Practices.

Finally, the mean score of 4.218 indicates a tendency among respondents to disagree with the assertion that shareholders are actively involved in management decisions. However, the moderate standard deviation of 1.101 suggests varying perceptions regarding the degree of shareholder participation in these decisions.

4.3.4 Descriptive Statistics on Firm Size (n = 235)

Table 4.8: The Table below presents the Descriptive Statistics on Firm Size

Code	Item	Min.	Max.	Mean	SD
FS1	In this organization, the total number of assets influences the quality of decisions made	1	5	3.06	1.487
FS2	In this organization, the total number of employees influences the quality of decisions made	1	5	2.72	1.348
FS3	In this organization, profits greatly influence corporate decisions	1	5	2.74	1.219
FS4	In this organization, Shareholder's equity is always displayed on the company's balance sheet along with assets and liabilities	1	5	3.14	1.465
	Average			2.915	1.379

Source: Primary data 2024

Results in Table 4.8 above show that descriptive statistics shed light on how various factors influence decision quality within the organization, as perceived by respondents. Respondents generally agree (mean: 3.06) that the total number of assets influences decision quality. This indicates a widespread belief that asset numbers play a significant role in shaping decisions. However, the high standard deviation (1.487) suggests significant variability in responses, reflecting diverse perspectives on the extent of this influence.

In contrast, opinions are more mixed (mean: 2.72) regarding whether the total number of employees affects decision quality. The neutral mean score suggests uncertainty or disagreement among respondents on this matter. The high standard deviation (1.348) reinforces this, indicating considerable variability in opinions regarding the impact of employee numbers on decision-making quality. Similarly, there's a balanced view (mean: 2.74) among respondents regarding the influence of profits on corporate decisions. This neutrality in opinion suggests varying perceptions on the significance of profits in shaping decision-making processes. The high standard deviation (1.219) underscores the diversity of opinions and the range of factors considered when making corporate decisions.

Furthermore, respondents express mixed views (mean: 3.14) on whether shareholders' equity is consistently displayed on the company's balance sheet. While some may see it as essential, others may not consider it a priority. The high standard deviation (1.465) highlights the variability in responses, indicating differing perspectives on the necessity and practice of displaying shareholders' equity alongside other financial metrics.

4.3.5 Descriptive Statistics on Decision Quality (n = 235)

This section presents the descriptive statistics on Decision Quality

Table 4.9: The Table below presents the Descriptive Statistics on Decision Quality

Code	Item	Min.	Max.	Mean	SD
DQ1	In this organization, Decision making is only carried out by top management	1	3	1.50	.814
DQ2	In this organization, all decisions in the bank are based on accurate information	1	5	2.96	1.509
DQ3	Sometimes the lower staff are consulted during the decision-making process	1	5	3.06	1.393
DQ4	In this organization, all employees take responsibility for implementing action plans made	1	5	2.47	1.388
	Average			2.498	1.276

Source: Primary data 2024

Results in Table 4.9 above revealed that respondents strongly disagree (mean: 1.50) with the idea that decision-making is solely the responsibility of top management. This indicates a widespread belief among respondents that decision-making should involve more stakeholders than just top management. The low standard deviation (0.814) suggests a high level of consensus among respondents, reinforcing this sentiment. However, when it comes to decisions being based on accurate information, respondents express a neutral stance (mean: 2.96). This suggests a mixed opinion regarding the consistency of decision-making based on accurate data. The high standard deviation (1.509) indicates significant variability in responses, highlighting diverse perspectives on this aspect of decision quality.

Similarly, respondents hold a neutral view (mean: 3.06) on the consultation of lower staff during decision-making processes. While there's acknowledgment of this practice, the high standard deviation (1.393) suggests varying opinions on the frequency and effectiveness of involving lower staff in decision-making. In contrast, respondents' express disagreement (mean: 2.47) regarding whether all employees take responsibility for implementing action plans. This suggests a lack of consensus on the extent of employee accountability in implementing action plans. The high standard deviation (1.388) further underscores the variability in responses, indicating diverse perspectives on this aspect of decision quality.

4.4: Test of hypothesis

To establish whether there was a relationship between Corporate Governance Practices and decision quality in selected Commercial Banks in Uganda, the researcher conducted correlation and regression analyses. Correlation analysis was conducted first to ascertain the relationship among variables and the results are presented in the Tables 4.10 below.

4.4.1 **Correlation matrix (n = 235)**

Table 4.10: Pearson Results

		Mean	**SD**	**1**	**2**	**3**	**4**	**5**
1	Transparency	2.985	0.900	1				
2	Accountability	2.848	1.019	.628**	1			
3	Board of Directors Independence	4.041	0.800	.396**	.521**	1		
4	Firm size	2.914	0.941	.431**	.575**	.476**	1	
5	Decision Quality	2.499	0.685	.350**	.575**	.349**	.473**	1

Notes. **. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

The Results show that Transparency has a positive correlation to decision quality ($r = 0.350$, $p < 0.001$). The results also show that Accountability reveals a moderate positive relationship to decision quality ($r = 0.575$, $p > 0.001$). It was further revealed that Board of Directors Independence reveals a positive correlation to decision quality ($r = 0.345$, $p < 0.001$). The correlation between firm size and decision quality reveals a moderate positive relationship ($r = 0.473$, $p < 0.001$). The correlation results are in line with the hypothesis. Therefore, the researcher proceeded to run the multiple regression analyses to ascertain the extent to which each of the independent variables influences the dependent variable.

4.4.2 Regression Analysis

4.4.2.1 Simple Linear Regressions

I started by doing simple linear regressions between each independent variable with the dependent variable, which is decision quality.

Table 4.11: Coefficients of Regression for Transparency and Decision Quality

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.498	1	13.498	32.607	.000[b]
	Residual	96.454	233	.414		
	Total	109.952	234			

a. Dependent Variable: DQ
b. Predictors: (Constant), TRANSPARENCY

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.702	.146		11.681	.000
	TRA	.267	.047	.350	5.710	.000

a. Dependent Variable: DQ

The results in the table above show that Transparency has a modest positive effect on Decision Quality (Beta = 0.267) suggesting that one unit change in Transparency improves decision quality by 0.267 units.

Table 4.12: Coefficients of Regression for Accountability and Decision Quality

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.317	1	36.317	114.914	.000[b]
	Residual	73.636	233	.316		
	Total	109.952	234			

a. Dependent Variable: DQ
b. Predictors: (Constant), ACCOUNTABILITY

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.397	.109		12.804	.000
	AC	.387	.036	.575	10.720	.000

a. Dependent Variable: DQ

Accountability emerges as the predominant driver of Decision Quality with the highest standardized coefficient (Beta = 0.387). This signifies that a one unit increase in Accountability improves Decision quality by 0.387 units. This means that Accountability holds paramount importance for improving Decision Quality.

Table 4.13: Coefficients of Regression for Board of Directors Independence and Decision Quality

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.355	1	13.355	32.214	.000[b]
	Residual	96.597	233	.415		
	Total	109.952	234			

a. Dependent Variable: DQ
b. Predictors: (Constant), BOARD INDEPENDENCE

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.292	.217		5.961	.000
	B	.299	.053	.349	5.676	.000

a. Dependent Variable: DQ

Furthermore, A positive effect of Board of Directors Influence (Beta = 0.299) ($p < 0.001$) on Decision Quality underscores their significance in shaping decision-making processes. A one Unit increase in Board Independence improves decision Quality by 0.299 units. This highlights the pivotal role of effective board governance and organizational scale in driving better decision outcomes.

Table 4.14: Coefficients of Regression for Firm Size and Decision Quality

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.617	1	24.617	67.213	.000[b]
	Residual	85.336	233	.366		
	Total	109.952	234			

a. Dependent Variable: DQ
b. Predictors: (Constant), FIRM SIZE

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.495	.129		11.612	.000
	FS	.345	.042	.473	8.198	.000

a. Dependent Variable: DQ

A positive effect of Firm Size (Beta = 0.345) on Decision Quality underscores their significance in shaping decision-making processes. A one unit increase in firm size improves decision quality by 0.345 units.

Table 4.15: Coefficients of Regression for Firm Size with respect to Corporate Governance Practices

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Firm Size	.314	.056	.312	2.175	.000

a. Dependent Variable: Corporate Governance Practices

The regression analysis of the coefficient for Firm Size with respect to Corporate Governance Practices reveals significant findings. The standardized coefficient (Beta) for Firm Size is 0.314, indicating that Firm Size has a moderately strong positive effect on Corporate Governance Practices. The p-value (Sig.) is 0.000, which is less than 0.05, indicating that the relationship between Firm Size and Corporate Governance Practices is statistically significant

4.4.2.2 Multiple Regression

After conducting simple linear regressions, the researcher then conducted a multiple regression analysis to test the hypothesized relationships. First, I entered the control variables (gender, marital status, years of service, age category, education level, and management level) in Step 1, followed by the main effects, including transparency, accountability, Board of Directors independence, and firm size in Step 2, and the interaction term between transparency, accountability, Board of Directors independence and firm size in Step 3. The results can be found in Table 17.

Table 4.16: Regression Results for testing the moderating effect of firm size

	Step 1			Step 2			Step 3		
	b	SE	β	b	SE	β	b	SE	β
Gender	.150	.091	.108	-.044	.076	-.032	-.001	.076	-.001
Marital Status	.087	.073	.085	.005	.058	.005	-.050	.061	-.049
Years of service	-.090**	.033	-.182**	-.107**	.027	-.215**	-.125**	.028	-.251**
Age	.158	.095	.123	.105	.079	.082	.003	.083	.002
Education level	.079	.055	.100	.081	.045	.103	.080	.046	.102
Management level	.146	.115	.095	-.081	.099	-.053	-.119	.098	-.078
Transparency (TRA)				-.019	.053	-.025	-.121	.184	-.159
Accountability (AC)				.277**	.052	.411**	.647**	.179	.961**
BOARD OF DIRECTORS Independence (BI)				.088	.059	.102	.414 *	.207	.483 *
Firm size (FS)				.182**	.049	.250**	.930**	.266	1.277**
TRAxFS							.033	.059	.235
ACxFS							-.112*	.054	-.915*
BXFS							-.116	.073	-.948
R^2 (adjusted R^2)	0.068 (0.044)			0.430 (0.405)			.463 (0.432)		
R^2 Change	0.068			0.362			0.033		
F statistic	F = 2.781, p = 0.013			F = 35.551, p = 0.000			F = 4.577, p = 0.004		

Notes. **p > 0.01; *p > 0.05. Dependent variable is Decision Quality (DQ).

The results showed that only accountability (B=0.277, P<0.01) and Firm size (B=0.182, P<0.01) have an influence on decision quality. Board Independence (B=0.088, P>0.01) and Transparency (B= -0.019, P>0.01) did not have an influence on decision quality.

<u>Interactions</u>

- H3 (a) Firm size interacts with Transparency

-H3 (b) Firm size interacts with Accountability

-H3(c) Firm size interacts with Board Independence

The results showed how firm strategy interacts with accountability to predict decision quality. These results showed support for hypothesis 3.b then operationalized high and low levels of firm size as 1 SD above and below the mean and then plotted a graph, as shown in Figure 4 below.

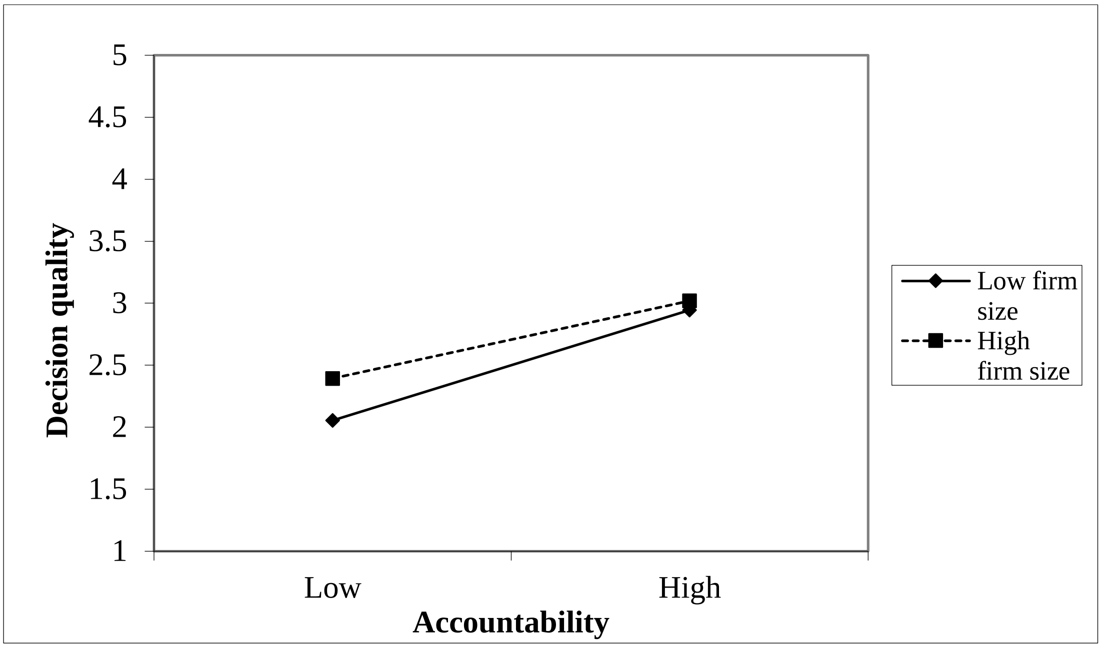

Figure 4.3: Accountability and Decision quality as moderated by Firm size

Source: primary data 2024

The Figure 4 above shows that Accountability and decision quality are highly influenced by the firm size of the organization. An increase in the firm size leads to high accountability in the organization and hence a high influence on the decision quality.

CHAPTER FIVE
DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the discussion of the research findings, conclusion, recommendations and areas for further study. This was done in line with the specific objectives of the study.

5.2 Discussion

5.2.1 Transparency and Decision Quality

There is a positive and significant relationship between Transparency and decision quality. This relationship is attributed to adequate understanding and review of the entity's financial reporting requirements and communication with the different shareholder. Through transparency, the Board of Directors openly share corporation information with the management team and managers of the corporation also share financial reports with stakeholders of the organisation. This emphasizes the importance of corporation in coordinating meetings with donors and funders share information with those who are concerned in the corporation. However, analyses shows that Transparency did not have a great influence on the decision quality in the banking sector.

The findings pertaining to transparency and communication within organizations reflect insights from prominent scholars in the field. Scholars like Durand and Pietikainen (2020) emphasize the critical role of effective communication in conveying financial information to stakeholders, facilitating informed decision-making. However, Dennis & Graham (2023), caution that the variability in responses regarding understanding and communicating financial reporting requirements underscores the importance of clear and consistent communication to mitigate information asymmetry and enhance transparency.

Regarding the open sharing of corporation information by the Board of Directors, the general consensus among respondents aligns with principles advocated by Abdelbadie & Salama, (2019) regarding the significance of transparency and information sharing in Corporate Governance Practices. Nonetheless, concerns raised by Kaczmarek, (2017) regarding varying perceptions among respondents underscore the importance of aligning interests and reducing agency costs through transparent communication channels.

Similarly, the agreement among respondents regarding managers' sharing of financial reports and representatives' sharing of information in coordination meetings resonates with the views of scholars like Nnko (2023) who emphasize the pivotal role of managerial transparency and effective communication in corporate decision-making processes. However, the nuanced nature of transparency perceptions within organizations, as evidenced by the variability in responses, underscores the multifaceted nature of transparency highlighted by Kaczmarek (2017).

5.1.2 Accountability on Decision Quality

The results indicate that management adequately provides information when making accountability, this is because of the degree of participation during the accountability process which leads to compliance in the organisation. Nevertheless, The Bank management is open in all information it disseminates to stakeholders and managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical manner inconsistent with professional standards. However, Analyses of the study show that accountability has a great influence on decision quality in the banking sector.

The results indicate that respondents' agreement with the adequacy of information provided by management during accountability processes reflects a prevailing sentiment in organizational literature. Scholars such as Malini (2021) emphasize the pivotal role of transparency and information dissemination in fostering accountability within organizations. However, the variability in responses underscores the diverse perspectives within the organization, echoing concerns raised by scholars like Kashyap & Iveroth (2021) regarding the complex nature of accountability perceptions influenced by individual contexts and interests.

Similarly, the agreement among respondents regarding the importance of participation in accountability processes aligns with arguments from scholars advocating for inclusive decision-making to enhance organizational accountability. Scholars like Emueje & Tochi (2020) underline the significance of participation in promoting transparency and stakeholder engagement. Yet, the variability in responses highlights the multifaceted nature of perceptions regarding the relationship between participation and compliance, echoing concerns raised by researchers such as Gani et al. (2021) about the need to consider diverse perspectives within organizations.

Furthermore, the agreement regarding the openness of bank management in disseminating information and the opportunity for managers to defend themselves against accusations reflects broader discussions in the literature on the importance of transparency and fairness in accountability processes. Gani et al. (2021) emphasized the need for organizations to foster environments where stakeholders feel empowered to voice concerns and participate in decision-making processes. However, the variability in responses underscores the need for organizations to consider individual perspectives and tailor accountability processes to address diverse stakeholder needs and expectations.

5.1.3 Board of Directors Independence on Decision Quality

There is a positive and significant relationship between Board of Directors Independence and Decision quality in the banking sector. This is because of the separation of ownership which has created the need for a system of independent monitoring and control where shareholders engage less in the management monitoring process, and they prefer living the management control in the hands of the managers. Furthermore, the roles of the Board of Directors do not interfere with the role of the shareholders who are directly involved in the taking of management decisions. However, Analyses of the study show that Board Independence does not have an influence on decision quality in the banking sector.

From the study findings, the prevalent agreement among respondents regarding the necessity of an independent monitoring and control system, as reflected in the high mean score, resonates with discussions by Ali & Oudat (2021) who emphasizes the importance of such independence due to the separation of ownership. However, the notable variability in opinions, indicated by the substantial standard deviation, underscores the diverse perspectives on the specific implementation and scope of such independence, aligning with arguments about the complexity of Corporate Governance Practices structures by scholars such as Dogan & Eksi (2020).

Conversely, the disagreement regarding shareholder preferences for leaving management control solely in the hands of manager’s challenges assumptions about shareholder involvement, echoing discussions by Alam, et al. (2020) regarding the significance of shareholder activism in corporate decision-making processes. This finding highlights the nuanced nature of governance dynamics, emphasizing the need for tailored approaches to governance.

Moreover, the disagreement with the idea that the roles of the Board of Directors do not interfere with those of the shareholders reflects principles advocated by Ali & Oudat (2021) regarding the interconnectedness of these roles in effective Corporate Governance Practices. The consistent view among respondents underscores a widespread understanding of the symbiotic relationship between boards and shareholders, echoing discussions in governance literature.

The tendency among respondents to disagree with the assertion that shareholders are actively involved in management decisions suggests varying perceptions regarding shareholder participation, aligning with discussions by Nnko (2023) about the challenges of meaningful shareholder engagement in management. This emphasizes the need for organizations to facilitate effective stakeholder engagement to align governance practices with organizational goals.

5.1.4 The moderating effect of firm size on the relationship between Corporate Governance Practices and Decision quality

There exists a strong and positive correlation between Corporate Governance Practices and decision quality within the banking sector. This correlation is fortified by several factors including the total number of assets, total number of employees influence on the decision quality, profits and shareholders' equity all of which contribute to decision quality in the banking sector. Firm size influences the quality of decisions made through the total number of assets and employees influence in the banking sector. By revealing the profits of the organisation, corporate decisions are greatly influenced, and shareholders' equity is always displayed on the company's balance sheet along with assets and liabilities. Firm size highly influences decision quality through the Accountability in the organisations. The larger the firm size, the more the accountability and the lower the firm size, the lower the accountability. The study's findings corroborate previous research such as the study by Jensen (1993) concluded that a large firm size is less effective in coordination, communication and decision making and is more likely to be controlled by the CEO. A large firm is said to benefit corporate performance and decision quality because of strengthening the ability of firm to establish internal links with the environment by securing more resources and bringing more exceptional qualified Human resource (Dalton & Lee, 2006). Furthermore, large firm size improves the efficiency of the decision-making process because of information sharing, Technological advancement and benchmarking. However, other scholars revealed no relationship between firm size and decision quality (Keymark & Bekats, 2017). Eisenberg (1998) found a negative correlation between firm size and decision quality with supported theories put forward by Lipton, Lorch (1992) and Jensen (1993). All the above different results contribute to the on-going debate of how unresolved the size of the firm is on the various decision quality measures of commercial banks.

5.3 Conclusion

The results shed light on the nuanced dynamics of transparency and communication within organizations, aligning with perspectives from prominent scholars in the field. While there is a general agreement among respondents regarding certain aspects of transparency, such as the open sharing of corporation information by the Board of Directors, variability in responses highlights the complexity of transparency perceptions within organizations. The results also provided valuable insights into the perceptions of respondents regarding accountability processes within their organizations. While there is a general inclination towards agreement on various aspects of accountability, such as the adequacy of information provided by management and the importance of participation in accountability processes, the moderate variability in responses underscores the complexity and diversity of perspectives within organizations.

The results from the study also highlight the multifaceted nature of governance dynamics within organizations. While there is general agreement on the importance of independent monitoring and shareholder involvement in decision-making processes, the variability in responses underscores the complexity of governance structures and stakeholder perspectives.

5.4 Recommendations

The following recommendations were put forward

5.4.1 Policy Recommendations

The researcher recommended that policy makers mostly the Board of Directors should allocate resources towards improving the training and development of Accountability decision representatives to ensure they possess the necessary knowledge and skills to effectively address decision making. Additionally, policy makers should focus on enhancing the Accountability and stakeholder engagement in governance processes. This involves creating platforms for meaningful dialogue between shareholders, boards, and management to foster a shared understanding of governance principles and accountability practices. Furthermore, organizations should consider establishing governance committees or task forces comprising representatives from diverse stakeholder groups to oversee the implementation of governance initiatives. By actively engaging stakeholders and tailoring governance practices to address diverse perspectives, organizations can strengthen their governance frameworks and foster trust and accountability among stakeholders

5.4.2 Managerial Recommendations

It is recommended that management of commercial banks should spearhead initiatives to improve accountability practices within their respective domains. This involves implementing clear and consistent communication channels, fostering an open culture of information sharing, and providing training and resources to enhance stakeholders' understanding of financial reporting requirements. Moreover, designated committees or task.

Forces, comprising representatives from various organizational levels, should be established to oversee the implementation of these initiatives, ensuring alignment with organizational goals and values.

Organizational leaders should also take proactive steps in enhancing accountability processes. This involves creating a culture of transparency and openness where information is readily shared, and stakeholders are encouraged to participate in decision-making processes. Furthermore, designated committees or task forces, comprising representatives from various organizational levels, should be established to oversee the implementation of accountability initiatives. By actively engaging in these efforts, organizational leaders can foster an environment conducive to accountability, thereby enhancing organizational trust and effectiveness.

Furthermore, organizations should consider establishing governance committees or task forces comprising representatives from diverse stakeholder groups to oversee the implementation of governance initiatives. By actively engaging stakeholders and tailoring governance practices to address diverse perspectives, organizations can strengthen their governance frameworks and foster accountability among stakeholders

5.5 Areas for further research

The following areas for future research studies:

Mixed methods using quantitative and qualitative approach to get a deeper understanding of quality decision concepts.

Assess how Corporate Governance Practices in commercial banks contribute to long-term sustainability and resilience in the face of economic uncertainties and environmental challenges.

Future researchers could explore how firm size affects Corporate Governance Practices and decision quality in the banking sector.

References

A.Durand, A., & Pietikainen. (2020). The Governance of Regulators in Latin America. Latin America: Regulatory policy working papers .

Abdelbadie, & Salama. (2019). CORPORATE GOVERNANCE PRACTICES and financial stability in the US Bnaks . Journal f Business research .

Acharya, & Peterson. (2005). Asset pricing with liquidity risk. Journal of Financial Economics, 77(2), 375-410.

Adams, & Mechran. (2005). Coprorate performance,Board structure and its determinants in the Baking indusrty. ABFER: University of Oxford.

Alexander. (2006). CORPORATE GOVERNANCE PRACTICES and Banks:The role of regulation in reducing the principal-agent problem. Banking Regulation, 17-40.

Amin. (2005). Description of a research design.

Anthony, W. (2018). Reconsidering the indurial Revolution: England and Wales . Journal of interdisciplinary History, 49: 9-42.

Ararat. (2017). The Effect of corporate governace on firm value and profitability.

Ary, & Razavieh. (2002). Situaton analysis in data collection.

Beck, T. &. (2006). Bank Efficiency,Ownership and Market structure : Why Interest spreads so Hgh in Uganda. Washington,D.C: World Bank Working Paper series .

Brown, & Moore. (2004). Exploring the association between board nd organisational performance in Non-profit organisations . Arizon state University .

Brownbridge, M. (2002). Resolving bank failures in uganda. Policy lessons from recent bank failures. United Kingdom: Blakwell Publishers;Oxfox.Uk & 350 Mainstreet.

Calominis. (2008). Bank Crises. google scholar, pg 10-14.

Casullo, & L, A. F. (2019). The 2018 indicators on the Governance of sector Regulators -Part of the product Market Regulation Survey.

Chahine, & safieddine. (2011). CORPORATE GOVERNANCE PRACTICES and external monotoring of banks . Journal of management and Governance .

Chung, Wright , & Kedia. (2003). Corporate Governace and market valuation of capital and R & D Investment . Review of financial Economics , pp. 12: 161-172.

Cooper, & Schindler, P. (2006). Business Research Methods, 11th Edition. New Delhi-India: McGraw-Hill Publishing.

corporation, F. D. (2013, November 15). Retrieved from Wikipidea.

Countries, I. H. (2021, June 2). European route of industrial heritage . Council of Europe .

Dalton, & Lee. (2006). Interpretation on utomatic: a different view of strategic issue diagnosis . Journal of management studes , 30, 339-357.

Davydov, & Swidler. (2016). Assessing quality of statements in Emerging Market countries .

Dean, & Sharfman. (2013). Procedural rationality in the strategic decision making process . Journal of management studies , 30, 587-611.

Dekker. (2016). On the boundaries between intrafirm and intrerfirm management accounting research. 31,86-99.

Dennis, S., & Graham , J. (2023, June 13). World War 1.

Donaldson, & Davis. (1991). Stewardship theory : CEO Governace and shareholders Returns . Australian Journal of management , 16(1): 50-65.

Duhaime, & Baird. (2007). Divestment decison making :the role of business firm size . Journal of manaement , 13, 483-499.

Dykstra, & Clarence. (1999). The Quest for responsibility. American political science review, 33(1), 1-25.

Editors, H. (2023, June 27). World War II. Outbreak of World war II 1939.

EduNote. (2023, August 29). size of Business Unit . definition,measures ,factors ,concepts,optimum size of Business.

Eugenia, & Tiberiu, E. I. (2013). Accounting Information for strategic Decisions. Educational Research International, pp. 92-93.

Fredrickson. (2006). The strategic decision process and organisation structure. Academy of management review, 11, 280-297.

Garvin. (2007). definition of a conceptual framework.

Glaubitt, & Hamada. (2010). Main stream of microfinance institutions in Uganda.

Governement of Uganda, B. o. (1966). Entebbe, Uganda: Uganda Printers and Publishing Corporation.

Group, S. D. (2000). Embedding Decision Quality in Chevron's culture. Help in outeperfomring the Competition.

Havemann, R. (2021, July 29). The South African small banks crisis of 2002/3. pp. 313-338.

Heenetigala. (2017). CORPORATE GOVERNANCE PRACTICES practices and firm performance. Business strategy and the Environment .

Hertz, Melese, & John, W. &. (1966). Decision Analysis: Applied Decision Theory,Ronald A,Howard,. The proceedings of the fourth internatiional conference on operational Research.

Howard, R. (1988). Decision Analysis ;Practice and promise, Management Science. No.6.

Iwo, J. (2023, March 27). HISTORY. Retrieved from https://www.history.com/topics/world-war-ii/battle-of-iwo-jima

James, C. (2023, March 22). CORPORATE GOVERNANCE PRACTICES definition: How it works,principles and examples. Retrieved from Investopedia: investopedia.com/terms

Janvrin, & Watson. (2017). Big data : A new twist to accounting . Journal of Accounting Education, 38,3-8.

Karim. (2011). Finance in Southern Africa Development Community. Bayai.

Keymark, & Bekats. (2017). Board size and finncial sustainability of finacial institutions. International journal of advanced Engineering.

Kluver, H. (2016). Ideology and values in public administration. American journal of political science .

Koske. (2016). Regulatory management practices in OECD countries. In Economics Department Working Paper (p. No.1296).

Kothari. (2010).

Leedy. (2001). Validity and reliability of research Instruments .

Makai, J. M., & Tobias , O. (2016). CORPORATE GOVERNANCE PRACTICES and fiancial growth of savings and credit institutions . International journal of Economics ,Commerce and management .

Marang-Van, P., & Van, d. M. (2023). Quality Indicators.

Marshall, P. (2014). Decision making process.

McLaughlon, T. (2020, October 20). First City Bank of Florida forced to close.

Ministry of Finance, p. a. (2009). Regulation of Banking Institutions . Entebbe,Uganda: Government printers .

Neal, L., & Carl, S. (2015, May 27). An organisation-wide approach to Good Decison Making. Havard Busness Review .

Nipun. (n.d.). Factors Determining the size of the firm. Economics.

Nooraie, M. (2011). Decisios familiarity and strategic Decision making process output: the mediating impact of rationality of the decision making process. International Journal of Applied Decision Sciences, 385-400.

Odera. (2012). Corporate Governance Practices pfoblems of financial institutions . INternational journal of academic research in business .

Oslo, & Norway. (2023). Decion Quality Conference. 4th Decision Quality Conference in Europe. Norway.

Oso, & onen. (2008). Quantitative Imaging of injectant mole fraction and density :.

Ovidia. (2013). maximization of profitability of an organisation and utilisation of scarce resources.

Peter, & Eyesan. (2015). CORPORATE GOVERNANCE PRACTICES and financial sustainability of Microfinance institutions in Nigeria .

Professionals, S. o. (2014). The Raiffa-Howard Award for organisational Decsision Quality.

Ronald, & Howard. (1988, June). Decision Analysis : Practice and promise, Management science. pp. Vol. 34, No.6.

Samaha, & Khlif. (2016). Adoption of and compliance with IFRS in developing countries . Journal of Accounting in Emerging Economies , 6(1), 33-49.

Sekaran, & Bougie. (2010). Research Methods for Busness: A skill Building Approach. 5th Edition. Delhi: Aggarwal Printing press.

Silva, Quelhas, Gomes, & Domingos. (2017). Internal migration theory application in corporate governace.Mackenzie management Review . 18(5),144-168.

Sorensen, & Miller. (2017). Board independence.

Srinivasan. (2008). Finance India:state of the sector report. New Delhi: SAGE Publications.

Steward, & Ware. (1992). International quality of life assessment : Responsiveness to change; an aspect of validity,not a separate dimension.

Tickell. (2010). One Nations Dilemma. International Business & Economics Research Journal, 9- 11.

Tomlinson. (2014). Organisational Transparency: A New perspective on managing Trust in organisation-stakeholder Relationships. Journal of management .

Touliatos, Dillman, & Bowker. (2000). Handbook of family measurement technology: Effects of questionnaire design on quality suvery data.

Trimisiu. (2012). Accounting Information As an Aid to management Decision Making. . International Journal of Management and social sciences Research., 29-30.

Trochim. (2006). Quantitative Research methods.

Uganda, B. o. (2005). Implementing Regulations :Bank of Uganda:Kampala,Uganda.

Uganda, G. o. (1972). Uganda Development Bank Act. Entebbe, Uganda: Uganda Printers and Publishing Corporation.

Ullah, & and many others. (2014).

Wegner, & Schmidt. (2001). Assessment of students perspective on the implementation of questionnaire survey.

Wheeler, J. (2006). Rights, Resiurces and politics of accountability.

William, S. (2010). The world war end. Oxford University Press.

Woods. (2008). How external parties influence government decision making. 22nd International consortium on Governement Financial Management Conference Miami:Consortium on Government Financial Management. Miami.

Wruck. (2008). Corporate Governance Practices and performance Evidence from private placements of common stock . Journal of corporate finance .

Yatim. (2009). Board decison quality as an elevation in performnance.

Yin. (1984).

Zager, Z. (2006). The role of financial Information in Decision making process. Innovative Marketing, pp. 35-40.

Zeshan, N. (2023, June 27). Decision making in management, Types, Importances and processes.

Zikmund, F. (2010). How feeling informed relates to being informed .

APPENDICES

Appendix 1: LETTER OF INTRODUCTION

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

REF: RESEARCH STUDY

I am Seera Joan Clare a student of Kyambogo University pursuing a degree of Masters of

Business Administration at Kyambogo University. I am carrying out Research on **"The Moderating Effect of Firm Size between CORPORATE GOVERNANCE PRACTICES and Decision Quality in Selected Commercial Banks in Uganda''** as a prerequisite for the award of the masters' degree. I kindly request you to fill the questionnaire by ticking in the blank spaces provided. The information is for academic purpose only and will be treated with utmost confidentiality.

Thank you very much for accepting to complete this questionnaire.

Yours faithfully

Joan Clare Seera

20/U/MBA/13209/WKD

Appendix II: QUESTIONNAIRE

SECTION A: BACKGROUND INFORMATION

Please tick the appropriate option where applicable

1. Sex

a. Male ☐ b. Female ☐

2. Marital status:

a. Married ☐ b. Single ☐ c. Widower ☐ d, Widow ☐ e. Divorced ☐

3. Number of Years of service in the Bank
   a. Less than 1 year ☐
   b. 1-3 years ☐
   c. 4-6 years ☐
   d. 7-9 years ☐
   e. 10 years and above ☐
4. Age group
   a. 18-29 years ☐
   b. 30 -39 years ☐
   c. 40-49 years ☐
   d. 50-59 years ☐
   e. 60 years and above ☐

5. Highest level of education
   a. Certificate ☐
   b. Diploma ☐
   c. Bachelors ☐
   d. Master's degree ☐
   e. PhD degree ☐
   f. Any other ☐

6. Level of Management

a, Board Management ☐ (b)Top Management ☐ (c)manager ☐ (d) Officer ☐

Section B: CORPORATE GOVERNANCE PRACTICES

TRANSPARENCY

This section seeks to establish whether the bank has Transparency and communicates all the information to the shareholders. Please give your honesty opinion of 1to 5 point scale where.

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

S/N	STATEMENTS	1 SD	2 D	3 N	4 A	5 SA
TR1	In this organization, we adequately understand and review the entity's financial reporting requirements and communicate them to the different shareholders.					
TR2	The Board of Directors openly share corporation information with the management team.					
TR3	The managers of the corporation share with stakeholders' financial reports.					
TR4	The person who represents this corporation in coordination meetings with donor and funders shares information with those who are concerned in the corporation					

ACCOUNTABILITY

This section seeks to establish whether Accountability has enhanced decision quality at the Bank. Please give your honesty opinion on 1–5-point scale where,

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

S/N	STATEMENTS	1 SD	2 D	3 N	4 A	5 SA
AC1	Management provides adequate information when making Accountability					
AC2	I admire the degree of participation during the Accountability process which leads to compliance					
AC3	In this organization, the Bank Management is open in all information it disseminates to Stakeholders					
AC4	Managers are given the opportunity to defend themselves against accusations of malpractice of any kind whenever they behave in an ethical manner inconsistent with professional standards.					

BOARD INDEPENDENCE

This section seeks to establish whether decision quality has been enhanced through board independence. Please give your honesty opinion of 1 to 5 point scale where;

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

S/N	STATEMENTS	1 SD	2 D	3 N	4 A	5 SA
BI1	In this organization, the Separation of Ownership has created the need for a system of independent monitoring and control					
BI2	In this organization, Shareholders engage less in the Management monitoring process and they prefer living the Management control in the hands of the managers					
BI3	In this organization, the roles of the Board of Directors do not interfere with the role of the Shareholders					
BI4	In this organization, Shareholders are involved in the taking of Management decisions					

Section B: DECISION QUALITY

This section seeks to establish Decision Quality at the bank. Please give your honesty opinion of 1 to 5-point scale where;

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

S/N	STATEMENTS	1 SD	2 D	3 N	4 A	5 SA
DQ1	In this organization, Decision making is only carried out by top management					
DQ2	In this organization, all decisions in the bank are based on accurate information					
DQ3	Sometimes the lower staff are consulted during the decision-making process					
DQ4	In this organization, all employees take responsibility for implementing action plans made					

Section B: FIRM SIZE

This section seeks to establish whether Firm Size influences the quality of decisions made at **the Bank.** Please give your honesty opinion of 1 to 5 point scale where;

Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
1	2	3	4	5

2		1 SD	2 D	3 N	4 A	5 SA
FS1	In this organization, the total number of assets influences the quality of decisions made					

FS2	In this organization, the total number of employees influences the quality of decisions made					
FS3	In this organization, profits greatly influence corporate decisions					
FS4	In this organization, Shareholders equity is always displayed on the company's balance sheet along with assets and liabilities					

Thank you.

Appendix III: DETERMINING THE SAMPLE SIZE

TABLE FOR 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.

Krejcie, Robert V., Morgan, Daryle W., (1970) “Determining Sample Size for Research Activities”, Educational and Psychological Measurement.