THE ROLE OF CORPORATE GOVERNANCE ON ORGANIZATIONAL PERFORMANCE

CASE STUDY: INTERLINK INSURANCE COMPANY LIMITED

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REG. No. 2012-B021-10287

June, 2015

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Submitted by

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A DISSERTATION SUBMITTED TO THE FACULTY OF BUSINESS ADMINISTRATION AND MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF BACHELOR DEGREE OF BUSINESS ADMINISTRATIONAND MANAGEMENT OF UGANDA MARTYRS UNIVERSITY

June, 2015

DEDICATION

I dedicate this noble piece of work to my beloved mother Madam Mbabazi Grace Jolly and to my father Mr. Bangirana Bernard. I would like also to dedicate this piece of work to my brothers Ampereza Lawrence and Tayebwa Isaac.

ACKNOWLEDGEMENT

I do thank God for his guidance during the process of study and for having enabled me to attain this academic study.

In a special way, I thank Moses Kibrai my supervisor and lecturer for the academic and personal guidance, valuable time, rendered to me during the research period however busy he was.

I also thank the management and employees of INTERLINK INSURANCE COMPANY LIMITED for the time they sacrificed to answer my questionnaires.

I also want to tank Bernard Bangirana who has sponsored my study both in this research and also the entire academic year. I don't know what I would do without you.

I also want to thank my mother Grace Mbabazi for the help she has provided to see to it that this book is finished.

I also extend my appreciation to the following staff and colleagues for their continuous support in the pursuit of writing this report. Fr. Mugisha Ambrose, Joseph Halerimana, the Library staff, all classmates not forgetting the faculty administrator Agness. May all your wishes come to reality.

May God bless you all!

Table of Contents

List of tables

List of figures

ABSTRACT

This study examined the role of corporate governance and organizational performance in Uganda.
The study is guided by three objectives which include; examining the role of accountability on organizational performance in Uganda, evaluating the role of transparency on organizational performance and investigating the role of integrity on organizational performance in Uganda.

The study used a case study research design and also adopted a quantitative approach for the sample size for the study was determined by use of Krejcie and Morgan (1970) table which obtained a sample size 28 respondents. Data was collected through closed ended questionnaires.

The main findings reveal that accountability plays a significant role in organizational performance as established by the results of the responses provided by the respondents. The study also reveals that transparency is significant in organizational performance and lastly, the study establishes that integrity plays a significant role in organizational performance.

The study concludes that the dimensions of corporate governance considered in this study which include; accountability, integrity and transparency are key determinants in the performance of organizations.

The study therefore recommends that management of organizations should emphasize accountability, transparency and integrity among staff which promote their performance.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

The study being conducted is titled "The role of corporate governance in the performance of organizations". Corporate governance is the independent variable and organizational performance is the dependent variable. The dimensions of interest and main writers for the

Independent variables are accountability Henry (2012), transparency Shnal (2013) and integrity Thomas (2011).

Majority of writers to the study of organizational performance have majorly concentrated on other factors such as corruption, mismanagement, bankruptcy and the likes. There are few studies that have related failure of organizations to poor corporate governance and this study is concentrating on the relationship between corporate governance and organizational performance.

1.1 Background to the study

The recent onslaught of corporate scandals has compelled the world to acknowledge the profound impact of corporate governance practices on the global economy. Corporate governance has become important for the survival of companies and indeed of national economies in the increasingly global economy. The concept of corporate governance had probably existed from antiquity (Kukure, 2006).

Bello (2012) asserted that corporate governance has a long history which dates back to the ancient times where tribal communes supervised the activities of the tribe as well as individual members of the tribe to ensure conformity with tribal norms. This later became agrarian communities giving rise to global trading entities after the post-Christ period, when England as the most powerful trading nation formed a variety of regulation and regulatory authorities such as Joint Stock Companies and Bank of England to govern all trading activities on the platform of accountability, efficiency, effectiveness and stakeholder's satisfaction

Crawford (2007) observes that since the late 1970s, corporate governance has been the subject of significant debate in the United States and around the globe. This was owing to the wave of dismissals of Chief Executive Officers (CEOs) of corporations like IBM, Kodak and Honeywell by their board of directors.

In 1997, the Eastern Asian financial crisis saw the economies of Thailand, Indonesia, South Korea, Malaysia and Philippines severely affected by the exit of foreign capital after the collapse of huge assets. In the early 2000s, massive bankruptcies and criminal malfeasance of Enron and WorldCom amongst other smaller corporations led to increased shareholder and government interest in corporate governance (Kukere, 2006).

According to Wilson (2006), after independence in 1962, Uganda was one of Africa's most economically promising states. It was self-sufficient in food production and its manufacturing sector produced basic inputs and consumer goods. However, from 1971 to mid-1980 the economy fell into a crisis under the strain of civil wars and poor economic programs such as the nationalization of industries and the expulsion of Asians who were the key players in the economy.

Under the influence of the International Monetary Fund (IMF) and the World Bank, the Uganda government acted to rehabilitate and stabilize the economy by undertaking privatization of the industry and services, currency reform and the liberalization of the exchange rate system. Due to a combination of these reforms and a relative degree of security in the country, the economy has consistently enjoyed high rates of growth. Uganda has been one of Africa's recent success stories with its reports of economic growth. Uganda has for the last fifteen years pursued economic policy reforms that have imposed fiscal discipline, restructured public expenditure and liberalized the economy.

During 1990-2001, the economy turned in a solid performance based on continued investment in the rehabilitation of the infrastructure, improved incentives for production and exports, reduced inflation, gradually improved domestic security, and the return of exiled Indian-Ugandan entrepreneurs.

The Capital Markets Authority Kenya and Capital Markets Authority Tanzania respectively have issued Corporate Governance Guidelines. The guidelines apply to public listed companies and are similar to that of Uganda. The guidelines contain principles generally agreed upon within the East Africa Securities Regulatory Authorities (EASRA) (Mariam, 2010).

1.2 Problem statement

Organizational crisis which includes both bankruptcy and a dramatic fall in market value has increasingly affected blue chip companies in recent years yet exiting theory views failure as typical of declining companies at the end of the lifecycles. Reports of crisis in once highly regarded companies dominated the business news during the first three years of the new millennium World com, Enron, Conseco, Global crossing, United airlines, Kmart each month brought a sound of another titan crushing to earth. The six bankruptcies mentioned above alone caused over 125,000 layoffs and destroyed assets valued at US$300 Billion (Graff, 2013).

The use of failure when referring to a company doesn't necessarily mean bankruptcy and a dramatic fall from grace qualities too. Former stock market stars such as ABB, AT and T, Daimler Chrysler, France Telecom, Time warner and Vivend Universal share the pillory of shame as value destroyers. The six companies lost more than half their value of US$510 billion between 1998 and 2003. What took decades to create was lost within months (Lamport, 2011).

In Uganda alone, several companies are declining and others have totally failed whereas others have been made to step down for instance on 25th July 2014, Uganda's central bank revoked the license of operation of Global trust bank limited thus shut it down with immediate effect. This followed reports that the bank was continuously accumulating loses and that this would endanger customer deposits. Other banks that have faced this kind of difficulty include cooperate bank, international credit bank and Greenland bank (Jeff, 2014).

1.3 Broad objectives

To examine the role of corporate governance on the organizational performance in Uganda

1.4 Specific objectives

i To examine the role of accountability on the organizational performance in Uganda

ii To evaluate the role of transparency on organizational performance in Uganda

iii To investigate the role of integrity on organizational performance in Uganda

1.5 Research questions

i What is the relationship between accountability and organizational performance?

ii What is the relationship between transparency and organizational performance?

iii What is the relationship between integrity and organizational performance?

1.6 Research hypothesis

There is a relationship between Corporate Governance and organizational performance

1.7 Significance of the study

The study will help me as an individual to understand better how corporate governance influences or affects the performance of an organization and perhaps make me a better decision maker when put in relevant positions.

The study will also enable organizations which are carrying out corporate governance to increase on their knowledge of its roles and effects within the organization.

This study will also be helpful to other students within the country who are carrying out research in this area. The study will act as stepping stone for further research that may be carried out by them hence increasing upon their knowledge.

1.8 Justification of the study

There is a demand by society, that businesses should be well governed. This demand by society has also extended to other stakeholders who believe that a company should not only look at profit maximization but issues such as corporate Social responsibility (Miriam, 2012).

The study is intended to establish and develop a baseline that will be used by scholars to establish the role of corporate governance on the performance of an organization.

1.9 Scope of the study

The scope of my study focuses on three areas that is geographical scope, the content or subject matter and the time scope.

1.9.1 The geographical scope

The geographical scope of my study is going to take place in Kampala which is the capital city of Uganda and it’s mainly going to be focused on insurance companies in specific Interlink Insurance Company located on Plot 3, Old Kiira road, Kamwokya, P.O Box 21086, Kampala.

1.9.2 The content scope

The content scope identifies the variables and there dimensions and in this case, the independent variables of my study are; Accountability, policy Transparency and Integrity whereas the dependent variables are market share, sales turnover and profit levels. The empirical references include corporate governance books and journals got from both the internet and library as they may contain the content needed for my research.

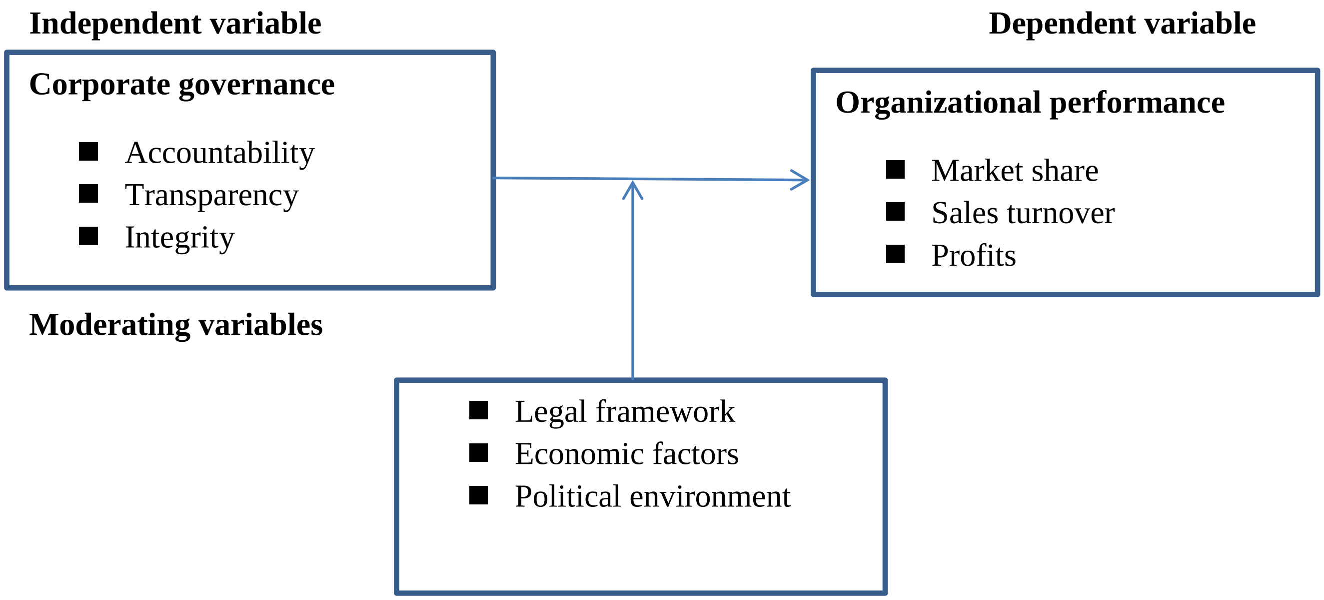
1.9.3 The time scope

The time scope which states the period for collecting data or data collection of which in this case we shall use the snap shot.

1.10 Conceptual framework

The conceptual framework shows that a change in the independent variable will cause a change in the dependent variable.

Fig 1 Conceptual framework



Source: Adapted from Alexandrea (2014) and modified to suit the study

The conceptual framework contains and represents the relationship between the independent variable, dependent variable and the moderating variable.

According to Alexandrea (2014), the three principles of corporate governance are transparency, accountability and integrity. All the three are crucial in successfully running a company and forming solid professional relationships among its stakeholders which include the board of directors, managers, employees and most importantly shareholders.

Alexandrea (2014) states that transparency in its simplest terms means having nothing to hide. According to him, after the financial scandals in the early 2000’s, transparency has played a big role in preventing fraud from happening again especially at such a large scale. He further states that transparency has played a big role in preventing fraud from happening again especially at such a large scale. He further states that transparency is a critical component of corporate governance because it ensures that all of the company’s actions can be checked at given time by an outside observer. This also makes its process and transaction verifiable, so if a question does come about a step, the companies can provide a clear answer. And after the Enron scandal in 2001, transparency is no longer just an option, but a legal requirement that a company has to comply with.

Accountability on the other hand can mean answerability or liability (Alexandrea, 2014).

According to him, shareholders are deeply interested in who will take the blame when something goes wrong one of a company's many processes as well as when everything goes smoothly as expected. He further states that accountability goes back to the financial scandals in the early 2000's in which there had been a lot of money stolen, but not enough people to answer for the crime.

Alexandrea (2014), further states that accountability improves performance in such a way that people who have no sense of ownership over their tasks don't feel the motivation to do more than what's expected of them. He states that there is no incentive to work hard and achieve something but when they understand the weight of their responsibilities, they're more inclined to make sure that they carry out their tasks properly. And when they are successful in this regard, they're likely to feel a sense of accomplishment and this further fuels their desire to do better.

1.11 Operational definitions of key terms

Accountability

Accountability refers to the obligation of an individual or organization to account for its activities, accept responsibility for them and to disclose the results in a transparent manner.

Transparency

Transparency refers to the minimum degree of disclosure to which agreements, dealings, practices and transactions are open to all for verification.

Integrity

Integrity refers to the strict adherence to a moral code, reflected in transparent honesty and complete harmony in what one thinks, says, and does.

Market Share

Market share is the portion of a market controlled by a particular company or product.

Sales Turnover

Sales turnover is the total amount of revenue generated by a business during the calculation period.

Profit Levels

Profit is a financial benefit that is realized when the amount of revenue gained from a business activity exceeds the expenses, costs and taxes needed to sustain the activity.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher presents the literature reviews from previous scholars on the role of corporate governance on the performance of organizations while identify the gaps in these literature.

2.1 An overview of Corporate Governance

Trust is the foundation of sustainable development. As the world continues to get smaller, our mutual interdependence increases and we all need to be able to mobilize the resources and goodwill of others to achieve success (Argudin, 2010).

Argudin (2010) states that, the essence of good corporate governance is to ensure trust worthy relationships between the corporation and its stakeholders. Therefore good governance in his view involves a lot more than compliance. He believes that good corporate governance is a culture and a climate of consistency, responsibility, accountability, fairness, transparency and effectiveness that is deployed throughout the organization.

According Keyes (2014), he observed that many believe that only public companies or large established companies with many shareholders need to be concerned about or can benefit from implementing corporate governance practices. The reality is that all companies big and small, private and public, early stage or established compete in an environment where good governance is a business imperative. In his view, one’s size doesn’t fit all, but right sized governance practices will positively impact the performance and long term viability of every company.

He further states that corporate governance doesn’t have a single accepted definition. Broadly, the term describes the process, practices and structures through which a company manages its business and affairs and works to meet its financial, operational and strategic objectives and achieve long term sustainability.

According to Mchritch (2014), corporate governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. He states that the board of directors is typically central to corporate governance. Its relationship to primary participants, typically shareholders, and management, is critical. Additional participants include employees, customers, suppliers and creditors. The corporate governance framework also depends on the legal, regulatory, institutional and ethical environment of the community. He states that corporate governance is accountability to providers of capital.

According to Weber (2015), corporate governance is gathering together a group of smart, accomplished people around a board table to make good decisions on behalf of the company and its stake holders.

Abubakar (2010) carried out a study and it demonstrates that high governance risk correlates with lower performance and robust governance is associated with more sustained performance. Companies with higher standards of governance were discovered to have higher performance. Further findings by him indicated that one of the more difficult things in assessing the influence of corporate governance upon firm performance is to take into account the impact of changes in the market; at times of rapid expansion, many companies will perform well, in times of recession most companies will find it more difficult to perform.

According to him, recommendations made focus on improving the relationship between an organization as a whole and shareholders, stakeholders, management, creditors and customers through proper corporate governance. Once this is achieved to a certain degree, it will positively affect the level of performance of firm directly or indirectly.

2.2 Accountability and organizational performance

Guell (2012), states that accountability is an often used word yet the concept of accountability is not easily understood. When people hear accountability, they know that it means something important but that's about as far as it goes.. Subsequently, because they don't grasp the concept of accountability, they don't know how to achieve it.

Frost (2001), on the other hand states that often the word responsibility is used in conjunction with the word accountability. Many people immediately equate it with responsibility and see the two as being the same. However, in his opinion, they are not for instance , one quoted author points out the difference, noting that, responsibility is the obligation to perform whereas accountability is the liability that one assumes for ensuring that an obligation to perform a responsibility is fulfilled.

However, Mackinpark (2012), states that another key word used when discussing accountability is authority. Distinguishing the difference between it and responsibility is important to understanding the concept of accountability. He further states that authority is the right to act without prior approval from higher management and without challenges from managing peers.

However, in all the available literature on the subject of accountability, no common definition or view of accountability can be found. This lack of commodity is due partly to the fact that the concept of accountability especially in the government setting is just coming to the fore front (Mackinpark, 2012).

Henry (2012), states that accountability is intrinsic whereby you can't force people to be accountable but rather we learn from the people around us. He states that an accountable workplace doesn't appear overnight but rather the right elements must be put in place in order for performance to be attained. He streamlines a number of ways in which accountability can be achieved and why there is need to invest your time and attention to build an environment of accountability.

Henry (2012) states that clear roles, team leadership and individual ownership contribute to accountability. He states that people struggle to be accountable when roles and processes are ambiguous. He states that removing as much confusion as possible about who is doing what and how they will proceed is an important step. If a team according to him is truly accountable; members will identify gaps, learn new roles and processes and ultimately build a capable team.

Opito (2015) agrees with Henry (2012) upon the clear roles, team leadership and individual ownership". He states that to ensure employees work as efficient as possible, it is important to have clear defined job roles and responsibilities. He further states that this is particularly important in large firms to ensure no part of the work lord is over looked and in smaller organizations, job roles may be less structured as employees may be required to take on a variety of tasks and responsibilities.

He further states that clear job descriptions and personal remits enable workers to focus on their job specific tasks. It allows employees to priorities their work load and reduces the chance of work duplication. In some environments though, where safety is a key priority, defined roles and responsibility ensure that workers are competent and qualified for the tasks they undertake.

Derek (2014) also agrees that clear roles team leadership and individual ownership play a key role in the accountability; he states that role clarity has a big impact on organizational success and uncertainty can dramatically affect both individual and organizational performance. Derek, 2014 has carried out discussions with team leaders and these discussions were focused on having a clear understanding of the roles and responsibilities required for their positions and his personal experiences shared showed him the frustration and anxiety that results if requirements are unclear. According to him, people need to know their boundaries, they need to know what outputs are expected and they need to have permission to do the key elements of their jobs in order to enhance performance.

Henry (2012) also states that a sense of ownership for team results also increases accountability and hence performance. He states that here questions such as, how does team accountability work? How is the team working towards goals and outcomes? Are team members effective? Do they feel 100 percent accountable to improving the process? Each member according to him should have the obligation to seek information, give and receive feedback and point out the need for corrective action at any time.

Michalowiez (2015) agrees and states that if you want employees and other stakeholders to truly sense ownership in the company, let them in on the history. Management should share the struggles that the company overcame to be where it is up to today, the fragile beginnings.

Explaining how they are an important part of the history and let them know that individual past, present and future rise to the occasion to make the company. Michaloweiz (2015) is also in agreement with letting the employees and other stakeholders have a sense of company ownership is key to increasing the organizational performance.

However, Louis (2013) also agrees that getting stakeholders to care and take responsibility for their actions and works is key to achievement for organizational performance. He states that there are four cultural changing ways to crack a particular or given problem, that is by making every job the most important job at the organization, building in the daily reminders of the organization’s mission. Flattening the playing field and finally making it is okay to fail.

Andy (2010) also supports the previous point and states that efficiency is about taking ownership and responsibility for the behaviors as much as it is about designing new business processes. She continues to say that it is important that businesses are run efficiently, even more now when companies are facing greater challenges from the economy. Yet at times such as this, businesses cannot offer to have inefficient employees that are not taking ownership or full responsibility for themselves and their actions in fulfilling their roles.

She further states that surveys show that the greatest source of frustration and demotivation in a team is when some individuals do not put in the same effort or create the same results as others and nothing is done about it. According to her, the frustration and anger this creates can be corrosive in terms of relationship with management and colleagues in addition to undermining efficiency.

According to Oswald (2013), he agrees that instilling a sense of ownership increases company performance and he illustrates by use of the following statements, “he acts like he owns the place!” depending on the context, that single sentence when used in the workplace can either spell disaster or be one of the most positive or flattering things to be said about an employee. If the statement is made out of frustration about an employee who throws his weight around and has a condescending attitude, you might be in trouble. But if it’s said with pride and satisfaction about an employee, then you have found yourself a star.

Oswald (2015) explains how you can instill the sense of ownership in the stakeholders and these are; you need to hire the right type of person, you need to train and reinforce the “ownership” mentality at every level in the organization and finally, you must recognize and reward the people who think this way.

Henry (2012) also highlights Freedom, support and control to navigate competing priorities as key issues in accountability. Here he states that most problems have multiple answers so give people the freedom and control they need to make decisions. The first solutions your teams and direct reports come up with will probably be pretty good. Improve upon them instead of inserting your own. Support is the key and be sure people have the resources, knowledge and assistance they need. With this approach, team members increase their skills, confidence and ownership.

According to Shelley 2015, she compliments in agreement to the above statement by stating that there is mounting evidence that suggests that employees who have been given freedom, support and minimum controls are happier and more productive. She states that a company known as Bellhaps gives employees freedom to set their own schedule and level of responsibility. They don’t sign up for a move they don’t want to. That freedom encourages Bellhap to treat each job as an opportunity to make a great impression and to give each customer a more devoted level of service.

Another writer who is in agreement with the above is Chadwick (2015) and he states that the best leaders today avoid micromanaging their employees , recognizing that giving employees job autonomy and decision latitude allowing them to make decisions concerning their work will result in greater motivation and performance.

However, Lyenga (2015) has uncovered the goldilocks effect of decision latitude; employees perceive managers who give too little decision latitude or too much as poor leaders. Managers who are held in the greatest esteem are those who give employees just the right amount of freedom and latitude.

According to Koestenbaum (2010), he summarizes the bit of freedom and accountability by stating that, the western world is in love with the concept of freedom. It is the most precious aspect of society. Whether it is the freedom to choose our political leaders or pursue the life we choose without fear of interference from individual or government, freedom is essential and paramount in all things. However, he states that when we move from our societal craving for freedom to our personal lives, to the work place, we seem ready to give up our freedom and we are willing to put our happiness and level of motivation in the hands of someone else.

He further states that, with freedom comes accountability and with accountability comes guilt and with guilt comes anxiety. Since our freedom leads to anxiety, it is easier to express it than to bear it proudly by some workers.

According to Chris (2012), he states that freedom/accountability swap is a hack which begins the process of changing a management's organizational culture by organizing that an increase in personal freedom must be accompanied by an increase in personal accountability in order for a true autonomy to emerge. Or in essence; freedom + accountability= a culture of autonomy.

He states that nothing is more management that is than an organization when employees feel they have no autonomy. In these organizations employees feel disempowered because they don't have the authority to make discussions for them to decide how best to use their own time or to pursue the projects they believe will help them most effectively meet their goals. It is not about punishment whereby if your goal in fostering accountability is to know who to punish when revenue targets are not met or budgets are missed, you will only succeed in creating fear. No one will be willing to step up, speak up, speak out or try something new. According to him, innovation and risk training will be lost. Once the rumor mill of the organization circulates, a story of someone stepping out and being punished, hundreds even thousands of other employees will be skittish about taking initiatives to find solutions.

According to Schevy (2010), a supervisor in an attempt to keep everyone accountable ends up micromanaging people, creating an environment where blame and punishment are the norm, not team work and intrinsic motivation.

According to Brenner (2005), he states that when we seek those accountable for a particular failure, we risk blaming them instead, because most of us confuse accountability with blame. He continues to say that, when disaster strikes, and you fear that you will be held accountable, do you calmly as yourself, “how can I help us figure out what went wrong?” or do you think, “how can I become totally invisible in a hurry?” this is what he has to say; the word accountability is widely misused. To be accountable means to be responsible for and answerable for an activity. If something goes wrong, those accountable are expected to answer for their part in the goings on, because we need their knowledge if we want to perfect our flawed system. He states that blame is something more. To be blamed is to be accountable in a way deserving to ensure discipline, or other penalty; either explicit or tacit. He states that accountable doesn’t mean “blame-able”. According to him, accountability and blame which may lead to punishment differ in at least four dimensions which are;

Listening verses punishment; Understanding how the failure happened helps us to prevent similar failures because those accountable often have useful information, we value their participation in organizational learning usually in the form of retrospective or after-action reviews. Incidence of fear whereby if we really are seeking those accountable, fear is not a factor and those accountable have nothing to fear unless actual negligence or corruption is involved and the failure isn't the issue-there malfeasance is. Fear of accountability according to him is a strong indicator of blaming generally if people fear being identified as accountable for specific failure, it is with good reason. Perhaps they committed some form of malfeasance, or maybe the accountability is actually blamed.

Organization chart attitude distribution; those with responsibility are accountable and those with the most responsibility are high upon the organization chart.

Acknowledging interdependence; nearly everything we do is a group of effort; rarely is only one person or even one team fully responsible for any action or decision.

Willard (2006) he states that accountability is an odd thing whereby many workers do their best to avoid it because it has often been used as ammunition for blame or punishment. The truth according to him is that accountability is unavoidable. In the work place everyone is accountable to someone. In a traditional org. workers are individually accountable to their respective bosses.

He adds that in a high performance org. team members are individually accountable to each other and mutually accountable to their customers. But rather than a negative force, research indicates that holding people accountable for their results has very positive results such as, great accuracy of work, better decision making, more cooperation with co-workers and higher team satisfaction.

Henry (2012) says that it's about improvement where by accountability is the foundation for creating a learning organization. He states that if you want sustainability high quality processes, you need to be able to see what's working and what isn't and analyze the cause.

He also states that the expectation of evolution whereby in accountable organizations, no one expects to" stay under the render". In fact according to him, people seek feedback because they know it is intended to improve the process and add to their knowledge. These organizations use multiple forms of feedback and evaluation to assess the health and success of a manager, process or department.

2.3 Transparency and organizational performance

Clarke (2010) states that the ability of the employees and key stakeholders to see the information that the senior leadership is what is called transparency.

Karawood (2013), states that, relationships are hard. Running business is hard. Business grapple with trying to balance corporate communication marketing, human resources, compliance, regulation relationships with clients, investors among others. He states that past interactions meant that information was packaged and produced at top level, organized in such a way that the company is seen in the perfect light. He states that most crises or problems were dealt with by clever public relation firms that would work out all the links. Basically, people were given the product to look at and inspect and no questions were asked. However, nowadays conflicts and conversations do not take place behind closed office doors. They play out in real time on many different social media platforms. Believing you can contain these conversations happening online is to publically participate. He continues to state that most companies or executives don't want to be perceived as hidden or deceptive, but they fall into those similar patterns.

Shnall (2013) however states that today's employees want to be part of a workplace culture that delivers the truth every single time. He states that the stakeholders desire leaders that are proactive in sharing enough information and feedback with their teams. According to him, there are seven powerful things that happen when a leader can be transparent and these are;

Being overwhelmingly honest whereby as a leader who wants to be more transparent, you have to deliver full disclosure of information to your team. It doesn't help anyone if you are only sharing partial info needed to help our team be more successful. According to him by taking time to share all the info needed to make your people successful, they will trust and see transparency through the organization and when you share all the info needed, you are preparing the soil for growth and an environment for trust which is key to organizational performance (Shnall, 2013).

Gelber (2011) agrees and states that it's ironic that words like transparency can have several confusing meanings, even in a business context. While transparency as a concept is often more visible in the realm of social responsibility and compliance, its real benefit is when it's seen as a business priority. Transparency is about information. It's about the ability of the receiver to have full access to the information he wants, not just the information the sender is willing to provide. Transparency embodies honesty and open communication because to be transparent, someone must be willing to share information when it is uncomfortable to do so.

He further states that transparency is an individual being honest with him/herself about the actions being taken.

He states that in an organization where there is alignment between their standards and there values, there is no fear in raising or disclosing difficult situation. The value of honesty is consistent with the ability to act on one’s concerns or ask questions. Employees and managers can safely admit mistakes and can openly deal with problems and challenges.

Linfield (2014) however also in agreement states that honesty may be seen as transparency and openness which is your willingness to communicate what you are thinking or feeling, even when it is uncomfortable or unpopular. Honesty may be seen as a willingness to listen and discuss issues before data is completely thought through, where available alternatives are not fully crystallized and when decisions are not yet final. It may also be seen as keeping your word, following through on promises and delivering on time.

Delivering bad news well; delivering bad news must be handled well with care but important to share with everyone to build more of the trust and transparency in our organization. Occasionally, there are moments of bad news in every company’s journey to success. These moments are the most crucial moments to be forthright and honest with your team. People wouldn’t perceive you to be less of a leader if the bad news is a reflection of your leadership and organizational direction. Being humble will make you begin to understand that all leaders sometimes have setbacks and it’s important to be honest about them. People understand leaders as humans and at times need to make adjustments to their leadership approach (Shnall, 2013).

According to the business matters magazine of February 16th 2015, it states that whether it’s telling your manager that you have lost a lucrative contract or breaking the news of death of a colleague, it’s natural to feel nervous and anxious. It states that delivering bad news well can set you apart as someone courageous and honest under the toughest of circumstances or it can position you as someone who made a bad decision a lot worse and while it’s never easy to give bad news there are preparations you can make to ensure that you deliver it responsibly with sensitivity and clarity.

It further states that emotional intelligence is a key component to managers in this case and empathy and a capacity to remain sensitive to all personnel affected by an incident. He states that clear information, well prepared will stand you in every good stead for the days and weeks following.

However, also Morgan (2014) in agreement states that as any owner or manager of any type of business, one has probably had to deliver bad news to their customers. This could be any number of things whether it is informing them that their prices are about to go up or that you will no longer be able to provide a certain service. In any case, these things can be tough because no one would like to leave angry stakeholders more especially customers when you rely heavily on their business.

He states that you can best inform clients of changes that may not be so happy about by considering your perspective and their perspective and their justifications and finally silver linings.

According to Bregman (2012), in agreement he states that delivering bad news to an employee or any stakeholders can be one of the most difficult tasks that any manager has under his or her work responsibilities especially when the conversion centers on employee performance, lack of productivity, wrong doing and many others. The conversation can often be personally taxing from management. Over the years through his own experience and in learning from others, he has benefited from some great lessons and the following are some of the tips he has come across that can help turn difficult situations into motivating opportunities; deal with the issue head on in real time, be direct and accurate in your messaging, ditch technology for a face to face conversation, whenever possible, listen actively and be open to feed back.

Properly handling mistakes whereby the way leaders handle mistakes can be more important in organizational performance than getting things right the first time. Sometimes leaders think that admitting mistakes would come across as incompetence on their part. Admitting mistakes sends a message of courage, accountability and humility (Shnall, 2013).

Gallo (2010) states that, anyone who has worked in an office for more than a day has made a mistake. While most people accept that sleep ups are more avoidable, no one likes to be responsible for them. The good news is that mistakes even big ones do not have to leave a permanent mark on the organization, most contribute to organizational and personal learning. He states that there are an essential part of experimentation and prerequisite for innovation.

According to Schoemaker (2010), he states that most people tend to over react to their sleep ups. They 'make a symmetric evaluation of gains and losses so that losses look much larger than gains', he explains. As a result, they may be tempted to hide their mistakes, or even worse, continue down paths that have proven unproductive. This "sunk cost fallacy" can be dangerous and expensive towards an organization. He states that it's much better to accept mistakes, learn from them and move n "look forward and base decisions on the future and not the past.

Gergen (2010) agrees and states that the most useful thing you can do is "translate a mistake into a valuable moment of leadership. Keeping promises whereby when leaders do what they say they will do, they place high value of transparency and trust. They do their part in honoring commitments to their relationships. More importantly, their promises are not hallow and they deliver the goods promised to their team. In the age of communication, it is given that many people are going to talk and share a perspective (Shnall, 2013).

According to Doti (2014), she states that businesses today make a lot of promises. They promise high quality products and experiences to customers, careers that offer opportunity and purpose to employees, ambitious strategies and programs that will accelerate innovation to investors and ethical conduct and social and environmental responsibility to society at large. And they are making these promises in an error of transparency driven by social media in which businesses that don't keep their word have nowhere to hide. She further states that it is troubling, then that in practice many companies struggle to keep their commitments. Under the pressure of a quota, target or deadline or deadline, or amid the turmoil of constant changes, many companies experience commitment drift in which crucial promises are forgotten or broken.

Doti (2014) states that businesses today make many promises, they may promise to deliver value to customers, provide opportunity to employees, deliver growth to investors or contribute to society in creating jobs, improving public health, providing credit, preserving a free press, or addressing environmental challenges. She states that as a practical matter, more aspects of our day t day lives now depend on some business somewhere to keep a promise. Is my data secured? Is this drug really safe? Was my vote conducted accurately? Has the factory making peanut better for my children address the safety violations it reported to the FDA or BSS? Are the companies in my socially responsible portfolio lobbing consistently with their espoused CSR strategies despite the transparency unleashed by the social media, citizens, customer, employees and stakeholders simply cannot verify every transaction I a global, digital or knowledge based society. Fortunately businesses usually benefit from the trust that comes from promises kept. She also states that several studies show that business with a culture of keeping ones word or with leaders who keep their promises and leave there values are more profitable.

According to International Institute of Sustainable Development(2013), transparency and accountability are two of the central pillars of good governance whereby transparency is also a necessary precondition for the exercise of accountability since without access to clear, accurate and up-to date info, it is impossible to judge whether the standard promised has been met.

2.4 Integrity and organizational performance

According to Thomas (2011), he states that Integrity in an organization is generally understood to describe high moral virtue in business operations. An organization of integrity is one who observes a steadfast adherence to a strict moral or ethical code notwithstanding any other pressures to act otherwise. He states that in professional life, integrity describes the personal ethical position of the highest standards of professionalism and probity. Integrity is an underlying and underpinning principle of corporate governance and it is required that all those representing shareholder interests in agency relationships both possess and exercise absolute integrity at all times. To fail to do so is a breach of the agency trust relationship.

Thomas (2012) also states that integrity has various importances towards corporate governance some of which are the following;

He states that as corporate governance cannot cover every situation, maintenance of good corporate governance will sometimes depend on judgment not backed by codes. In these instances integrity is particularly important.

Secondly he states that as integrity is partly about proper dealing in relationships, it also underpins the principles of fair and equitable dealing with shareholders in corporate governance, particularly in relation to directors exercising an agency relationship in respect of shareholders.

Finally, he states that good corporate governance is also about maintaining market confidence that the company is being run honestly, firm belief that directors have integrity will promote confidence in the company.

However, according to Furrer (2012) states that managers play a very big role in the integrity of an organization and says that managers 'integrity refers to a manager's behavior that is consistent with his/her espoused value and that he/she is honest and trustworthy according to him, As a social notion, integrity also refers to the degree to which people (for instance managers) satisfy the legitimate expectations of the world around them this is, their stakeholders.

Integrity hypothesis assumes that individual leaders of integrity can create a consensus around a culture of integrity within a corporation. This culture of integrity, in turn, will create a highly-valued work environment and the corporation will operate with its focus on the long-run good of its customers, employees and investors; and, as a result of this focus, the corporation will excel in terms of financial performance when compared to its peers (Duggar, 2012).

Manzoni (2012) states that it is now generally accepted that organizations that enjoy lasting success do so in part because they have high integrity and the required expatriates to execute the tasks as planned. He states that High Integrity starts with a basic compliance dimension, whereby the organization's (direct and indirect) employees respect the laws and regulations that apply to their activities. That's of course a necessary condition, but it is by no means a sufficient one. High Integrity requires more than respecting laws and regulations. It implies that the organization's direct and indirect employees will do "the right thing" for the organization's various constituencies , including customers, employees, suppliers, communities and society in general.

According to Coughlin **(**2012), he states that there are three major questions one asks himself when it comes to determining whether a company has its integrity. The questions asked are; can I trust the organization? Can I work with the organization? And can the organization help me achieve the results that I want? He states that to have a great business relationship, you have to have all three. The starting point is trust. This is just as true in business-to-business relationships as it is in business-to-consumer relationships. Integrity is the foundation of a trusting relationship. If another person doesn't know what they can count on from you, how will they be able to trust you?

However, according to Gautrey (2015), he states that trust and integrity are two intertwined concepts that usually crop up when I start talking about influence. Although interconnected, they are different, and a clear understanding of them can help you to build influence more quickly. However he states that despite the temptation to dive into a philosophical debate, you can simplify these greatly and then get moving again with your influence.

He states that trust is the degree to which you can predict someone or something. When it comes to people, what you are assessing is how well you can predict what they will do or, how they will react, to a given situation. Will they do what they say they will do? Will they keep your secrets? Will they tell you the truth?

He also states that integrity, on the other hand, is behaving in accordance with morals, ethics and values. Although there is a huge cultural overlay to this, basically it is internal and personal.

Since values drive your behavioral decisions, integrity could be said to be how well you live according to your values.

According to Aisha (2012), in order to have integrity within the organization, one has to do the following; work when you are supposed to, show respect to coworkers with appropriate conversation and empathy, if you are in management, keep your employees informed so they will know what is coming and what needs to be done, adhere to company policies and procedures, be responsible. Do what you say you will do, use materials for work and not personal use, don't accept praise of acclaim for someone else's work. That includes stealing someone's idea or pretending to have worked on a successful project.

Carey (2012) he has identified four major elements of integrity and has defined them as bellow;

Purpose; he states that an ethical leader with integrity reasons and acts with organizational purposes firmly in mind. This provides focus and consistency.

Knowledge; he states that the ethical leader with integrity has the knowledge to judge and act prudently. This knowledge is found throughout the organization and its environment, but must be shared by those who hold it.

Authority ; he states that the ethical leader with integrity has the power to make decisions and act, but also recognizes that all those involved and affected must have the authority to contribute what they have toward shared purposes.

Trust; he states that the ethical leader with integrity inspires and is the beneficiary of trust throughout the organization and its environment. Without trust and knowledge, people are afraid to exercise their authority.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter indicated how data for the study would be collected, analyzed and interpreted in order to answer the research questions or test the research hypotheses, thereby meeting the purpose of this study. This chapter therefore comprises of research design, study population, study area, sample size, sampling techniques, data sources, methods of data collection, data analysis and presentation, quality control, measurement of variables, ethical considerations and limitations of the study.

3.2 Research design.

3.2.1 Study design

This study was conducted using a case study design. According to Sekeran (2003), a case study is a study in which; one case (single case study) or a small number of cases (comparative case study) in their real life context are selected and scores obtained from these cases are analyzed in a qualitative manner.

Collins (2008) notes that a case study is capable of accommodating different research techniques and is intended to obtain in depth knowledge with regard to the particular phenomenon. Therefore, the researcher used a case study since it provided detailed, holistic investigation of the organization, utilizing the simplicity that quantitative measurement technique offers.

Therefore, in order for the objectives of the study to be attained, the researcher employed quantitative approach to research. This method was used since it is based on descriptive statistics in order to describe the respondents' occurrences, events and experiment the way they were expressed by them thus forming a basis for quantitative analysis of data and presentation of data in a more manageable form by simplifying large amounts of data in a sensible way.

Quantitative research approach was also used to give a focus on the variables so as to establish the relationship between corporate governance on organizational performance with particular reference to Interlink Insurance Africa Ltd, and give a comprehensive analysis of the variables using the dimensions. The study adopted a cross-sectional study, since the research study was conducted over a single period of time only. This period allowed an in depth analysis of the study.

3.3 Study population

The study population used Interlink Insurance Company and therefore collected data from management, employees, board of directors and stakeholders of the company. The unit of analysis was comprised of 6boards of director, 7 management members and 17 employees. The total study population was 30 Interlink insurance company human resource records (2015) and the study was heterogeneous in nature.

3.4 Study area

The study was conducted in Kampala central division, Kampala city council and central region of Uganda. This is because the respondents with appropriate information to the study are located within this region as well as the case study.

3.5 Sample size

The researcher used the Krejcie and Morgan (1970) table to establish the sample size from the population of the company. The respondents were selected from this study population and this was enough to produce findings and to generalize results from the bigger population of the company. The researcher ensured that the respondents were only board of directors, management members, employees and stakeholders of Interlink Insurance Company.

This was obtained from Krejcie and Morgan's table, given by the formula $s=X^2 NP(1-P)/d^2(N-1)+X^2P(1-P)$, where s is the sample population, X^2 is the table value of chi-square for 1 degree of freedom at the desired confidence level, N is the population size, P is the population proportion, d is the degree of accuracy expressed as a proportion. The formula was adopted since it provided an appropriate and reliable number of the sample.

Table 3.1 Population size and sample size of respondents

Description	**Population size**	**Sample size**
Board of directors	6	6
Management members	7	6
Employees	17	16
TOTAL	**30**	**28**

Source: Interlink Insurance Company Human Resource records (2015)

The respondents of the study comprised of 6 board of director, 7 management members and 17employees. The sample size of the board of directors was 6, management members 6, employees 16. The total population of the study was 30 with the total sample size of 28 respondents.

3.6 Sampling Techniques

The researcher used both probability sampling technique and non-probability sampling techniques. Non probability or judgmental sampling techniques was employed as it suited the exploratory research intended to generate new ideas that was systematically tested later on. This technique ensured that the researcher selected a sample size according to the researcher's convenience or generality in nature. The probability sampling technique employed majorly simple random selection to obtain its population. The researcher obtained a full list of all members of the organization and it is from this list that the sample was drawn.

3.7 Data sources

The researcher employed primary and secondary data sources during the study. The primary data sources helped the researcher get direct information from the respondents and secondary data sources helped him access previous performance records of the company as well as literature from different scholars about the study topic.

3.8 Data Collection Methods

3.8.1 Questionnaire

Questionnaires were used to collect data from the respondents. The questionnaire (Appendix I) was used in this case because it had proved to be a valuable method of collecting a wide range of information from a large number of individuals especially when it comes to people like the customers (Sekaran, 2003). The questionnaires were popular because the respondents filled them in at their own convenience and were appropriate for large samples. The questionnaire was designed with both a 5-point likert scale and they included; 1-strongly disagree, 2-disagree, 3-not sure, 4-agree and 5-strongly agree and other closed ended questions (Amin, 2005). This was the main data collection tool used by the researcher to obtain information from the respondents and these were given to the respondents to fill the answers of their own choice and it mainly helped the researcher to collect primary data.

3.9 Data analysis and presentation

Quantitative data analysis

of the data collected and the data presented is based on the study objectives which are presented in tables.

4.1 Background of respondents

This section presents the personal characteristics of the Quantitative data analysis involved use of both descriptive and inferential statistics in the Statistical Package for Social Scientists (SPSS 16.0). Descriptive statistics entailed determination of measures of central tendency such as mean, mode, median; measures of dispersion such as range, variance, standard deviation; frequency distributions; and percentages. Data was processed by editing, coding, entering, and then presented in comprehensive tables showing the responses of each category of variables Some items were measured using ordinal and nominal measures such as age and education.

Quantitative data will be presented using tables and figures.

3.10 Quality control

3.10.1 Data validity

Validity is the degree by which the sample of test items represents the expert validity. The test designed to measure content validity which is employed by this study is a measure of the degree to which data collected using particular instruments represents a specific domain or content of a particular concept.

Mugenda and Mugenda (1999) as cited in (Serem, 2013) contend that the usual procedure in assessing the expert validity of a measure is to use a professional expert in a particular field. To establish the validity of this research, the researcher sought the opinions of experts in the field of study especially the researcher's supervisor and other Lecturers which helped in modification of the research instrument in order to enhance validity. The research instrument was also validated in terms of expert and face validity. The content related technique measures the degree to which the questionnaires presented reflected the actual areas being studied.

3.10.2 Data reliability

Reliability refers to the degree to which a measure of concept is testable. It means findings would be consistent and the same if the study was to be conducted again (Bryman, 2007). The respondents were given questionnaires to answer in order to test reliability and validity. This helped the researcher to detect questions which were not correctly asked and these were all revealed, corrected and rephrased.

Additionally, reliability in research may be affected by random errors. The pre-test helped the researcher to identify the most likely source of errors thereby responding to them before the actual study was conducted. Test re-test method was also used to pilot the questionnaires.

3.11 Measurement of variables

The researcher used Likert 5-scale for measuring the relationships between the variables studied, in which the respondents were asked to give alternate responses ranging from strongly disagree to strongly agree. In this case, this was based on the closed ended questions administered to the respondents. The research variables were measured using closed ended questionnaires directed to the following respondents, board of directors, management members, employees and stakeholders. The researcher used a 5-point likert-scale. Other findings were measured by the use of physical observation by the researcher. (Mugenda and Mugenda, 2003)

Corporate governance, the independent variable was measured in respect of its sub components namely; accountability, transparency and integrity.

3.12 Ethical issues

The major ethical problem faced in this study was the privacy of the subjects and confidentiality of their information. To ensure privacy, the subjects were informed upfront that indeed their names were not required, that they had the right to leave questions unanswered for which they do not wish to offer the requisite information, and that the researcher was not putting the respondent under pressure if that happened (Mugenda and Mugenda, 2003). To ensure confidentiality, the subjects were informed upfront that the information they give was solely used for academic purposes and data obtained on private matters was treated in confidence (Amin, 2005).

3.13 Study limitation

Short time dimension, cross-sectional study was used and this therefore means that the research was conducted for a short period.

The research design may not be an appropriate design required for this study and this therefore implies that the data analysis and presentation may not be accurate and therefore leading to wrong findings and conclusions.

The sample size to be studied may be too small which means there are high chances of errors and therefore inappropriate conclusion may be reached at by the researcher.

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF FINDINGS.

4.0 Introduction

The study findings and analysis are presented in this chapter. The rationale of the study was to establish the role of corporate Governance on organizational performance at Interlink Insurance Company Limited.

This chapter presents the general findings of the study and deals with the presentation of the background of the respondents and their responses, analysis and interpretation respondents which include the age group, education level, gender and the duration taken by the respondents at Interlink Insurance Company limited.

Table 4.1 Frequency distribution for age group of respondents

Age group	Frequency	Percent
Below 20 years	1	3.6
21-30	4	14.3
31-40	15	53.6
41-50	8	28.6
Total	**28**	**100.0**

Source; Primary data, 2015

Table 4.2 above shows that majority respondents are in the age group 31-40 (53.6%), 28.6% are in the age group 41-50, 14.3% are in the age group 21-30 and the age group below 20 years had the least number of respondents.

Table 4.2 Frequency distribution for Gender of respondents

Gender	Frequency	Percent
Female	10	35.7
Male	18	64.3
Total	**28**	**100.0**

Source; Primary data, 2015

As shown in table 4.2 above, 64.3% of the respondents were males while females constituted 35.7% of the respondents. This implies that there were more male respondents than females who responded to the study.

Table 4.3 Frequency distribution for Education level of respondents

Education level	Frequency	Percent
Student	1	3.6
Diploma	3	10.7
Degree	18	64.3
Professional	4	14.3
Postgraduate	2	7.1
Total	**28**	**100.0**

Source; Primary data, 2015

Results in table 4.3 above shows that majority respondents were Bachelor degree holders 64.3%, 14.3% were professionals, 10.7% had diploma, 7.1% had postgraduates and students formed the least number of respondents with 3.6% response rate.

Table 4.4 Frequency distribution for Duration taken at the organization

Duration	Frequency	Percent
Less than a year	6	21.4
1-3	14	50.0
3-5	6	21.4
Above 5 years	2	7.1
Total	**28**	**100.0**

Source; Primary data, 2015

Table 4.4 above reveals that 50.0% of the respondents spent at least 1-3 years at Interlink Insurance Company, respondents who spent less than a year and 3-5 years at the company had both 21.4% and respondents who spent above 5 years at the company had the least number with 2.1% response rate.

Table 4.5 Mean and standard deviation for Accountability

Accountability	N	Min	Max	Mean	Std. Dev.
Organization is responsible for its actions	28	1	5	3.71	1.329
Staff and officials are answerable	28	3	5	4.25	.752
Clear roles are assigned	28	1	5	4.18	.945
Ownership of my results	28	1	5	3.96	1.138
Decisions are made without interference	28	1	5	2.68	1.278
Answerability leads to punishment	28	1	5	3.43	1.317

Source; Primary data, 2015

4.2.1 Organization is responsible for its actions

Table 4.5 above shows that a majority of the respondents agree that the organization is responsible for its actions, as shown by the mean value of 3.71 and standard deviation 1.329. However, the respondents have different understanding about the statement as shown by the variation provided to the statement. This appears to be in agreement with Andy (2010) who states that efficiency is about taking ownership and responsibility for the behaviors as much as it is about designing new business processes. She continues to say that it is important that businesses are run efficiently, even more now when companies are facing greater challenges from the economy. Yet at times such as this, businesses cannot offer to have inefficient employees who are not taking ownership or full responsibility for themselves and their actions in fulfilling their roles.

4.2.2 Staff and officials are answerable

As shown in table 4.5 above, results reveal that the respondents agree that officials and staff of Interlink Insurance Company are answerable for their actions as evidenced by the mean 4.25 and standard deviation .752. The respondents however have varying understanding about the statement as provided by the variation provided to the statement. The respondents seem to agree with Brenner (2005) whose study states that the word accountability is widely misused. To be accountable means to be responsible for and answerable for an activity. If something goes wrong, those accountable are expected to answer for their part in the on goings; because their knowledge is needed we want to perfect our flawed system. He further states that blame is something more and that to be blamed is to be accountable in a way deserving to ensure discipline, or other penalty; either explicit or tacit.

4.2.3 Clear roles are assigned

As presented in table 4.5 above, results show that the respondents agree to the statement that clear roles are assigned to the officials and staff of Interlink Insurance Company limited as shown by the mean 4.18 and standard deviation .945 but the respondents have different understanding about the statement as evidenced by the variation they provided to the statement which seems to be in agreement with Opito (2015) whose study reveals that to ensure employees work as efficiently as possible, it is important to have clearly defined job roles and responsibilities. He further states that this is particularly important in large firms to ensure no part of the work lord is over looked and in smaller organizations, job roles may be less structured as employees may be required to take on a variety of tasks and responsibilities. He further states that clear job descriptions and personal remits enable workers to focus on their job specific tasks. It allows employees to priorities their work load and reduces the chance of work duplication.

4.2.4 Ownership of my results

Table 4.5 above reveals that the respondents agree that employees of the company feel a sense of ownership of their results as shown by the mean 3.96 and standard deviation 1.138. The respondents however have varying views to the statement as shown by the variation they provided to the statement. This appears to agree with the study done by Alexandrea (2014) whose study reveals that accountability improves performance in such a way that people who have no sense of ownership over their tasks don't feel the motivation to do more than what's expected of them. He states that there is no incentive to work hard and achieve something but when they understand the weight of their responsibilities, they are more inclined to make sure that they carry out their tasks properly. And when there successful in this regard, they are likely to feel a sense of accomplishment and this further fuels their desire to do better.

4.2.5 Decisions are made without interference

As shown in table 4.5 above, the results show that the respondents disagree to the statement that they can make decisions without interference or control by top officials of the company as evidenced by the mean 2.68 and standard deviation 1.278. However, the respondents have different understanding to the statement as shown by the variation they provided.

4.2.6 Answerability leads to punishment or reward

As shown in table 4.5 above, results show that the respondents agree to the statement that answerability by company employees leads to either punishment or reward as shown by the mean 3.43 and standard deviation 1.317 but they have different understanding about the statement as shown by the variation they provided to the statement. The respondents in their view seem to agree with Alexandrea (2014) whose study states that accountability can mean answerability or liability and according to him, shareholders are deeply interested in who will take the blame when something goes wrong in one of a company's many processes as well as when everything goes smoothly as expected.

Table 4.6 Mean and standard deviation for transparency

Transparency	N	Min	Max	Mean	Std. Dev
Operations and communications	28	1	5	3.79	1.287
Management fully discloses information	28	1	5	3.29	1.213
Hides bad news	28	1	5	2.71	1.329
Organization does what it says	28	1	5	4.04	1.261
Admits its mistakes	28		5	3.79	1.228
Cares about officials' needs	28	1	5	3.75	1.175

Source; Primary data, 2015

4.3.1Operations and communications

As presented in table 4.6 above, the results reveal that the respondents agree to the statement that Interlink Insurance Company limited is open upon operations and communications and is efficient as shown by the mean 3.79 and standard deviation 1.287. The respondents however have different understanding about the statement as evidenced by the variation they provided to the statement. This seems to be in agreement with Gelber (2011) whose study states that transparency embodies honesty and open communication because to be transparent, someone must be willing to share information when he/she is uncomfortable to do so.

Linfield (2014) however also in agreement states that honesty may be seen as transparency and openness which is one's willingness to communicate what you he/she is thinking or feeling, even when it is uncomfortable or unpopular. Honesty may be seen as a willingness to listen and discuss issues before data which is completely thought through, where available alternatives are not fully crystallized and when decisions are not yet final.

4.3.2 Management fully discloses information

Table 4.6 above shows that the respondents agree that management of Interlink Insurance Company limited fully discloses information to its employees as evidenced by the mean 3.29 and standard deviation 1.213 but they have varying understanding about the statement as shown by the variation provided which seems to be in agreement with Clarke (2010) who states that the ability of employees and key stakeholders to see the information that the senior leadership of an organization have is what is called transparency.

4.3.3 Hides bad news

Results in table 4.6 above reveal that the respondents agree to the statement that sometimes hides bad news from other employees and the external environment if it is going to hinder its activities or cause havoc in the company as shown by the mean2.71 and standard deviation 1.329. The respondents however have different understanding about the statement as provided by the variation they provided to the statement. The respondents in their views seem to be in agreement with Alexandrea, (2014) states that transparency in its simplest terms means having nothing to hide. According to him, after the financial scandals in the early 2000's, transparency has played a big role in preventing fraud from happening again especially at such a large scale. He further states that transparency is a critical component of corporate governance because it ensures that all of the company's actions can be checked at given time by an outside observer. This also makes its process and transaction verifiable, so if a question does come about a step, the companies can provide a clear answer.

4.3.4 Organization does what it says

As shown in table 4.6 above, results reveal that a majority of the respondents agree that Interlink Insurance Company limited always does what it says it will do to its clients as shown by the mean 4.04 and standard deviation 1.261 but they have different understanding about the statement as evidenced by the variation they provided to the statement and this appears to agree with Doti (2014) states that, businesses today make many promise for example, they may promise to deliver value to customers, provide opportunity to employees, deliver growth to investors or contribute to society in creating jobs, improving public health, providing credit, preserving a free press, or addressing environmental challenges but fortunately businesses usually benefit from the trust that comes from promises kept. She also states that several studies show that businesses with a culture of keeping one's word or with leaders who keep their promises and leave their values are more profitable.

4.3.5 Admits its mistakes

As presented in table 4.6 above, results show that the respondents agree that the company always admits its mistakes in case they occur as shown by the mean value of 3.79 and standard deviation 1.228. However, they have varying understanding about the statement as shown by the variation they provided to the statement. This therefore appears to with agree with Gelber (2011) whose study reveals that in an organization where there is alignment between their standards and their values; there is no fear in raising or disclosing difficult situation. The value of honesty is consistent with the ability to act on one’s concerns or ask questions. Employees and managers can safely admit mistakes and can openly deal with problems and challenges.

4.3.6 Cares about officials' needs

Results in table4.6 above reveal that the respondents agree to the statement that Interlink Company Limited cares about the needs of its officials and other employees as shown by the mean 3.75and standard deviation 1.175 though they have different understanding about the statement as evidenced by the variation they provided.

Table 4.7 Mean and standard deviation for Integrity

Integrity	N	Min	Max	Mean	Std. Dev
Consistent in its actions	28	1	5	3.82	1.278
Takes the jobs it can handle	28	1	5	3.43	1.399
Organization has necessary expatriates	28	1	5	3.82	1.219
Officials and staff trust the decisions	28	1	5	3.32	1.249
Organization does what it says	28	1	5	3.79	1.343
Organization enables its clients	28	1	5	3.86	1.145

Source; Primary data, 2015

4.4.1 Consistent in its actions

Table 4.7 above reveals that the respondents agree to the statement that Interlink Company limited is always consistent in its actions, values, methods and principles as shown by the mean 3.82and standard deviation 1.278 though they have different understanding about the statement as evidenced by the variation they provided to the statement. This however seems to agree with Furrer (2012) who states that managers play a very big role in the integrity of an organization and says that managers integrity refers to a manager‘s behavior that is consistent with his/her espoused values and actions and that he/she is honest and trustworthy according to him. As a social notion, integrity also refers to the degree to which people satisfy the legitimate expectations of the world around them this is, their stakeholders.

4.4.2 Takes the jobs it can handle

Results in table 4.7 above reveals that the respondents agree that the company only takes tasks and jobs that it can handle as evidenced by the mean 3.43andstandard deviation 1.399 but they have varying views as provided by the variation they provided to the statement. The view given by the respondents appear to be in agreement with Gautrey (2015) who states that trust is the degree to which you can predict someone or something. When it comes to people, what you are assessing is how well you can predict what they will do or, how they will react, to a given situation. Will they do what they say they will do? Will they keep your secrets? Will they tell you the truth?

4.4.3 Organization has necessary expatriates

As presented in table 4.7 above, respondents agree that Interlink Company limited has the necessary expatriates to undertake its tasks as shown by the mean value 3.82 and standard deviation 1.219. The respondents however have varying understanding about the statement as evidenced by the variation they provided. Manzoni (2012) states that it is now a generally accepted that organizations that enjoy lasting success do so in part because they have high integrity and the required expatriates to execute the tasks as planned. He states that High Integrity starts with a basic compliance dimension, whereby the organization’s employees respect the laws and regulations that apply to their activities. This therefore appears to agree with the views of the respondents.

4.4.4 Officials and staff trust the decisions

Results in table 4.7 above show that the respondents agree to the statement that the officials and staff of Interlink Insurance Company limited trust the decisions made by management of the company as shown by the mean 3.32 and standard deviation 1.249 although the they have different understanding about the statement as evidenced by the variation they provided to the statement. This therefore seems to agree with Gautrey (2015), who states that trust is the degree to which you can predict someone or something. When it comes to people, what you are assessing is how well you can predict what they will do or, how they will react, to a given situation. Will they do what they say they will do?, will they keep your secrets?, or will they tell you the truth?

4.4.5 Organization does what it says

Table 4.7 above reveals that the respondents agree that Interlink Company limited always does what it says it will do as evidenced by the mean 3.79 and standard deviation 1.343. The respondents have different understanding regarding the statement as provided by the variation provided to the statement and this appears to agree with Doti (2014) states that, businesses today make many promise for example, they may promise to deliver value to customers, provide opportunity to employees, deliver growth to investors or contribute to society in creating jobs, improving public health, providing credit, preserving a free press, or addressing environmental challenges but fortunately businesses usually benefit from the trust that comes from promises kept. She also states that several studies show that businesses with a culture of keeping one's word or with leaders who keep their promises and leave their values are more profitable.

4.4.6 Organization enables its clients

Results in table 4.7 above reveal that the respondents agree to the statement that the company enables its clients to achieve their expectation as shown by the mean 3.86 and standard deviation 1.145 although they different understanding about the statement as shown by the variation they provided. Integrity hypothesis assumes that individual leaders of integrity can create a consensus around a culture of integrity within a corporation. Duggar (2012) sates that the culture of integrity, in turn, will create a highly-valued work environment and the corporation will operate with its focus on the long-run for the good of its customers, employees and investors; and, as a result of this focus, the corporation will excel in terms of financial performance when compared to its peers and will always meet customer expectations.

4.5 Study Hypothesis

In confirmation to chapter one hypothesis, there is therefore a relationship between corporate governance and organizational performance.

However, the relationship between corporate governance and organizational performance is a positive relationship

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary, conclusions and recommendations on the role of Corporate Governance on the Organizational performance with reference to findings from the study. The findings, conclusions and recommendations were to assess how Corporate Governance influences organizational performance.

The data collected from the study was analyzed inform of tables which were used to examine the relationship between Corporate Governance and Organizational performance.

5.1 Summary of the Findings

5.1.1 Accountability Organizational Performance

Findings from the study reveal that the respondents agree that accountability influences organizational performance by ensuring that the organization is responsible for its actions, making company staff be answerable for their actions, ensuring that clear roles are assigned and that there is no interference in communication within the organization.

5.1.2 Transparency and Organizational Performance

The study findings show that the respondents to the study agree that Transparency enhances organizational performance through; allowing open operations and communications within the company, ensuring that company management fully disclose information to its clients and employees, ensuring that the company admits its mistakes and that the company does what it promises to its clients as well as its employees.

5.1.3 Integrity and Organizational performance

Finding from the study reveal that the respondents agree to the statement that transparency influences organization performance by; ensuring that the organization is consistent in its actions, values, methods and principles, the organization only takes jobs it is able to accomplish, the organization has the necessary expatriates to execute its tasks, and that the organization meets the expectations of its clients.

5.2 Conclusions

The main objective of the study was to assess the role of Corporate Governance organizational performance at Interlink Insurance Company limited and as per the results from the study findings, the researcher was able to make conclusions on the role of corporate Governance and organization performance.

Accountability ensures that the organization is responsible for its actions, that the company staffs are answerable for their actions, ensuring that clear roles are assigned and that there is no interference in communication among the employees, management and clients of Interlink Insurance Company limited.

Transparency within the company enables the company to allow open operations and communications between and among employees, management and the organization's clients, ensures that the company management fully disclose information to its clients and employees, ensures that the company admits its mistakes and that the company does what it promises to its clients as well as its employees as expected by both parties.

Integrity allows the company to ensure that the organization is consistent in its actions, values, methods and principles, that the organization only takes jobs it is able to accomplish as expected by the clients, the organization has the necessary expatriates to execute its tasks, and that the organization meets the expectations of its clients. Generally, it can be concluded that Corporate Governance is an essential element of every organization as shown by the findings from the above findings of the study.

5.3 Recommendations

The findings from the study reveal that there are certain important issues that need to be corrected by the organization in order to have fully profiting Corporate Governance that will lead to improved performance of the organization and the researched therefore found it important to give some recommendations to the organization.

The researcher recommends that the company maintains a clear chain of communication between both its clients and the employees to avoid communication interference and delivery of incorrect information both to the organization and the clients.

The researcher also recommends that the company establish strong marketing strategies so that it captures a large market share and wide customer base in order to attain competitive advantage over its competitors in the industry.

The researcher further recommends that the company put in place customer care values and strategies to ensure that they retain the existing customers and attract new customer willing to consume their services.

The researcher also recommends the company to maintain and also make employee roles clear to them and distinct per employee within the organization to avoid confusion.

The researcher also recommends the organization to put in place clear policies that govern the organization so as for its clients to know what exactly the company stands for.

The researcher also recommends that the organization carries out proper monitoring and evaluation of the work carried out by the employees within the organization so as to ensure that what is preached is what is exactly done.

The researcher also recommends the organization to put up proper organizational structures that also help differentiate the work that is done by the workers within the organization.

5.4 Areas for further study

The role of monitoring and evaluation on employee performance of Insurance companies in Uganda

The role of stewardship responsibility on the performance of Insurance companies in Uganda

The role of policy formulation on employer-employee relations on the performance of Insurance Companies Uganda

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APPENDICES

APPENDIX I: QUESTIONAIRE
UGANDA MARTYRS UNIVERSITY-NKOZI

QUESTIONNAIRE FOR THE RESPONDENTS

(TO BE COMPLETED BY MANAGEMENT/STAFF OF INTERLINK INSURANCE)

Dear respondent,

I am TAREMWA MARTIN a student of Uganda Martyrs University pursuing Bachelors in Business Administration and Management. I am currently conducting a research to find out the role of corporate governance in organizational performance of Interlink Insurance Company Ltd. I kindly request you to fill in this questionnaire and I assure you that the answers given are mainly for academic purposes and all confidentiality shall be observed.

PART A: BACKGROUND INFORMATION

Please tick only one option in the appropriate box or write in the space provided.

1. Please indicate the age group in which you belong.

Below 20years	21-30years	31-40years	41-50years	51 and above

2. Gender

   i. Female ☐ ii. Male ☐

3. Educational Background

Student	Secondary level	Diploma level	Degree level	Professional level	Post graduate

Others (Please specify)..

4. How long have you worked for Interlink Insurance Company?

   i. Less than a year ☐ ii. 1-3 years ☐

   ii. 3-5 years ☐ iii. Above 5 years ☐

5. Age bracket of respondent in years

   18 –30 ☐ 31-40 ☐ 41-50 ☐ Over 50 ☐

Please tick your appropriate choice in the tables below using the keys under;

Strongly disagree	Disagree	Undecided	agree	Strongly agree
1	2	3	4	5

PART B: ACCOUNTABILITY

Statement	1	2	3	4	5
My organization is responsible for its actions					
Officials and staff are answerable for their actions					
Clear roles are assigned to officials and staff					
I feel a sense of ownership for my results					
I can make decisions without interference or control by top					

officials					
Answerability leads to punishment or reward					

PART C: TRANSPARENCY

Statement	1	2	3	4	5
My organization is open upon operations and communication is efficient					
Management fully discloses information					
My company hides bad news if it is going to hinder or cause havoc in the company					
My organization always does what it says it will do					
My organization admits its mistakes when made					
My organization cares about the needs of its officials					

PART D: INTEGRITY

Statement	1	2	3	4	5
My organization is consistent in its actions, values, methods and principles					
My organization only takes up jobs that it can handle					
My organization has the necessary expatriates for the work					
Officials and staff trust the decisions made by management					
My organization does what it says it will do					
My organization enables its clients to achieve what they want					

Thank you for your valuable time!!

APPENDIX II: KREJCIE AND MORGAN TABLE

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., "Determining Sample Size for Research Activities", Educational and Psychological Measurement, 1970

APPENDIX III: INTRODUCTORY LETTER

Uganda
Martyrs
University

making a difference

Office of the Dean
Faculty of Business Administration and Management

Your ref.:
Our ref.:

Nkozi, 24th February, 2015

To Whom it may Concern

Dear Sir/Madam,

Re: Assistance for Research:

Greetings and best wishes from Uganda Martyrs University.

This is to introduce to you TABEMWA MARTIN who is a student of Uganda Martyrs University. As part of the requirements for the award of the Degree of Bachelor of Business Administration and Management of the University, the student is required to submit a dissertation which involves a field research on a selected case study such as a firm, governmental or non governmental organization, financial or other institutions.

The purpose of this letter is to request you permit and facilitate the student in this survey. Your support will be greatly appreciated.

Thank you in advance.

UGANDA MARTYRS UNIVERSITY
OFFICE OF THE DEAN
25 FEB 2015
FACULTY OF BUSINESS ADMINISTRATION & MANAGEMENT
SIGN:..........

Yours Sincerely,

Moses Kibrai
Dean

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