Corporate Governance and Marketing Performance of Agricultural Marketing Cooperative Societies in Uganda. Case Study: Namungalwe Area Cooperative Enterprise, Iganga District.

Godfrey B. Muhwezi

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A Postgraduate Dissertation Presented to the Faculty of Business Administration and Management in Partial Fulfillment of the Requirements for the Award of Degree Masters of Business Administration of

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Dedication

This dissertation is dedicated to my Wife, Goretti Kabanyoro Muhwezi, for accepting to take care of me and the family while I was pursuing this course, for continuous encouragement where I seemed overwhelmed and for the support in editing my research work.

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First and most importantly, I thank God for granting me his endless love, guidance and wisdom throughout my academic life, without which, this work may have been impossible. I acknowledge sincerely, my supervisors, Mr. Kiizah Pastor and Mr. Awogbemi Felix for according me time and part of their knowledge and skills to guide me through this work. In the same respect, I cannot forget to acknowledge Uganda Martyrs University for organizing this study programme and all lecturers who shared with me their knowledge. Special thanks to the management of Namungalwe Area Cooperative Enterprise Ltd, especially the Business Development Manager, Mr. Balidawa Badru, for availing me a lot of information, documents, time and space within NACE to carry out this research.

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To all of you, may the Almighty God reward you according to your wishes!

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List of Acronyms

ACE:	Area Cooperative Enterprise
BOD:	Board of Directors
CACG:	Common wealth Association of Corporate Governance
CG:	Corporate Governance
CHI:	Cooperative Housing International
CMA:	Capital Markets Authority
ICA:	International Cooperative Alliance
ICGN:	International Corporate Governance Network
ICGU:	Institute of Corporate Governance of Uganda
ICGU:	Institute of Corporate Governance of Uganda
MAAIF:	Ministry of Agriculture, Animal Industry and Fisheries
MTIC:	Ministry of Trade, Industry and Cooperatives
NACE:	Namungalwe Area Cooperative Enterprise Limited
NGO:	Non-Governmental Organisation
OECD:	Organisation for Economic Cooperation and Development
RPO:	Rural Producer Organisation
SACCOS:	Savings and Credit Cooperative Societies
SMEs:	Small and Medium Enterprises
UCA:	Uganda Cooperative Alliance
UNDP:	United Nations Development Programme

Abstract

This study examined the relationship between corporate governance and marketing performance of agricultural marketing cooperative societies, with Namungalwe Area Cooperative Enterprise Ltd (NACE) as the case study. The study objectives were; to examine the effect of corporate planning on marketing performance of agricultural marketing cooperative societies; to assess the effect of corporate staff control on marketing performance of agricultural marketing cooperative societies; and to examine the effect of corporate accountability on marketing performance of agricultural marketing cooperative societies.

This research was mainly guided by the Agency theory of corporate governance, supported by stakeholder and resource dependency theories. A case study research design was used for this research. Purposive and simple random sampling techniques were used to select a representative sample of 66 respondents out of a population of 80 people using Krejcie and Morgan (1970) table. Structured questionnaires and interview methods were used to collect primary data, backed up by literature review to obtain secondary data. The following results were obtained;

Findings of this study established that corporate planning role of the board is positively and significantly related with marketing performance of NACE with a correlation coefficient of 0.720. Results indicated a positive significant relationship between corporate staff control and marketing performance with a correlation coefficient 0.724. It was also established that there was a significant positive relationship between corporate accountability and marketing performance of NACE with a correlation coefficient of 0.780. Corporate accountability was found to have the strongest relationship with the marketing performance of NACE since it produced the highest correlation coefficient of all the three.

Recommendations of the study were made as follows; NACE's board should put in place mechanisms to own up, take full charge and streamline corporate planning to enhance marketing performance; the government department regulating cooperatives and the cooperative Apex body (Uganda Cooperative Alliance) should design and implement tailor-made trainings for board members in areas of strategic planning in order to ably take on the responsibility and best practices of corporate planning that contribute to the desired marketing performance of their organisations; NACE's board should develop a system of assigning performance targets to the management staff of NACE and utilize them to follow up and monitor staff performance with particular emphasis on enhancement of marketing performance and strengthen good corporate accountability practices like instituting and functionalizing internal audit committees.

CHAPTER ONE

GENERAL INTRODUCTION

1.1. Introduction

This study examined the relationship between corporate governance and marketing performance of agricultural marketing cooperative societies with specific focus on Namungalwe Area Cooperative Enterprise Ltd (NACE). Cooperative societies are independent entities with a number of stakeholders of varying interests. These stakeholders include the shareholders, directors, employees, creditors, the government and the society at large (Goergen and Renneboog, 2006).

Corporate governance is very essential in the running of the affairs of cooperative societies in order to satisfy the interests of the different stakeholders (OECD, 2004). In this study corporate governance was taken as independent variable with special focus on corporate board roles of planning, staff control and accountability. This was reflected against its influence on marketing performance of agricultural marketing cooperative societies focusing on marketing performance as the dependent variable measured by sales turnover, access to markets and price performance.

This chapter presents the back ground of the study, problem statement, research objectives, research questions, scope of the study, significance of the study, justification of the study, definition of terms and conceptual framework. Chapter two discusses a review of theories and literature by other researchers on this topic of study. Chapter three presents the methodology that was used in this study. The research findings are presented, analyzed and discussed in chapter four, while chapter five presents the summary, conclusion and recommendations.

1.2. Back ground of the study

Corporate governance remains the bedrock of business sustainability and sound stewardship, serving the long-term interests of investors and societies, more importantly in the current era of stiff economic struggles and competition (IFC, 2015). Corporate governance provides the structure through which the objectives of the company, the means of attaining those objectives and monitoring performance are determined (OECD, 2004). The companies that put corporate governance at the center of their corporate strategies have been said to register tremendous results for their stakeholders. The International Corporate Governance Network (ICGN) emphasizes that to be effective, corporate governance practices should focus Board attention to optimizing its effect on shareholders. This is fundamental as regards the agency theory and stakeholder theory of corporate governance. The board can achieve this by endeavoring to successfully manage the relationship of all company stakeholders like shareholders, customers, employees, creditors, suppliers and the general community (ICGN, 1999).

Corporate governance should ensure that the interests of the top company management are aligned with the interests of the owners (OECD, 2004). Disregard to application of corporate governance is said to be at the center of failure of a number of global companies respectively. The first well-documented failure of governance was the South Sea Bubble in the 1700s, which revolutionized business laws and practices in

England (IFC, 2004). Olympus, one of the largest Camera Manufacturing companies in Japan suffered corporate governance scandal in 2011 when its board caused a loss of over 1 billion US dollars to the company as a result of paying inflated consultancy fees to an advisory firm in its procurement process of another company based in the UK against the technical advice of the Chief Executive Officer (Flannary, 2011). Typically, this showed highest level of dishonesty and abrogation of the fiduciary duty of board to its shareholders.

On the other hand, good corporate governance has had invaluable impact on the performance of a number of companies in various parts of the world. International Finance Corporation (IFC) of the World Bank group reported about 30 companies with significant improvement in terms of profitability, sustainability, capital growth, reputation and efficiency as a result of strengthening corporate governance. For example, Abu Dhabi Commercial Bank (ADCB) implemented corporate governance improvement practices such as streamlining board composition, instituting board procedures, formulation of management control measures, board training and board appointments procedures that resulted into ADCB earning "*The Hawkamah Bank Corporate Governance Award"* for superior governance practices in the Middle East and North Africa region in 2012 (IFC, 2015). In 2013, World Finance honored ADCB with its "*Best Corporate Governance in United Arab Emirates* award (IFC, 2015). All companies, cooperatives alike, should be driven by the need to promote corporate governance to reap the associated benefits.

Co-operative Societies, just like other business enterprises, are impacted up on by corporate governance in one way or another. Cooperatives too, have begun to address the challenge of becoming more accountable to wider stakeholders (Shaw, 2006). Shaw elaborates that in recent years, several large European co-operatives have begun to change their business practices to reflect the interests of wider stakeholders. The Co-operative Bank in the UK, for example, has become a recognized leader in developing ethical policies and practices after consultation with its wider stakeholders (Shaw, 2006).

Globally, the cooperative movement has been known to be the wheel of economic and social development (Kyazze, 2010 and Wanyama, 2012). The cooperative movement is one of the oldest forms of human association with structures beginning from village level in primary cooperative societies to a global level of International Cooperative Alliance (ICA). The contribution of the cooperative movement in the world cannot be over emphasized given the nature and scope of its operations. For example, during the World War I, a number of cooperative societies played a pivotal role to supply emergency food within the war torn territories in Europe because they were the only trusted, non-partisan, non-political and non-exploitative organizations (Prakash, 2003). Cooperatives provide hope and employment to their members and the society. Roelants et al. (2014), estimate that about 250 million people are either directly or indirectly employed by cooperatives, representing about 3.5% of the world population. This huge contribution is due to the fact that the cooperative movement has presence in about seven sectors of the economy; Agriculture, Banking, Consumer, Fisheries, Health, Housing and Insurance (ICA, 2014). Each of the above sectors has a global presence within the regional categorizations of ICA; that is, Africa, Americas, Asia-Pacific and Europe (ICA, 2004).

The United Nations Development Programme (UNDP) values the cooperative movement as a key people-centered approach to development, adding that cooperatives embody the principle of strength in numbers - of uniting together to prosper as one rather than individually (UNDP, 2015). The International Labor Organization (ILO) shares the same opinion as it views cooperatives to be important in improving the living and working conditions of women and men globally as well as making essential infrastructure and services available even in areas neglected by the state and investor-driven enterprises (ILO and ICA, 2015). Therefore, taking up corporate governance becomes an important aspect in the governance of cooperative societies for the benefit of the members and the society.

In Africa, corporate governance gaps have been identified in a number of cooperative societies in different countries. A study on cooperative societies in Nigeria revealed that accountability, transparency, internal controls and disclosure still lack in a number of cooperatives (Babalola, 2014). Cooperative societies in Africa have a history of colonial influence in their governance process. This is because cooperative societies were first controlled by the colonial governments as they advanced their political agenda, a practice that continued into the independent governments (Shaw, 2004). These gaps created the breeding grounds for fraudulent practices; embezzlement, nepotism, bribery, dictatorship all against the principles of cooperatives and the principles of cooperate governance (Shaw, 2014).

Uganda Cooperative Alliance (UCA) limited is a member of ICA and is the apex organisation of the federation of all cooperative societies in Uganda with a total of 10,746 cooperative societies having 3.9 million members (MTIC, 2011). The cooperative societies under UCA are organized as primary societies (10,621 in number), secondary societies (121) of which 80 are Area Cooperative Enterprises) and Tertiary Cooperatives societies (4) according to Ministry of Trade Industry and Cooperatives (MTIC, 2011).

Today, there are renewed efforts to rejuvenate the cooperative movement in Uganda taking different forms and levels (MTIC, 2011). The Uganda Cooperative Alliance limited embarked on the promotion of triangular approach of cooperative development. This approach is an integration and linkage of three different forms of cooperatives including financial cooperative (SACCOS), agricultural production cooperatives (Rural Producer Organisation) and Agricultural Marketing cooperatives (Area Cooperative Enterprises) (Ahimbisibwe, 2009). This approach is aimed at increasing interdependence, reduce over dependence on external financing and increase financial and market access by the members. The cooperative regulatory authority developed a plan to have at least one Area Cooperative Enterprise in every Sub county in Uganda (MTIC, 2011).

Namungalwe Area Cooperative Enterprise limited (NACE) in Iganga district, used as a case study in this research, is a secondary Agricultural marketing cooperative society started on the basis of the above new approach in 2011. It was started with a purpose of organizing its members to access quality farm inputs, increase production, value addition and market members' produce at competitive prices. To date, NACE has seven member primary cooperative Societies with a total of 630 individual shareholders. They engage in subsectors of Maize, Groundnuts and Beans with a vision of developing a competent Co-operative society marketing farmers' produce profitably (NACE, 2013).

NACE is fully registered with the registrar of cooperatives as an agricultural marketing cooperative society. It has a fully constituted corporate board of directors and management team responsible for moving the organisation towards achieving its mission. Its secretariat located in Namungalwe, though still renting, has a well furnished office with access to Information Technology equipment like computer and internet connectivity. In spite of all the above, NACE's status indicates stagnated progress. The cooperative has not been able to realize any of its aspirations in terms of increasing shareholders' access to affordable and quality farm inputs, increasing production and marketing members' produce at competitive prices.

1.3. Problem Statement

Corporate governance is a key responsibility of organizations' boards (CMA, 2003). These boards are responsible for making feasible long-term strategic decisions and policies, controlling and monitoring performance of management, and understanding financial and strategic actions undertaken by the organisation (OECD, 2004).

NACE is reported to have been unable to fulfill its marketing performance obligations to its shareholders such as increasing sales turnover, accessing markets and receiving competitive price for their produce for the last five consecutive years as documented in their annual reports (NACE, 2013 and 2014). In spite of the numerous interventions to foster that performance such as instituting and training a full governing board to support in corporate planning, staff control and accountability, employing an enthusiastic and well qualified business development manager and a production officer and developing business plans twice, it is still reported that no significant results have been registered. For example, in their business plan (2013-2015), NACE targeted to market 637 Metric Tons (MT) of members' maize grain but by close of 2013, they marketed 58 metric tons as per NACE annual report (2013). They planned to market 1200 metric tons of Maize grain at a price of 700Ushs per kg in 2014 but were only able to market 32.5 MT at 500Ushs per kilogram (NACE annual report, 2014). In addition, they targeted to market 260 MT of sorghum at 835Ushs per kilogram on contract to Nile Breweries in 2014 but only sold 3.5 MT to other buyers moreover at a lower price of 700Ushs per kilogram (NACE Annual reports, 2013, 2014).

If the above trend continues in the same direction, shareholders may shun associating with NACE because of its failure to contribute to their dream of increasing sales, accessing produce markets and better price for their produce. This may further downplay the renewed efforts of UCA and MTIC so far invested in revitalizing the cooperative movement in Uganda.

It is against this understanding that this study was conducted to establish the effect of board's governance role in corporate planning, corporate staff control and corporate accountability on the marketing performance of Namungalwe Area Cooperative Enterprise limited.

1.4. Objectives of the study

The study aimed to achieve the following major and specific objectives;

1.4.1. Major objective

The major objective of the study was to examine the relationship between corporate governance and marketing performance of agricultural marketing cooperative societies, with emphasis on Namungalwe Area Cooperative Enterprise.

1.4.2. Specific objectives

i) To examine the effect of corporate planning on marketing performance of agricultural marketing cooperative societies.

ii) To assess the effect of corporate staff control on marketing performance of agricultural marketing cooperative societies.

iii) To examine the effect of corporate accountability on marketing performance of agricultural marketing cooperative societies.

1.5. Research questions

This research sought to answer the following questions;

i) How does corporate planning affect the marketing performance of Namungalwe Area Cooperative Enterprise?

ii) What is the effect of corporate staff control on the marketing performance of Namungalwe Area Cooperative Enterprise?

iii) How does corporate accountability affect the marketing performance of Namungalwe Area Cooperative Enterprise?

1.6. Scope of the study

1.6.1. Geographical scope

This study focused on Namungalwe Area Cooperative Enterprise located in Namungalwe Sub County, Iganga district, Eastern Uganda.

1.6.2. Content scope

While there may be other factors influencing marketing performance of agricultural marketing cooperative societies, corporate governance as a function of governing boards was the main area of study as the independent variable. It concentrated on the role of Board of Directors with specific emphasis on corporate planning, corporate staff control and corporate accountability.

The marketing performance of agricultural marketing cooperative societies, used as the Dependent Variable, can be measured in various terms, but this study was limited to sales turnover, access to markets and price performance.

1.6.3. Time scope;

The study focused on a time period of five years, from 2011 to 2015. During this entire period, Namungalwe Area Cooperative Enterprise was not able to meet any of its marketing targets for the five consecutive years. The time scope for actual study was between March and May 2016.

1.7. Justification of the study

The inability of NACE to contribute to members' increased sales turn-over, market access and earning better price for their produce in spite of the presence of a functional corporate board for five consecutive years was one major reason why this study was conducted. In addition, despite the several studies on corporate governance, no earlier studies have focused on corporate governance with specific emphasis on the new model of Area Cooperative Enterprise Societies of which NACE is part. This study, therefore, provided insight into the corporate governance roles played by the corporate boards in marketing performance of Area Cooperative Enterprise Societies with NACE as the case study.

1.8. Significance of the study

The results of this study are hoped to be of significant value to NACE, policy makers - especially Ministry of Trade, Industry and Cooperatives (MTIC) and other researchers;

Namungalwe Area Cooperative Enterprise; The findings may help the organisation to reposition their corporate board governance roles towards creating more value for the shareholders and other stakeholders through increased sales turnover, market access and better price for produce.

Policy makers; The findings of this study could be used, for example, by MTIC to design capacity building programmes of cooperative societies to strengthen roles of corporate boards that increase cooperatives' performance.

Other researchers; Researchers could find the results of this study useful in building further knowledge regarding corporate governance in the new models of Cooperative societies in Uganda called Area Cooperative Enterprises (ACE).

1.9. Definition of terms

In this study the following terms were used to mean as described below;

Apex cooperative: The national association of all cooperative societies in Uganda (primary, secondary and tertiary). Uganda cooperative Alliance is the apex association in this context.

Cooperative society: An autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise (ICA, 1995).

Corporate accountability; this refers to the board responsibility for their actions and decisions towards the shareholders and other stakeholders.

Corporate governance: Systems and procedures by which the company is controlled and managed for the benefit of its shareholders and other stakeholders.

Corporate planning; is a process used by businesses to map out a course of action that will result in revenue growth and increased profits, also known as strategic planning.

Corporate staff control; the oversight function of governance boards to monitor, guide and advise company management on pertinent issues relevant for attainment of corporate vision and mission.

Corporate: This is a firm legally recognized as an entity separate from its owners in terms of liability and obligations. In this study, corporate basically refers to the cooperative societies.

Marketing cooperative: A cooperative society whose primary role is to market members produce at relatively higher and negotiated prices.

Performance: Refers to the accomplishment of a given task measured against known standards.

1.10. Conceptual framework

Organisation for Economic Cooperation and Development (OECD) developed six principles representing a common basis essential for the development of good governance practices of both publicly traded and privately owned companies. The principles focus on resolving governance problems that result from the separation of ownership and control of companies. All the principles, and notably principle number six, places significant emphasis on the role of company boards in corporate governance.

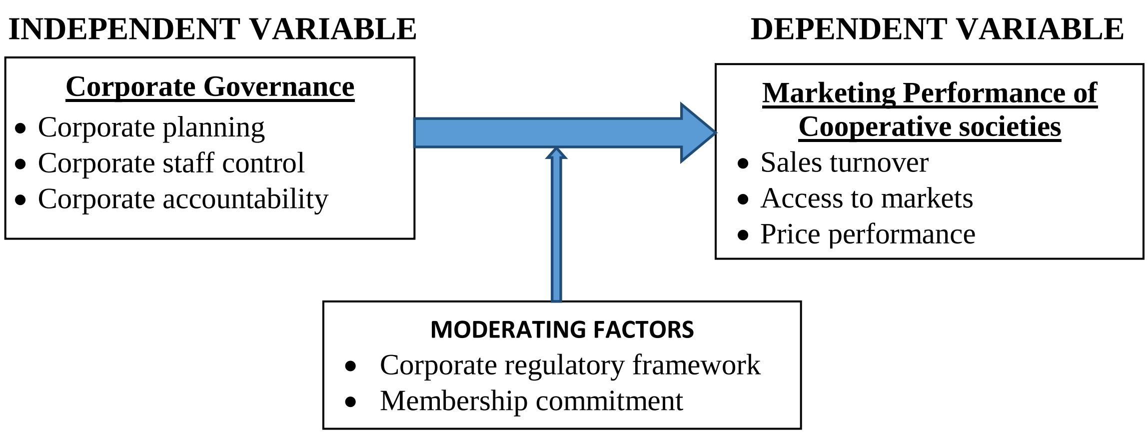

Figure 1.1: Conceptual framework of corporate governance and marketing performance of cooperative societies.

Source: Adapted from Organisation for Economic Corporation and Development (2004), Principles of Corporate Governance.

The conceptual framework in figure 1.1 above presents the relationship between the independent variable taken as Corporate Governance and the dependent variable taken as marketing performance of agricultural marketing cooperative societies.

Corporate Governance has three dimensions considered to be key corporate board roles, that is, corporate planning, corporate staff control and corporate accountability. These are taken to have significant influence on the marketing performance of agricultural marketing cooperative societies. The extent to which corporate boards fulfills those corporate roles determines the outcome of their efforts measured by marketing performance. This is clearly supported by the principles of economic Corporation and development where principle number six states recommends the companies' boards to direct their efforts to ensuring effective management and accountability to achieved the long term goals (OECD, 2004)

Marketing performance of agricultural marketing cooperative society focused at sales turn over, access to markets and price performance. For agricultural marketing cooperative societies, these dimensions are their key performance measures, which in this model are dependent on the corporate board roles above (Koopmans, 2006).

Moderating factors

The moderating factors impact corporate governance on cooperative societies' performance. These include the framework for corporate regulation in Uganda; including political, socio-cultural, economic, legal frameworks and ethical considerations and members' commitment to value and patronize the cooperative societies.

1.11. Conclusion

This chapter presented the general introduction to the study on corporate governance and marketing performance of agricultural marketing cooperative societies. It brought out the background of the study, highlighting corporate governance and its influence on performance of companies with focus on cooperative societies at global, continental, national and local level. The chapter presented the problem statement, objectives of the study, research questions, scope of the study, justification of the study, significance of the study, definition of terms and the conceptual framework. Key variables in the conceptual framework considered in this study included corporate governance defined by corporate planning, corporate staff control and corporate accountability as independent variable. Marketing performance was considered as dependent variable defined by sales turnover, access to markets and price performance.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

In the previous chapter, the overview of the entire study was introduced. This chapter presents the theories that guided the study, the actual review of related literature, done objective by objective and it ends with the conclusion.

2.2. Theoretical review

This study was mainly guided by the Agency theory (Alchian and Demsetz, 1972) supported by Stakeholder and Resource dependency theories as discussed in the following subsections;

2.2.1. The Agency theory by Alchian and Demsetz (1972)

This study was mainly guided by the Agency theory as first advanced by Alchian and Demsetz (1972). Agency theory focuses on the relationship between the principals who are the shareholders and agents such as the company executives and managers. Shareholders, in this case are the principals or owners of the company who hire the agents to perform work on their behalf. Principals delegate the running of business to the directors or managers, who are the shareholders' agents (Jensen & Meckling, 1976). According to Abdullah and Valentine (2009), this theory is made prominent by two factors; first, by its simplicity where the corporation is reduced to two participants of managers and shareholders. Second, the agency theory suggests that employees or managers in organizations can be self-interested. In agency theory, shareholders expect the agents to act and make decisions in their interest. On the contrary, the agent may not necessarily make decisions in the best interest of the principals (Padilla, 2000).

The Agency theory is closely related to the Shareholder theory in which the management is obliged to maximize the shareholders' benefits. It re-affirms that companies must generate benefits for shareholders without necessarily considering the important role of other players in and around a firm, including employees, suppliers, customers, the government and society. The agency cost concept of Jensen and Meckling (1976) adds that managers often fail to maximize profits unless shareholders invest time and money to create appropriate incentives and monitor the resulting behavior. This is perhaps why Rappaport (1997) argues that the ultimate test of corporate strategy as well as the only reliable measure of corporate performance is whether a company creates economic value for shareholders. Therefore, the agency role of the directors refers to the governance function of the board of directors in serving the shareholders by ratifying the decisions made by the managers and monitoring the implementation of those decisions (Yusoff & Alhaji, 2002).

Adam Smith, in the 18th century, highlighted the problem of separation of ownership and control of companies as posited by the agency theory. According to agency theory, the agent may succumb to self-interest, opportunistic behavior and falling short of congruence between the aspirations of the principal and the agent's pursuits because both the principals and agents are full of self-interest.

Agency theory was introduced basically due to separation of ownership and control (Bhimani, 2008) such that the agents are controlled by principal-made rules, with the aim of maximizing shareholders' value. Therefore, agency theory can be employed to explore the relationship between the ownership and management structure and this model can be applied to align the goals of the management with those of the owners.

In relation to this study corporate governance comes in to reduce the agency risks pointed in this theory by devising a governance mechanism of corporate boards who are the agents of the shareholders in Namungalwe Area Cooperative Enterprise (NACE). The intention is to provide guidance for the employees to work towards fulfilling the objectives of the shareholders such as access to markets and better price for their products (NACE business plan, 2013-2015). The board members of NACE have the responsibility of ensuring that all the plans and strategies of the cooperative are geared towards increasing membership value through increased marketing performance.

2.2.2. Stakeholder theory by Freeman (1984)

The stakeholder theory as developed by Freeman (1984) guided this study. The term Stakeholders refers to all persons, groups or organizations that have an impact on, or can be impacted up on by the company's actions and decisions (Borlea and Achim, 2013). The owners, shareholders, investors, employees, customers, suppliers, business partners, competitors, the government, NGOs, pressure groups, communities, media and so on, interact and influence the business of a company (Borlea and Achim, 2013). Unlike agency theory in which the managers are serving and working for the shareholders, stakeholder theorists suggest that managers in organizations have a network of relationships to serve. These include the suppliers, employees, investors and business partners. And it is argued that this group of network is important other than owner-manager-employee relationship alone as postulated in agency theory (Freeman, 1999). Freeman (1984) argues that the network of relationships with many groups can affect decision making processes. Therefore, stakeholder theory is concerned with the nature of these relationships in terms of both processes and outcomes for the firm and its stakeholders.

Studies have cited various benefits that accrue to firms that pay more attention to all stakeholders rather than simply shareholders. For instance, Terence (2011) pointed out that employees will work harder to enhance the firm's effectiveness in stakeholder-orientated organisations. They also suggest that customers will increase their demand or pay premium prices for the firm's products, while suppliers will be more willing to engage in knowledge sharing with the firm. Moreover, good relationships with stakeholders can be a valuable source of competitive advantage.

In the cooperatives perspective, performance is strongly hinged on the level of relationship and accountability accorded to the wide section of stakeholders. For that matter, the extent to which the members of the board provide adequate, true and timely information to the shareholders of Namungalwe Area Cooperative influences the level of their participation in provision of patronage and utilization of the services of the cooperative. Corporate governance is relevant for ensuring that the transparency of the company before the stakeholders is not doubted, otherwise, there will be some level of reserved trust of the persons involved. Could this be the reason that causes the members of NACE to entrust the management with more or less produce to market on their behalf?

2.2.3. Resource Dependency Theory by Hillman, Canella and Paetzold (2000)

Resource dependency theory by Hillman, Canella and Paetzold (2000) also guided this study as it focuses on the role of board of directors in providing access to resources needed by the firm. Hillman, Canella and Paetzold (2000) contend that resource dependency theory focuses on the role that directors play in providing or securing essential resources to an organization through their linkages to the external environment. This implies that appointing directors and managers of diverse competences into organizations as a means for gaining access to resources is critical for firm success. For example, outside directors who may be partners to a law firm provide legal advice, either in board meetings or in private communication with the firm executives that could otherwise be more costly for the firm to secure.

Hillman, Canella and Paetzold (2000) further argue that directors bring resources to the firm, such as information, skills, access to key constituents like suppliers, buyers, public policy makers, social groups as well as legitimacy. These are very paramount resources that a company needs and therefore having a corporate board that can use its linkage opportunity with the external environment to extend them to the firm with ease can go a long way in enhancing its performance.

Cooperative societies, too, need some or all of the above mentioned resources to ably deliver to their expected performance. For example, NACE board of directors should be responsible for creating and sustaining linkage with buyers of produce or suppliers of production inputs. This implies that the work of the executives or managers to look for buyers of farmers' produce and at a better price can be made easier as they bank on the board of directors' asset of reputation, network and legitimacy. This theory also emphasizes that NACE's board should have strategists' expertise as a fundamental corporate role of boards. Expert guidance in the process of strategic planning of the cooperative society ultimately leads to the design of winning cooperative society strategies.

In conclusion therefore, the Agency theory (Freeman, 1984) was the main theory that guided this study, supported by stakeholder and resource dependency theories.

2.3. An overview of the main concepts of the study

Corporate governance;

Simply defined, this refers to systems and procedures by which the company is controlled and managed for the benefit of its shareholders and other stakeholders (OECD, 2004). Corporate Governance is about ensuring that a Corporation is run in such a manner as to achieve its objectives (Coyle, 2006). Different countries have had various approaches to corporate governance, based on their unique experience and legal regime (Jones, 2005). Internationally, the US and UK have taken the lead in the development of corporate governance (Tumuheki, 2007). Given that companies are said to be a legal personality different from owners and directors and therefore not personally liable for errors of a company, mechanisms have to be put in place to ensure that controllers (Directors) run the corporation in a manner consistent with the interests of the owners (shareholders) and society's general good. This was one of the main objectives for emphasizing corporate governance.

Corporate governance in this research was the main independent variable which was subdivided into three constructs; corporate planning, corporate staff control and corporate accountability.

Corporate planning;

This is a process used by businesses to map out a course of action that will result in revenue growth and increased profits, also known as strategic planning. Literature on corporate governance emphasizes corporate planning as an important role at corporate strategy level (Tumuheki, 2007). That is the reason this was adopted as one of the study variables under corporate governance.

Corporate staff control;

Corporate staff control is a key risk management mechanism instituted by boards. It encompasses the oversight function of governance boards to monitor, guide and advise company management on pertinent issues relevant for attainment of corporate vision and mission.

Corporate accountability;

This refers to the board acceptance and responsibility for their actions towards the shareholders and other stakeholders. Corporate accountability tends to strengthen and respect stakeholder rights to hold those in power responsible for their actions (Friends of Earth, 2005). This is also a fundamental role of the corporate boards since they hold a lot of power in a company on behalf of the shareholders.

Marketing performance;

Performance generally refers to the accomplishment of a given task measured against pre-set known standards. In the perspective of this study, marketing performance is about the measure of produce turnover at the exchange between seller and buyer, assurance of market for produce in terms of buyers and price offer for company's products (NACE, 2013). Vorlaufer et al. (2012) in their study on collective marketing performance pointed out strongly the aspects of increase in quantity of produce sales, market access and price gain as pertinent measures of performance in marketing cooperative societies. In addition, Sherefa (2008) mentions that agricultural marketing cooperatives bring members together for increased bargaining power in relation to buyers and improved marketing economies (economies of scale).

Cooperative Societies

The International Cooperatives Alliance (ICA, 1995) defines a cooperative society as an autonomous association of persons, united voluntarily to meet their common economic and social needs through jointly-owned and democratically-controlled organization/enterprise. The international Labor Organization (ILO) adds that members accept a fair share of the risks and benefits of their cooperative undertakings (ICA-UN, 1995). It is organized and incorporated to engage in economic activities with certain ideas of democracy, social consciousness, and human relations included. A cooperative provides services and benefits for its members in proportion to the use they make of their organization rather than earning profits for the shareholders as investors. Cooperative Societies are categorised in tiers according to the type of business or according to the coverage of their membership (MTIC, 2011). There are those that are called primary cooperatives, where individual persons are members; then secondary cooperatives, where primary cooperatives are the members and Tertiary cooperatives, where the secondary cooperatives are the members. According to type of business, cooperative societies cover about seven sectors of the economy, one of them being agricultural marketing cooperative societies (ICA, 1995).

2.4. Actual Review of Related Literature

2.4.1. Corporate planning and marketing performance of Agricultural Marketing Cooperative Societies

Companies decide where they want to go through strategic plans obtained from a strategic planning process. Drucker (1954) remarked that strategic planning is management by plans, an analytical process and is focused on making optimal strategic decisions. Ansoff (1970) conceptualizes strategic planning as the process of seeking a better match between a firm's products or technology and its increasingly turbulent markets. Arasa & K'Obonyo (2012) reported that organizations from both the private and public sector are increasingly embracing the practice of strategic planning in anticipation that this will translate into improved performance. The business owner plays an important and perhaps a crucial role in small and medium-sized firms when it comes to the formulation of a firm's strategy and that the business owners are responsible for the strategic decisions of the company (Gibcus & Kemp, 2003).

Strategic planning takes place at three levels; corporate, business and functional levels. Corporate level strategy is the sole responsibility of the business owners who the board of directors represents. Wendy (1997) explains that the strategic planning process comprises of three main elements which help turn an organization's vision or mission into concrete achievable goals. These elements include strategic analysis, strategic choice and strategic implementation. The strategic analysis encompasses setting of the organization's direction in terms of vision, mission and goals. Therefore this entails articulating the company's strategic intent and directing efforts towards understanding the business environment. This element is the most crucial one where the company's board of directors must have a serious input. By defining a company's purpose and goals, corporate planning provides direction to the organization and enhances coordination and control of organization activities.

OECD (2015) defines corporate governance as the structure and process established to oversee, direct, and manage the business and affairs of the corporation with the objective of ensuring its financial stability and enhancing shareholder value. OECD (2004) puts it strongly that one of the key roles of company boards is that of strategy formulation. A company's board of directors should therefore be well versed with the aspirations and desires of the company and its shareholders. The choice of businesses, the level of investment, and level of staffing must be defined in the company's strategic plan. This starts with the determination of the vision and mission up on which the choice of strategies is made. A well designed and clear mission leads to a clear choice of business strategies. OECD corporate governance principle number VI stresses that the board is fully responsible for the company's corporate strategy (OECD, 2004). This implies that the board must act from an informed point of view to guide the strategic plan development process and choice of strategies to be taken to achieve the company's mission.

Uganda Cooperative Alliance states that the board of any cooperative society is its heart of governance. Corporate governance has become very fundamental in this century following changes in the business environment today and the corporate scandals so far evidenced and their impact. This significance is both traced in profit oriented and non-profit oriented companies. All companies where ownership and management are separated take corporate governance as a serious matter. In their report on corporate governance and management of cooperatives, the Pellervo Confederation of Finish Cooperatives (2000) noted that in recent years, corporate governance has developed rapidly throughout Europe and particularly in Finland.

The Private Sector Initiative for Corporate Governance (PSICG) of Kenya defines corporate governance as the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders in the context of its corporate mission. Since the board has the responsibility to make or oversee the design of the mission and general strategic plan of the organisation, its role should be to ensure that what the owners of the company aspire is exactly what is pursued in the strategic plan.

The level of involvement of stakeholders in the formation of the strategic plan is very essential. The more the stakeholders are involved, the more focused the plans are in striving to achieve the greatest value for the shareholders. OECD (2004) stresses that where strategic decisions may affect the stakeholders differently, shareholders must be consulted and treated equally. This is in line with the stakeholder theory of corporate governance as reviewed by Abdullah and Valentine (2009). In this theory, it is paramount to treat as special and involve company's stakeholders on matters of great impact to them.

The Commonwealth Association of Corporate Governance (CACG, 1999) developed guidelines serving as principles for effective corporate governance. The central point of discussion in these principles is about the board of directors' guidelines and practices. Among the roles of the corporate boards pointed out here were the determination of purposes and strategy of the companies in addition to ensuring effective board appointments, monitoring and evaluation of performance on strategy.

Uganda's Capital Markets Authority (CMA) defines corporate governance as the process and structure used to direct and manage business affairs of the company towards enhancing prosperity and corporate accounting with the ultimate objective of protecting and promoting shareholders' rights and realizing shareholders' long term value while taking into account the interests of stakeholders (CMA, 2003). CMA developed guidelines of corporate governance to provide benchmark for all listed companies in Uganda in promoting good corporate governance for self-regulation in order to bring them in line with the level of international trends (CMA, 2003). These guidelines endeavor to put across what they called “best practices” in corporate governance. CMA observes that company boards are very key stakeholders with the role of corporate governance in companies and suggests the best practices they should adhere to in the dispensation of their roles. Some of the corporate board roles mentioned in CMA corporate governance guidelines include formulation of the mission, vision and strategies of the company and this is a corporate planning role taken very seriously.

Jensen (1992) noted that it is the role of the board of directors to design and develop a long range strategic plan of the company. Jensen (1992) also indicates that even where the board is unable to develop the strategic plan, it should require the executive and management to have a suitable strategic plan that is in line with the mission, vision and values of the company as desired by the owners.

To this end, Jensen (2009) made a list of characteristics that board members in a given firm should possess in order to be able to fulfill the functions of strategic guidance. Among those, are that they should be people who have been successful entrepreneurs in their own rights, been through the process of growing a company, committed to the success of the company, and a person who can be innovative and creative. O’Dell & Combes (2009) emphasize that once strategies are formulated, they should have along with them the performance measures. The board of directors takes a very significant role in the monitoring of performance against the set standards of the strategies. Short of this, the corporate planning role of the board remains incomplete.

Correlation analysis results from a research conducted by Arasa & K'Obonyo (2012) indicated the existence of a strong relationship between strategic planning and firm performance. These researchers stressed the manner and extent to which each of the steps is practiced could have implications on the expected strategic planning results and its future performance outcomes. Wrongly developed and perceived strategic decisions will contribute to wrong implementation that will be measured at performance level (Pugliese et al, 2009). Hendry and Kiel (2003) also allude that companies that have their board members actively participating in deciding the strategic direction registered superior financial performance.

2.4.2. Corporate Staff Control and marketing Performance of Agricultural Marketing Cooperative Societies.

The boards of directors are legally mandated to pass on the routine responsibility of the company to technical management staff (Abdullah & Valentine, 2009). The corporate responsibility of the board on the side of staff revolves around the top management such as Chief Executive, for example, to hire and fire them, in addition to other guidance and control responsibilities. It is very essential to effectively and appropriately control the executive due to the fact that there is separation of ownership and control as a challenge noted in the agency theory of corporate governance (Abdullah & Valentine, 2009). Even when the board legally appoints the chief executive of a company, it remains responsible for the oversight and thus has an obligation to keep informed in order to assist management in formulating and developing plans. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interest of the company and its shareholders and should facilitate effective monitoring (OECD, 2004).

Cooperatives UK (2013), in their corporate code of conduct for consumer cooperatives, strongly recognize the value of good governance practice. Key to success of cooperatives performance is good governance that regulates the level of control on executives and management. Neglecting this function weakens the organisation's framework of accountability while reducing chances of implementing its strategy. Appropriate control of management staff strongly supports the operation of boards and reduces business risks.

Prior research has shown the importance of hiring a competent CEO in terms of firm performance. Denis and Denis (1995) show that forced changes to top management are associated with positive abnormal returns. They find significantly large declines in operating performance before the removal a CEO and significant improvement after the CEO is replaced. This suggests that the market recognizes the importance of having an effective CEO and responds accordingly. If the firm's existing management does compare favorably to the pool of external candidates, it is the responsibility of the board of directors to compensate the executives in a manner consistent with the demands from the market for effective managers.

When looking to hire a CEO, succession planning is crucial. The board of directors can look for candidates that are currently employed within the firm (internal) or individuals employed outside the firm (external) (Dewji & Miller, 2013). Dewji & Miller (ibid) further content that an internal candidate has more knowledge of the firm, but is also less likely to make changes. An external candidate is less knowledgeable about the firm, but may have superior managerial skills and is more likely to make the changes that the Previous CEO did not make.

According to Jensen and Meckling (1976), agents will act according to their own self-interest instead of acting in the best interest of the shareholders. Monitoring and bonding expenditures are therefore needed to compensate for this behavior. One method of exercising monitoring is by separating ownership and control, which can be achieved by making sure that an outside director rather than the CEO chairs the board. This is a good strategy to avoid conflict of interest and strengthens the supervisory role of the board to the executive.

It is the responsibility of the board of directors to assess the performance of the top executive of the company. This becomes less tedious especially with listed companies as the securities exchange plays vital role in this area (OECD, 2015). If however, the company performs negatively on the stock exchange market, the board of directors is answerable. It is a general rule that company executives should have targets to achieve as set by the board, either from the strategic plan or on a continuous review basis. Federally-Regulated Financial Institutions office (FRFI, 2013) contends that an effective Board should, through its collective expertise, skills, experiences and competencies, provide objective and thoughtful guidance to, and oversight of, Senior

Management such as the Chief Executive Officer (CEO) and those that report to the CEO (FRFI, 2013).

The performance of management staff is positively correlated with the performance of the company (Salvioni, 2000). This implies that when the board of directors undertakes its role of oversight to company management team, it contributes to the expected company performance (Salvioni, 2000). The control must, however, go hand in hand with the supportive systems and resources that allow the company to meet the expectations of both the shareholders and external stakeholder (Salvioni, 2000).

Internal control systems are very fundamental in promoting corporate control over the senior management staff of companies. Such systems include transparency, disclosure, auditing, and compliance review (Salvioni, 2000). Audit committees, risk management committee and compliance committees are part of the control systems to be put in place by the board to aid board responsibility of staff control (Family Mart, 2011).

Anderson and Maher (1999) reported that owner-controlled firms are more profitable than manager-controlled firms and this is also consistent with the life-cycle model of the firm. Corporate governance failures and bad investment decisions are less likely in the early stages of a firm's life, a time when investment opportunities are in abundance and equity stakes are concentrated. This is comparable to the situation when the firm grows bigger with diluted shareholder concentration on the management when many factors come into play to affect performance. Further, Anderson and Maher (1999) found out that studies from the US and UK, owner-controlled firms significantly outperformed manager-controlled firms. This is closely akin to the agency theory of corporate governance.

Tumuheki (2007), in a research analysis of corporate governance, noted that application of measures of management control helps to prevent corporate scandals, fraud, and potential civil and criminal liability of the organization. A good corporate image enhances the reputation of the organization and makes it more attractive to customers, investors, suppliers, and in the case of non-profit organizations, contributors or promoters.

The corporate financial scandals that affected major American firms, such as Enron, WorldCom and Arthur Andersen, and the resulting loss of confidence of investing in the public stock market led to dramatic declines in share prices and substantial financial losses to millions of individual investors (Tumuheki, 2007). This acted as a wakeup call to a number of companies to embrace good corporate governance, that is, more proactive board involvement in the control and support to the corporate management teams.

Companies are regulated by both external (national and international) and internal policies. For example, national policies may include investment policy, labor laws, transport policy or health care policy. Within companies are found policies like human resource policy, finance policy, HIV/AIDs work place policy, shareholders' policy, board regulatory policy or fraud policy. It is the responsibility of the company boards to make right policies or make sure certain polices are in place and in the right form to support the execution of work in the most efficient manner (Sutcliffe & Court, 2005).

These policies form very good basis for the corporate boards to advise, guide and moderate the staff of the company (Sutcliffe & Court, 2005).

Similarly, cooperative societies have common policies that are made by the apex bodies while each cooperative is expected to have internal policies that are specific to the nature of their business (Cooperative Societies' act, 1991). It is the role of the cooperative society's board to make or cause to be made policies in line with the statutory and legal obligations as laid out in the cooperative societies' act (1991) and the cooperatives regulations (1992) that guide actions of the management staff.

2.4.3. Corporate accountability and marketing performance of Agricultural Marketing Cooperative Societies

Accountability is taken to literally mean the process of giving an account of an event. Achieving accountability usually moves hand in hand with seven other principles; these include delegation, responsibility, disclosure, autonomy, authority, power and legitimacy (Chansa, 2006). Corporate accountability therefore concerns the governance role that the governing boards dispense to take responsibility for their decisions/actions and those of the company in general that impact on the shareholders and other stakeholders.

The principal challenge of corporate governance is to create a system that holds decision makers accountable while according proper respect to their authority over the corporation (Jones, 2010). The standard accountability mechanisms are the market, shareholder voting, and civil and criminal liability. In theory, these mechanisms work together to create incentives for responsible decision making and to deter self-dealing or other forms of misconduct (Jones. 2010). In reality, however, each of these accountability mechanisms contain flaws that allow corporate officials to sometimes exercise an unreasonable degree of discretion when making decisions that affect the fortunes of so many (Jones, 2010).

The separation of ownership from management can be a cause of conflict if there is a breach of trust by managers either by intentional acts, omission of key facts from reports, neglect, or incompetence (Chansa, 2006). One way in which this can be avoided is for corporations to act with transparency and be accountable to the shareholders and other stakeholders. In view of the agency theory of corporate governance, corporate boards are put in place to reduce the gap between the owners/shareholders and the management so that management acts in the interest of shareholders. The management is entitled to account to the board and the board to account to the shareholders and other stakeholders.

The boards have the responsibility to cause proper, transparent and timely provision of account of operations in different forms to the stakeholders. The more accountable corporate governors are, the more likely it is that results of performance measurement processes are going to be a true and fair representative of the performance being measured (Jones, 2010).

There are mechanisms put in place to enforce corporate accountability including state law, stock exchange market, industrial regulations, audit committees, external audit and internal company controls (Jones, 2010; Brennan & Jill, 2008). In state law, for example, the shareholder lawsuit is the principal mechanism for enforcing fiduciary duties. Shareholders may sue directors or officers on behalf of the corporations for breach of fiduciary duty. Shareholders can also sue directly when they suffer direct harm as a result of directors' decisions (Jones, 2010).

As the consideration of corporate governance has started to broaden in its coverage, there has been a change of emphasis, away from the traditional shareholder-centric approach, towards a more stakeholder-oriented approach to corporate governance. There is now a growing interest among researchers in broader theoretical frameworks (Brennan & Jill, 2008). Stakeholder theory and enlightened shareholder theory are being used increasingly to offer a more inclusive approach to corporate governance. This has contributed to broadening boardroom diversity and inclusivity, by encouraging non-executive directors to be drawn from more diverse backgrounds, representing a broader group of external constituencies drawing attention to the need for companies to act responsibly towards their diverse stakeholders (The King Report, 1994, 2002). The system of checks and balances, both internal and external to companies ensure that companies discharge their accountability to all their stakeholders and act in a socially responsible way in all areas of their business activity (Brennan & Jill, 2008).

There have been more foundations laid for the increased stakeholder-oriented code of best practice. For example, the Commonwealth Association on Corporate Governance (1999) puts stronger emphasis on accountability to a wider section of stakeholders. The OECD's approach to corporate governance principles highlights the need for corporate accountability to stakeholders by making stakeholder concerns one of the primary principles of corporate governance best practice (OECD, 1999, 2004).

Which stakeholders, anyway, apart from the shareholders, deserve or have the right to hold corporate boards accountable? Brennan and Jill (2008) defined stakeholders as any group or subjects who affect or are affected by a company's operations/decisions. These could include the general society, employees, government, the customers, shareholders and financiers (Heath & Norman, 2004). Accountability in the cooperative societies is more important to the shareholders. This is because shareholders of cooperative societies take on a number of roles. In addition to contributing the capital in terms of shares, the shareholders are also the customers, controllers, owners and beneficiaries of the same (MTIC, 2004). This forms the biggest part of stakeholders but that notwithstanding, the society and partners of cooperatives remain paramount.

Jones (2008) extends the extant work in corporate governance by considering corporate governance mechanisms which long pre-date the establishment of the limited companies, such as in the mechanisms of accountability and governance in mediaeval England. In his paper, Jones makes a significant contribution by focusing the attention of researchers on early forms of governance.

In the 1980's the development of a powerful market for corporate control suggested for the first time that accountability to shareholder interests could be feasible (Ribstein, 2005). Thereafter the modern social responsibility debate took form. The problem they saw was that the shareholders themselves are narrowly focused on profits and not subject to the moral constraints that apply to other property owners.

The issue of corporate accountability is taken with utmost significance in cooperative societies. International Cooperative Alliance stresses the need to keep all its member country Apex cooperatives and primary level cooperatives responsible and accountable to the wider section of stakeholders (ICA, 2013).

The performance reviews, annual meetings with investors, and special report to shareholders are central features of corporate accountability. These features result in better monitoring and higher standards of accountability, and provide shareholders with adequate information for purposes of communicating with management and the directors (Lipton & Lorsch, 1992). For example, formal annual performance reviews overcome the natural reluctance of directors to be critical of the CEO and requires them to focus on deficiencies that human nature might otherwise lead them to overlook (Lipton & Lorsch, 1992). It is therefore the role of the corporate board of directors to cause such reviews to happen on a regular basis.

2.5. Conclusion

This chapter presented theories of corporate governance and review of literature in relation to the corporate governance and marketing performance of cooperative societies. Agency theory as the main theory guiding this study, supported by stakeholders’ theory and resource dependency theory were reviewed. Actual review of related literature was done objective by objective. Throughout the literature, corporate board and their fulfillment of board roles emerged as very fundamental in anchoring corporate governance and company performance. The fundamental corporate board roles reviewed included corporate planning, corporate staff control and corporate accountability.

CHAPTER THREE

METHODOLOGY

3.1. Introduction

The previous chapter presented a review of the theories and studies done by a number of researchers on the area of corporate governance and cooperative societies. In this chapter, the researcher presents the methodology used in the study. This chapter, therefore, details out the research design that was used, area of study, study population, sampling, data collection, quality assurance, measurement of variables, data analysis and presentation, ethical issues and limitations of the study.

3.2. Research Design

In this research, a case study design was used. This design intended to obtain a deeper knowledge on the status quo regarding the subject of corporate governance within the cooperative societies (Yin, 2009). Amin (2005) notes that the research design is determinant on the purpose of the research. A case study also allows for inferences to be drawn about the subjects in the study basing on the applicable theories.

Qualitative and quantitative approaches were used in this study to describe and explain the situation of corporate governance and marketing performance of agricultural marketing cooperative societies. According to Yin (1993), case study design of a research can employ qualitative, quantitative approaches and produce reliable findings. A descriptive and explanatory research was conducted since the researcher wanted to clarify on the characteristics of the subjects in the research as well as the practices of corporate governance employed in addition to quantifying the effect of the parameters under study in a progressively time bound manner.

3.3. Area of study

This study was undertaken in Namungalwe Sub County, Iganga district as shown on the map in Appendix V. Iganga district is located in the Eastern region of Uganda, lies between the longitude of 33^{o}.10' and 34^{o}.1' East and latitude between 0^{o}.6' and 1^{o}.12' North, with a total population of 506,388 people (UBOS, 2014). Namungalwe is one of the 16 sub counties in the district located 15 kilometers along Kaliro road, North of Iganga town with a total population of 37,392 persons of whom 17,729 are males and 19,668 are females (UBOS, 2014). Iganga is one of the districts with the highest number of cooperative societies in Eastern Uganda (UCA, 2011).

3.4. Study population

The study population was 80 persons from Namungalwe Area Cooperative Enterprise Society as revealed from the annual progress report (NACE, 2014). These comprised of the members' representatives to the General Assembly (GA) from Rural Producer Organisations (70), Members of the board (7), members of management (2) and a government technocrat (1).

3.5. Sampling procedures

3.5.1. Sample size

Using Krejcie & Morgan's (1970) table for determining sample size (Appendix IV), 66 respondents formed the sample size of this study out the study population of 80 persons. The sample representation from different categories of the population is clearly summarized in table 3.1.

3.5.2. Sampling techniques

Sampling is the process of selecting units from a population to be studied, such that by studying the parameters of the sample, a fair generalization of the results back to the population can be made. In this study, purposive sampling and simple random sampling techniques were used to obtain the sample.

Purposive sampling is a type of non-probability sampling technique characterized by a deliberate effort to gain representative samples by including groups or typical areas in the sample (Amin, 2005). Purposive sampling was used to allow for selection of participants from each category of the population studied, that is, shareholders (members of General Assembly), board members, management staff and government technocrat in charge of cooperatives in the district. This technique therefore contributed to having a more representative sample of the categories studied in the sample given their great relevancy to the study.

Simple random sampling technique, on the other hand, is where all subjects in the population have equal chances of being selected, that way reducing the researcher's influence of bias (Amin, 2005). Simple random sampling was used to pick the actual respondents from the category of AGM members and Board members. This was done by assigning numbers to all the targeted population and picking out, at random, the numbers representing the respondents equal to the targeted sample size. This helped to avoid researcher's bias at selecting the respondents. Table 3.1 below summarizes the sample size per category.

Table 3.1: Sample size categorization from the study population

Population category	Population size	Sample size	Sampling techniques
A. GA members	70	57	Purposive, then Simple random sampling
B. Board members	7	6	Purposive, then Simple random sampling
C. Management members	2	2	Purposive sampling
D. Government technocrat	1	1	Purposive sampling
TOTAL	**80**	**66**	

Source: Annual report on membership data (NACE, 2014)

3.6. Data sources

Secondary sources through literature reviews were used. This enabled the researcher to get more grounded in the theories and practices of the subject matter as well as get acquainted with other studies done in the related areas. Literature review also enabled the researcher to get more information concerning the operations of Namungalwe Area Cooperative Ltd. Primary data sources were used to provide first hand data on the practices and perceptions from the subjects sampled out through primary data collection using questionnaires and interview guides.

3.7. Data collection methods and instruments

3.7.1. Data collection methods

There are several data collection methods that can be employed in research. The following methods were chosen for this study as elaborated in the sections below;

3.7.1.1. Questionnaire administration;

This method was used to collect data from respondents in the category of board members and some members of the General Assembly who were able to read and write the responses on their own (Table 1.1). The researcher was able to deliver the questionnaires to the respective respondents and within one week the questionnaires were collected from them.

This method was chosen for use due to a number of benefits. It was found suitable for collecting data since it is applicable where the sample size is big. It also enabled faster work progress whereby the researcher dropped most of the questionnaires and picked them after the respondents had filled them. The method also helped to avoid researcher biases since respondents filled the questionnaires without face-to-face contact of the researcher or research assistants.

3.7.1.2. Interview

Structured interview method was used on respondents who were unable to read and fill out the structured questionnaires on their own for reasons of illiteracy, given the nature of the study population especially in category A for General Assembly members (Table 1.1). In this method, research assistants delivered and administered the structured questionnaires (interviewing) while avoiding the change of question meanings as much as possible in order to obtain the correct response.

Individual semi-structured key informant interviews were done with the technical staff from the management of NACE and government technocrat from the cooperative department (Table 1.1). This method was fundamental for providing the research with more expert, in-depth and insider information concerning the research study questions.

3.7.1.3. Focus Group Discussion;

This method, as another form of interview was also used in a discussion with eight participants from the target population of the study. The participants were mobilized through their leadership to attend the one-hour discussion session. This method facilitated triangulation of data from individual questionnaires and interviews concerning the research questions. The method provided for a face-to-face interaction with respondents in which a lot was obtained about their opinions and attitude about the research questions. The researcher, through this method, was able to judge the varying opinions of participants on the same subject up on which conclusions would be made regarding the topic of discussion.

3.7.1.4. Document review

Throughout the study period, document review through reading available documents was done. A document is any written or recorded material not written at the request of inquirer (Lincoln and Guba 1985). Books and reports from library and the case study organisation (NACE) were obtained and used to provide the secondary data and background information to understand the research area critically. These included annual reports, NACE constitution, business plans and minutes of meetings. This method provided the researcher with historical information that most respondents would not provide from primary data.

3.7.2. Data collection instruments

Data was collected from various sources using different methods as elaborated in the following sub-sections;

3.8.2.1. Questionnaires

Questionnaires were the main data collection tool for this study (Appendix I). Respondent in the category of Board members, management staff and the government official who were literate enough were able to fill the questionnaires on their own. For those who were unable to read and write, especially the members of Annual General Assembly, the same questionnaires were administered to them by the researcher. The questionnaire, being the primary data collection instrument, collected both qualitative and quantitative data. The questionnaire was based on five point Likert scale of 1 to 5, implying; 1- strongly disagree; 2- disagree; 3–not sure; 4- agree; 5- strongly agree. This scale was vital for gauging attitude and perception of respondents towards the variables studied. The use of questionnaires enabled collection of data from a large sample of respondents. It was also possible to get responses related to a common subject that enhanced the quality of data analysis.

3.8.2.2. Interview guide

Interview guides were used for two purposes to collect primary data; Semi-structured Interview guides were used during interviewing sessions with the Manager of NACE and government official in-charge of cooperatives and during the focus group discussion with selected members of the Annual General assembly (Appendix II and III). Interview guides facilitated the researcher to obtain more qualitative information from the respondents in support of the responses provided to the questions in the questionnaires which could not be brought out by the questionnaires.

3.8.2.3. Document review checklist

This tool was used to guide the researcher while collecting secondary data from different documents based on the objectives of the study (Appendix IX). The tool helped to provide criteria of the data to be obtained from the review subdivided in subtopics that enabled quick analysis to provide information relevant for the research.

3.8. Quality assurance

Quality assurance of data was be achieved by use of the following measures;

3.8.1. Reliability

Reliability is the degree to which an assessment tool produces stable and consistent results when used different times under the same conditions with the same subjects (Roberts et al, 2006). Reliability was increased by ensuring that the questions in the tool used clear and simple language. Short and precise phrases of questions in the tool were made. Efforts were made to avoid multiple sentences and ambiguous questions.

Reliability of the questionnaire was tested using Cronbach’s alpha in SPSS software. This test expressed the reliability of the tool numerically as a coefficient as reflected in

Table 3.2. The coefficient obtained reflects the extent to which the tool was free from error variance. Pre-test data collected from 10 respondents within the target population but outside the sample was entered in SPSS data analysis software (V.16). Cronbach's Alpha test was run for every construct of each variable as indicated in table 3.2.

Table 3.2: Reliability test results after pretest

Variable	Cronbach's Alpha	N of Items	N
Corporate Planning	0.939	7	10
Corporate Staff Control	0.863	7	10
Corporate Accountability	0.823	8	10
Marketing Performance	0.882	9	10
Average	**0.877**		

Reliability test results in table 3.2 above were obtained indicating an average Cronbach's Alpha coefficient of 0.877 as shown in SPSS reliability outputs in Appendix VII. According to Johns (2010), an Alpha coefficient above 0.6 is acceptable. Therefore, the Alpha coefficient of 0.877 implies that the internal consistency of the tool was high and the results obtained by use of the tested tool and reported by this study are acceptable.

3.8.2. Validity

Validity of a measurement instrument is the extent to which the instrument measures what it is supposed to measure (Amin, 2005). Face validity and content validity of the questionnaire used in data collection was tested and assured.

To test face validity, the researcher shared the tool with fellow students to obtain their opinion about the clarity of the questions in relation to variables measured. Research supervisors also reviewed and provided tremendous opinion on face validity of the tool. These opinions were taken into consideration to improve the tool.

Content validity focuses on the extent to which the content of an instrument corresponds to the content of the theoretical concept it is designed to measure (Amin, 2005). Content validity in this tool was enhanced by including most of the attributes about the variables being measured by the instrument. Content validity was tested by determining the Content Validity Index (CVI). To determine CVI, four expert persons in corporate governance were identified and each provided with a copy of the questionnaire.

The experts were requested to identify and check all content valid questions in the tool. Total validity was obtained by calculating the average of the ratios out of 36 total questions as provided by the four experts. The results per expert person were calculated to obtain total validity as follows;

Expert 1= $\frac{32}{36}$ = 0.89, Expert 2 = $\frac{33}{36}$ = 0.92, Expert 3= $\frac{35}{36}$ = 0.97, Expert 4 = $\frac{31}{36}$ = 0.86

Therefore, $\frac{0.89 + 0.92 + 0.97 + 0.86}{4} = 0.91$

The average of the four and thus content validity index of the tool was 0.91. According to Amin (2005), a questionnaire with Content Validity Index (CVI) of 0.7 and above is valid and therefore 0.91 obtained here was acceptable for use of the tool to produce valid research results.

3.9. Data management and processing

The persons who supported the process of data collection were thoroughly trained on the use of the questionnaire especially interpretation and translation of the questions and answers. Each questionnaire filled by research assistants was critically reviewed for completeness and accuracy. All data instruments were securely kept throughout the study period to ensure confidentiality.

3.10. Data analysis

3.11.1 Qualitative analysis

Qualitative data was analyzed continuously, during and after data collection. Qualitative data was obtained especially from interviews with key informants, focus group discussion and literature review. Qualitative data was also collected by semi-structured questionnaires. This data was collected and organized according to the themes guided by the research objectives and variable indicators. The information from qualitative data was used directly in the report as quotes of responses to give qualitative impression regarding the study findings.

3.11.2 Quantitative analysis

Quantitative data analysis was performed using SPSS software (V.16). Quantitative data was coded, entered in SPSS and cleaned for analysis. Data in SPSS greatly facilitated the running of key statistical measurements of the research. The key statistical information run included frequencies, mean and Standard deviation regarding the level of responses on different questions of the research variables. The mean statistics helped to bring out the position of most respondents along the scale. The Standard Deviation helped to point out how spread or scattered from the mean the responses were.

Pearson correlation coefficient analysis was run to measure the relationship and the strength of that relationship between the independent variable (Corporate governance) and dependent variable (marketing performance of NACE).

Regression analysis also was run using SPSS software (V.16). Linear regression was run to determine and predict the effect of the independent variable on the dependent variable per objective. Multiple regression analysis was run to test the combined effect of the three constructs of the independent variable on the dependent variable.

Presentation of information from the analysis was done in varying formats including narrative statements to describe behavior of the variables and tables. Frequency tables as listed in Appendix XIII generated from SPSS outputs were used to present information on all variables.

3.11. Ethical considerations

The following ethical considerations were taken care of during the entire period of this research;

All literature materials, including text books, journal and reports that were consulted to guide this study were acknowledged by in-text citation and referencing at the end of this report. Permission was sought from all the respondents to allow the researcher to interview them. A formal acceptance was also obtained from management of NACE (Appendix VI). Fortunately, no respondent completely resisted to be interviewed. The researcher endeavored to explain to respondents the purpose of data they provided, stating that it was for academic purposes only. This helped to reduce respondent's expectations for rewards. They were, however, informed that if the report will published after the study, perhaps action may be taken by responsible authorities to implement some of study recommendations.

Confidentiality of the respondents was strictly observed. No names of respondents were recorded anywhere on tools and this enhanced their trust in research confidentiality clause and were more open at giving the necessary information. They were further informed that the data was to be used for study purposes only and all the questionnaires would be burnt after the report acceptance and approval by the university.

3.12. Study limitations

The researcher encountered some limitations during this study and but was able to manage them as elaborated below;

Some respondents were too inquisitive as to the purpose of the study citing that they had answered so many questionnaires in the past but with no tangible results from the projects designed. The researcher endeavored to explain to respondents that this was only an academic research and not a development project research.

Some of the sampled respondents were most of the time unavailable in their homes or working places. This was solved by extending the time of data collection to allow for going back to pick the questionnaires or interview them. Some respondents were visited up to three times in order not to affect the sample size.

Some respondents' literacy skills were low and this was resolved by ensuring that such people would be interviewed directly by the researcher or research assistants with proper translation of questions in order not to lose the meaning of questions.

3.13. Conclusion

Chapter three presented the research design that guided this study. Case study research design was used in order to get deeper insight into the research area (Yin, 2009). The Case study area was Namungalwe Area Cooperative Enterprise limited (NACE) in Iganga district, Uganda. Both qualitative and quantitative study approaches were used. 66 respondents were sampled to participate in this study and to provide both qualitative and quantitative data. Interview guides, questionnaires and literature review checklists were the instruments used for data collection. Data was analyzed qualitatively and quantitatively using SPSS software (V.16).

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1. Introduction

This chapter presents the analysis and discussion of the results obtained from the study for each objective. Other statistical results like correlation and regression are also presented and analyzed according to each of the study objectives.

4.2. Response rate

Table 4.2.1: Response rate

Questionnaires distributed	66
Questionnaires returned (F)	64
Percentage response (%)	97

Questionnaires were given out to 66 sampled respondents and out of that, 64 questionnaires were filled and returned. This represents a response rate of 97% and a good representation of the study population. According to Lindner, Murphy and Briers (2001), a response rate of 85% and above is generally acceptable for analysis of data to proceed.

4.3. Respondents' Bio-data

The researcher examined some demographic characteristics of the respondents to generate a more accurate picture of the persons involved in the affairs of Namungalwe Area Cooperative Enterprise.

4.3.1. Gender of respondents

Data was collected and analysed regarding the gender of respondents as presented in table 4.3.1 below.

Table 4.3.1: Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	35	54.7	54.7	54.7
	Female	29	45.3	45.3	100.0
	Total	64	100.0	100.0	

Source: Primary data (2016)

Table 4.3.1 above shows that male respondents were 54.7% (35) and female respondents were 45.3% (29). The male respondents being more than female respondents represents a cultural orientation in this community where males dominate in commercial oriented enterprises while females tend to dominate in social oriented tasks. This attitude is likely to affect marketing performance progress since women are the majority involved in production within households but get scarcely involved in marketing. According to Oxfam (2014), equal participation of both men and women in social enterprises brings about sustainable market development.

4.3.2. Age of Respondents

Data on age of respondents was obtained and presented in the table 4.3.2.

Table 4.3.2: Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35 years	13	20.3	20.3	20.3
	36-45 years	21	32.8	32.8	53.1
	46-55 years	20	31.2	31.2	84.4
	56-65 years	6	9.4	9.4	93.8
	66 and above years	4	6.2	6.2	100.0
	Total	64	100.0	100.0	

Source: Primary data (2016)

Table 4.3.2 shows the age distribution of study respondents. Majority of the respondents were in the age range of 36-45 years making 32.8%, (21), followed by age group of 46-55 years making 31.2% (20). This implies that NACE is comprised mainly of a mature age group. This age group tends to be more focused on being enterprising and are generally entrusted with running organisations with honesty. This composition is expected to contribute well to better corporate governance practices that impact on marketing performance of NACE. However, a very important segment of the population containing the youth age group up to 35 years has only 20% (13), which is too small. One of the respondents in the interview expressed a fear that there might be very few energetic persons in future to replace the aging category that is above 36 years which is more than 50% in steering forward the cooperative work.

4.3.3. Education level of respondents

Concerning the education level of respondents, data was collected, analysed and presented in table 4.3.3 below.

Table 4.3.3: Education level of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	17	26.6	26.6	26.6
	S1-S4	39	60.9	60.9	87.5
	Diploma	1	1.6	1.6	89.1
	Degree	1	1.6	1.6	90.6
	Others	6	9.4	9.4	100.0
	Total	64	100.0	100.0	

Source: Primary data (2016)

According to table 4.3.3, the majority of respondents (60.9%, 39) were drop outs of S1-S4. This means that their ability to articulate and comprehend matters of corporate governance at levels of management and board is quite low. This could affect their contribution to corporate governance framework of NACE hence affecting marketing performance. Noteworthy too, open ended questionnaire showed that those in the category of others 9.4% (6) were either nursery dropouts or never got an opportunity to attend formal education.

During the focus group discussion, a concern was raised that given the low education levels of the shareholders, it becomes difficult for them to even be able to distinguish between their own cooperative activities and services provided by external development partners within their communities. This could bring question marks on how the shareholders struggle to meet marketing performance milestones for an organisation that they do not fully understand yet they are accountable for its performance growth.

4.3.4. Respondents' length of time spent with NACE

The length of time that respondents had spent with NACE was collected and presented in table 4.3.4 below.

Table 4.3.4: Length of time respondents have been with NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 years	8	12.5	12.5	12.5
	3-5 years	45	70.3	70.3	82.8
	Above 5 years	11	17.2	17.2	100.0
	Total	64	100.0	100.0	

Source: Primary data (2016)

Table 4.3.4 indicates that 70.3% (45) of respondents had been with NACE for a period of 3-5 years and 17.2% (11) above five years. This means that the respondents had appropriate ability to give their opinion in this study. This duration also is expected to be long enough to enable shareholders, board members and management staff to appropriately articulate the vision and mission of NACE and work towards their marketing performance objectives.

4.4. Corporate Governance and marketing performance of Agricultural marketing cooperative societies in Uganda

The findings of this study on Corporate Governance and marketing performance of Agricultural marketing cooperative societies in Uganda were analyzed, presented and discussed in line with each objective as follows;

4.4.1. Corporate planning and marketing performance of agricultural marketing cooperative societies.

The first objective of this study was to examine the effect of corporate planning on marketing performance of agricultural marketing cooperative societies. Data on this objective was collected, analyzed and presented as below;

Table 4.4.1: Findings on corporate planning and marketing performance of Agricultural marketing cooperative societies

Variable statements on corporate planning	N	SD % (F)	D % (F)	NS % (F)	A % (F)	SA % (F)	Mean	St. Dev
Board is fully in-charge of NACE's long term planning process	64	0	45.3 (29)	17.2 (11)	29.7 (19)	7.85 (5)	3.00	1.039
NACE has a documented long term plan	64	1.6 (1)	15.6 (10)	35.9 (23)	32.8 (21)	14.1 (9)	3.42	0.973
NACE board possesses requisite skills for long term planning	64	1.6 (1)	37.5 (24)	32.8 (21)	21.9 (14)	6.2 (4)	2.94	0.957
NACE shareholders fully participate in long term planning for NACE	64	0	43.8 (28)	26.6 (17)	26.6 (17)	3.1 (2)	2.89	0.911
Marketing performance of NACE has grown because of the Board's active role in long term planning	64	10.9 (7)	40.6 (26)	18.8 (12)	26.6 (17)	3.1 (2)	2.79	1.079
Board has made long term plans known to all shareholders	64	10.9 (7)	15.6 (10)	3.1 (2)	65.6 (42)	4.7 (3)	3.38	1.148
The board has specific known plans to improve NACE's marketing performance	64	0	31.2 (20)	51.6 (33)	15.6 (10)	1.6 (1)	2.88	0.724

Source: Primary data (2016)

KEY:

N (F): Frequency of responses on the given variable statement,

%: Percentage of respondents to a given variable, SD: Strongly Disagree, D: Disagree, NS: Not sure, A: Agree, SA: Strongly Agree.

On respondents' views as to whether NACE' board was fully in-charge of the long term planning process, the findings in table 4.4.1 above indicated 45.3% (29) did not agree that the board was fully in-charge of NACE's long term planning process. 37.5% (24) agreed that the board takes full charge of the long term planning process. The mean response was 3.00 with Standard deviation 1.039. This means that majority of the respondents did not agree that board was fully in-charge of NACE's long term planning process. The view that board is not fully in-charge of the long term planning process indicates that NACE's views may not be well articulated in the best interest of the shareholders which impacts on the marketing performance. This condition contradicts the recommendation of Gibcus and Kemp (2003), who argue that business owners, especially of small to medium size organisations are required to take responsibility for forming the long term plans such as strategic plans of their companies. In line with the agency theory, the board of NACE should be there to cautiously plan for NACE's long term aspirations. Wendy (1997) also emphasizes that corporate boards should take charge of the corporate level planning process in order to completely articulate the company's long term vision, mission and strategies.

On whether NACE has a documented long term plan, results in table 4.4.1 indicate that 32.8% (21) agreed and 14.1% (9) strongly agreed that NACE had a documented long term plan. The mean response was 3.42 and Standard Deviation of 0.973. This means that majority of respondents agreed that there was a documented long term plan with NACE. The presence of a documented long term plan is vital for driving the efforts of all shareholders and management staff to enhance marketing performance. It was discovered during document review and focus group discussion that a business plan covering three years (2015-2017) was their main current long term plan document. This is in line with Ansoff (1970) who recommends that companies should have their long term plans clearly documented.

Regarding whether NACE's board possessed the skills for long term planning, results in table 4.4.1 above revealed that 37.5% (24) disagreed with the statement while 32.8% (21) were not sure. The mean response was 2.94 and Standard Deviation of 0.957. This means that to a large extent, board members lacked the requisite skills to strategically think and spearhead the formulation of long term plans. The implication is that the involvement of the board in corporate planning may therefore not yield the desired results. This is in agreement with Mazzarol (2009) who noted that since Boards of cooperative societies are composed of members, they are criticized for lack of sufficient experience and skills when compared to investor owned enterprises. However, during a focus group discussion, it was discovered that in such circumstances, they hire consultants or get services of the staff from the Ministry of Trade Industry and Cooperatives to support them in long term planning. Hiring of consultants to make long term plans is in agreement with Hillman, Canella and Paetzold (2000). However, these authors further add that since the board must be in-charge of the long term planning, they should also possess some skills in order to give guidance to the process and not to let it lose track basing on consultant's own knowledge.

Concerning whether NACE's shareholders participate in the long term planning process, results in table 4.4.1 revealed 43.8% (28) disagreed with the statement while 26.6% (17) agreed. The mean response was 2.89 and Standard Deviation of 0.911. This means that the participation of shareholders in the corporate planning process was very limited. Once the shareholders are not fully involved in contributing to the long term planning process, their ownership and implementation of plans from such processes becomes limited. Organisation for Economic Corporation and Development (OECD, 2014) stresses the need for participation of shareholders in the strategic planning process especially if the strategies to be designed would affect the way they work with the organisation. This is also supported by the stakeholder theory as stated in Abdullah and Valentine (2009) that it is paramount to treat as special and involve the stakeholders, of which shareholders are part, in the long term planning process.

Findings regarding the opinion of respondents on whether marketing performance of NACE was growing because of board's active role in long term planning, results in table 4.4.1 revealed that 45.6 % (26) disagreed and 10.9% (7) strongly disagreed. The mean response was 2.79 and Standard Deviation 1.079. This means that NACE's corporate board was not in-charge of the growth in marketing performance. The implication is that marketing performance of NACE did not grow as expected due to the passive role of the board members in long term planning. As expressed by Wendy (1997), a company's board is its think tank and if that board loses its visionary role, the performance of such a company becomes uncertain in the long run.

Findings indicated that the board of NACE has made efforts to make the long term plans known to all the shareholders as revealed by 65.6% (42) of respondents who agreed with the statement. Mean response was 3.38 and Standard Deviation 1.148. This means that majority of shareholders are informed about the long term plans of NACE. Once the long term plans are known to majority of shareholders, it implies that they will all work towards achieving those set plans in the long run. The argument of some leaders during focus group discussion, though, was that majority of shareholders cannot easily read due to low education background. They argued that this could be counteracted by sharing the business plans with all the smaller cluster leaders in the Rural Producer Organisations (RPO) who can read could interpret for the rest of the shareholders. In addition, the focus group discussion revealed that board members could also go to the members at least once a year to review and plan on how to move forward the marketing performance of NACE in the long run.

Findings on whether NACE's board had specific known plans to improve marketing performance revealed that 31.2% (20) disagreed with the statement while 51.6% (33) were not sure. Mean response of this variable was 2.88 with a Standard Deviation of 0.724. This implies that the board does not have specific known plans to improve marketing performance. Once such plans are missing or not known to the shareholders and other stakeholders, it becomes difficult to mobilise them for a common goal of attaining competitive marketing performance.

In conclusion therefore, findings from this objective revealed that corporate planning in NACE is fairly performed as indicated in table 4.4.2 by the mean response of

3.0290. The Standard deviation of 0.72984 in table 4.4.2 below shows that individual responses were closer to the mean. This implies that the response from the majority was largely around the scale of disagree and agree regarding NACE Board's role in corporate planning.

Table 4.4.2: Descriptive Statistics for corporate planning

	N	Minimum	Maximum	Mean	Std. Deviation
Corporate planning	64	1.71	4.57	3.0290	.72984
Valid N (listwise)	64				

Source: Primary data (2016)

4.4.2. Corporate staff control and marketing performance of agricultural marketing cooperative societies

Objective two of the study was to assess the effect of corporate staff control on marketing performance of agricultural marketing cooperative societies. Data on this objective was collected and analyzed. The findings are presented in table 4.4.3 below;

Table 4.4.3: Presentation of findings from respondents on corporate staff control

Variable statement on corporate staff control	N	SD % (F)	D % (F)	NS % (F)	A % (F)	SA % (F)	Mean	Std. Dev.
NACE’s board has full control over management staff	64	0	50.0 (32)	29.7 (19)	14.1 (9)	6.2 (4)	2.77	0.921
NACE's Board is responsible for Hiring top Management staff	64	1.6 (1)	51.6 (33)	29.7 (19)	14.1 (9)	3.1 (2)	2.66	0.859
NACE's Board is responsible for dismissing top Management staff of NACE	64	0	48.4 (31)	29.7 (19)	14.1 (9)	7.8 (5)	2.81	0.957
The Board gives performance targets to Management every quarter	64	1.6 (1)	45.3 (29)	26.6 (17)	25.0 (16)	1.6 (1)	2.80	0.894
The board reviews performance reports from management at least every quarter	64	0	20.3 (13)	25.0 (16)	48.4 (31)	6.2 (4)	3.41	0.886
NACE has policies that guide the actions of Management staff	64	0	20.3 (13)	9.4 (6)	56.2 (36)	14.1 (9)	3.64	0.966
Board's control over Management staff has led to enhanced marketing performance of NACE	64	0	23.4 (15)	26.6 (17)	45.3 (29)	4.7 (3)	3.31	0.889

Source: Primary data (2016)

KEY:

N (F): Frequency of responses on the given variable statement, **%:** Percentage of respondents to a given variable, **SD**: Strongly Disagree, **D**: Disagree, **NS**: Not sure, **A**: Agree, **SA**: Strongly Agree.

Regarding whether NACE’s board has full control over management staff, results in table 4.4.3 above showed that 50% (32) of the respondents disagreed with the statement while 29.7% (19) were neutral. Mean response was 2.77 and Standard Deviation 0.922. This means that the majority of respondents know that the board of NACE does not have full control over the management staff. The limited control effort of the board on management staff may therefore limit the marketing performance of

NACE. This is in contrast to the recommendations of the agency theory where the board must play a big role in reducing gap between the principal and agent according to Meckling (1976). The failure of board to have full control over management also contradicts the findings of Abdullah and Valentine (2009) where corporate boards legally delegate the routine company responsibility to the management staff through the Executive Director or CEO but also confers upon such a board the authority to adequately control their actions in order to yield the desired performance results. Further, Salvioni (2000) stresses that a board that fully performs its oversight control role over the management staff, strongly contributes to the expected positive company performance.

On whether board is responsible for hiring the top management staff of NACE, 51.6% (33) disagreed. Mean response was 2.66 and standard Deviation 0.859. This means that according to the majority of respondents, the board is not responsible for hiring the top manager of NACE. The board’s inability to fulfil the responsibility of hiring top manager can create a condition where the manager may not take directions of the board to improve performance. In fact, during focus group discussion, participants said that they thought the manager was one of the board members active in the cooperative society, contrary to the reality, because NACE records showed that the top manager was a hired external technical person. Abdullah and Valentine (2009) recommend that it is the cardinal role of the board to hire top managers of a company.

On the respondents’ opinion if NACE’s board is responsible for dismissing the top management staff of NACE, results in table 4.4.3 above revealed that 48.4% (31)

disagreed with the statement while 29.7% (19) where neutral, whereas 21.9% (14) agreed to the statement. Mean response rate was 2.81 and Standard Deviation 0.957. This indicates that to a greater extent, the board is not responsible for the firing of the top management. This implies that if the board cannot exercise powers to dismiss the top executive of NACE, then it might be difficult for them to enforce performance. This is in contrast to the research findings by Denis and Denis (1995) that stressed the importance of hiring competent top managers but also firing them as a means of performance management. Further, Denis and Denis (1995) discovered a significantly large decline in operating performance before removal of a top executive and significant improvement after CEO was replaced depending on the number of years served and performance trend.

Regarding whether NACE's board gives performance targets to management staff every quarter, table 4.4.3 above indicates that 45.3%, (29) of respondents disagreed while 25% (16) agreed. The mean response was 2.80 and Standard Deviation 0.894. This means that to a greater extent, the board does not give performance targets to NACE's top management every quarter. The implication is that management staff does not receive any specific milestones to direct their efforts of increasing marketing performance as per directors' discretion. As per the model in the agency theory (Alchian and Demsetz, 1972), the laxity of board to task the management with quantifiable performance targets leads to the laxity of the management to perform to the expectation, ultimately leading to low marketing performance. The board can only be able to ask for results from management staff if it assigned them specific targets for a given period. Otherwise, the services of the top managers will be hard to strictly follow up and measure by the board.

In addition, O'Dell and Combes (2009) recommend that performance measures should be formulated from the designed company strategies for implementation by management upon which the board bases to monitor and control them. This is further supported by OECD (2015) that it is mandatory for company executives to get performance targets achievable in a given time period either from the strategic plan or continuous reviews. This automatically is a role bestowed up on the company boards, for which the results indicate that NACE's board does not adequately fulfil.

About the opinion of respondents on whether NACE's board reviews performance reports from management staff, results in table 4.4.3 above indicate that 48.4% (31) agreed and 6.2% (4) strongly agreed to the statement. The mean response was 3.41 and Standard Deviation 0.886. This means that NACE's board takes the responsibility to review performance reports from management. Once the reports are reviewed, it is possible for the board to question whether the marketing performance of NACE is achieved according to the set targets. This is in line with OECD (2015) which encourages boards to review the performance of management. OECD (2015) further adds that such reviews should be based on the performance measures set before hand as extracted from the strategic plan of the company or continuous review recommendations. It is therefore of value for the board to review performance whose target indicators were set before hand.

On whether NACE has policies that guide actions of the management staff, results in table 4.4.3 showed that 56.2% (36) agreed with the statement, having a mean of 3.64 and Standard Deviation of 0.966. This means that majority of the respondents believe that NACE has policies to guide management staff. Policies are favourite benchmarks for guiding the conduct of institutional staff in a manner that promotes and protects the interests of the NACE's shareholders towards marketing performance. Study results by Tumuheki (2007) on corporate governance support the position of the corporate boards to institute policies that guide management staff as control measures to prevent corporate scandals, fraud and potential civil and criminal liability of the organisation. This control measure enhances the conduct of staff and reputation of the company before customers, promoters and suppliers, thus directly contributing to superior performance (Tumuheki, 2007).

According to the participants during focus groups discussion, NACE's constitution was cited to be the only policy document for both the management and shareholders' conduct. It is the responsibility of corporate boards to make or cause the making of right policies for the right objective (Sutcliffe and Court, 2005). This implies that NACE should not only have to depend on their cooperative constitution but also make other policies that support the implementation of their constitution. Interview with one of the respondents indicated that policies like Human resource policy and finance policy were to be developed soon. These polices should also be aligned with external laws like labour laws and others related to the business industry that impact on marketing performance.

Findings on whether board's control over Management staff had led to enhanced marketing performance of NACE, 45.3% (29) and 4.7% (3) of the respondents agreed and strongly agreed with the statement respectively while 23.4% (15) disagreed. The mean response was 3.31 and Standard Deviation of 0.889. This means that control of management by board results into better performance. This is in line with the study by Salvioni (2000) where it was found that management staff performance is positively correlated with company performance. This implies that when the corporate board undertakes its oversight role over management staff, there is likelihood that high marketing performance will be achieved in the long run.

On the overall, findings from this objective on effect corporate staff control and marketing performance revealed that corporate staff control in NACE is slightly implemented as revealed in table 4.4.4 below by the mean of 3.0558 and standard Deviation of 0.60589. This means that the response of the majority slightly scattered around disagree and agree scores corporate board control over management staff.

Table 4.4.4: Descriptive Statistics for corporate staff control

	N	Minimum	Maximum	Mean	Std. Deviation
Corporate staff control	64	2.00	5.00	3.0558	.60589
Valid N (listwise)	64				

Source: Primary data (2016)

4.4.3. Corporate accountability and marketing performance of agricultural marketing cooperative societies.

Objective three was to examine the effect of corporate accountability on marketing performance of agricultural marketing cooperative societies. Data on this objective was collected and analyzed. The findings are presented in table 4.4.5 below;

Table 4.4.5: presentation of findings from respondents on corporate accountability

Variable statement on corporate accountability	**N**	**SD % (F)**	**D % (F)**	**NS % (F)**	**A % (F)**	**SA % (F)**	**Mean**	**Std. dev.**
NACE Board conducts Annual General Meetings with NACE Shareholders every year	64	9.4 (6)	0	1.6 (1)	64.1 (41)	25.0 (16)	3.95	1.061
Board presents financial reports to the AGM every year	64	0	10.9 (7)	28.1 (18)	51.6 (33)	9.4 (6)	3.59	0.811
Board presents narrative progress reports during all AGMs	64	0	10.9 (7)	20.3 (13)	56.2 (36)	12.5 (8)	3.70	0.830
NACE supports any social programmes in the community	64	26.6 (17)	25.0 (16)	20.3 (13)	26.6 (17)	1.6 (1)	2.52	1.192
NACE has internal audit committee	64	12.5 (8)	31.2 (20)	23.4 (15)	31.2 (20)	1.6 (1)	2.78	1.076
External financial audit of NACE is done every year	64	17.2 (11)	17.2 (11)	21.9 (14)	40.6 (26)	3.1 (2)	2.95	1.188
Accountability of NACE's board to its shareholders has led to increased marketing performance of NACE	64	10.9 (7)	6.2 (4)	40.6 (26)	29.7 (19)	12.5 (8)	3.27	1.116

Source: Primary data (2016)

KEY:

N (F): Frequency of responses on the given variable statement, **%:** Percentage of respondents to a given variable, **SD**: Strongly Disagree, **D**: Disagree, **NS**: Not sure, **A**: Agree, **SA**: Strongly Agree.

Findings on whether NACE's Board conducts Annual General Meetings with NACE's shareholders every year, results in table 4.4.9 showed that 64.1% (41) agreed and 25% (16) strongly agreed with the statement. Mean response was 3.95 and Standard Deviation of 1.061. This means that majority of respondents agreed that NACE holds annual general meetings every year. This implies that through Annual General Meetings, shareholders of NACE are updated on matters that happened in the previous year. One interview respondent mentioned that these meetings help the entire cooperative to reflect on the performance during the previous year as well as sanction key board resolutions made in the same year.

The practice of Annual General Meetings as a means of accountability to shareholders was supported by Jones (2010). In his study, Jones narrated that shareholder voting is one of the accountability mechanisms of any company. It is to be noted that most of the shareholder voting on major decisions takes place during the annual general assembly, a practice well upheld by NACE. Jones (2010) further adds that such accountability mechanisms like AGMs work together to create incentives for responsible decision making and deter self-dealing and other forms of misconduct. This means that when annual meetings are well organised, all stakeholders are able to ponder about their contribution to the growth in marketing performance or its stagnation and commit to doing better in the New Year.

Results on whether NACE's board presents financial reports to the AGM every year showed that 51.6% (33) agreed with the statement as indicated in table 4.4.5 with mean of 3.59 and Standard Deviation of 0.811. This means that NACE's board prepares and presents financial reports to the shareholders for their review. This implies that such reports act as a means of expressing accountability and transparency of the cooperative to its shareholders that enhance marketing performance. However, Jones (2010) emphasizes that shareholders and board must be wary about the figures reported in the financial statements as they can be used as weakness through window-dressing, either by the management or board, to hoodwink the stakeholders.

On whether the board presents narrative progress reports to the AGM, results in table 4.4.5 showed that 56.2% (36) of the respondents agreed and 12.5% (8) strongly agreed. The mean response was 3.70 and Standard Deviation of 0.830. This means that NACE presents narrative progress reports concerning all proceedings and marketing performance within NACE. Presentation of such reports aims at providing an idea to the shareholders about the nature of activities and results achieved in the previous year along side any challenges in regard to marketing performance. This means that these reports point out performance gaps and facilitate action oriented planning for better future performance. Lipton and Lorsch (1992) supported the above position that performance reviews and special reports to shareholders are the central features of corporate accountability.

Regarding whether NACE supports any social programmes in the community, 26.6% (17) strongly disagreed and 25.0% (16) disagreed. The mean response was 2.52 and Standard Deviation 1.192. This means that NACE does not support any social programmes in the community. The failure of NACE to support social programmes contradicts the seventh principle of cooperative societies that encourages cooperatives to support such interventions like maintenance of water sources, mobilisation of communities to respond to government programmes, planting trees to protect the environment as provided for by the International Cooperative Alliance (Prakash, 2003). The Stakeholder theory by Freeman (1984) emphasizes the need to care for all those parties impacted upon by the company business. More specifically, in the cooperative society’s set up, concern for the society is very significant as a form of social accountability since cooperatives are taken to be social enterprises.

On whether NACE had an internal audit and supervisory committee, results in table 4.4.9 showed that 31.2% (20) of the respondents disagreed and 12.5% (8) strongly disagreed with the statement while 31.2% (20) agreed. This presents a mean response of 2.78 and Standard Deviation of 1.076. This indicates that NACE does not have an internal audit and supervisory committee. This implies that NACE misses out an independent body supposed to monitor and regulate resource utilisation by the board and management staff on behalf of the shareholders. During a focus group discussion, participants confirmed that for the last two years, the audit committee had been vacant and that the district cooperative Officer sometimes performed the roles of this committee! This contradicts the Cooperative regulations of Uganda (1992) that require each registered cooperative society to elect at least three shareholders who are not on the main board to do independent audit and supervision. The absence of such a committee puts the affairs of NACE at risk of fraudulent acts from the board and management since no one will be there to quickly detect any anomalies in time.

Concerning external financial audit of NACE, results in table 4.4.5 show that 40.6% (26) of respondents agreed that NACE conducts external financial audit every year while 34.4% (22) disagreed. Mean response rate was 2.95 and Standard Deviation of 1.188. This means that to some extent NACE conducts external annual financial audits. This means that NACE has a good practice that helps to expose the weaknesses of financial and managerial practices within NACE and provide guidance on better practices. This implies that there is transparency, confidence and trust among the stakeholders in the running of NACE as encouraged by OECD (2004). This is also in agreement with the Uganda Cooperative Act (1991) that requires all cooperative societies to conduct external financial audit and submit the audit report to the registrar of cooperatives every year. Chansa (2006) also supports the view that in organisations where there is separation of ownership from management, transparency should be emphasised such as through routine annual audits and sharing reports with stakeholders.

Regarding whether accountability of NACE's board to its shareholders led to increased marketing performance of NACE, 40.6% (26) did not agree with the statement, while 29.7% (19) agreed and 12.5% (8) strongly agreed with the statement. The mean response was 3.27 with Standard Deviation of 1.116. This means that accountability is key in promoting marketing performance. This implies that in spite of the fair board performance in the area of corporate accountability, marketing performance is not commensurate with the expected performance of Namungalwe Area Cooperative Enterprise.

In conclusion therefore, findings on this objective revealed that corporate accountability in NACE is fairly ensured as expressed in table 4.4.6 below where mean was 3.1914 and Standard Deviation of 0.64318. This indicates that respondents agreed that corporate accountability is to some extent exercised in NACE.

Table 4.4.6: Descriptive Statistics for corporate accountability

	N	Minimum	Maximum	Mean	Std. Deviation
Corporate accountability	64	1.62	5.00	3.1914	.64318
Valid N (listwise)	64				

Source: Primary data (2016)

4.4.4. Marketing Performance of Namungalwe Area Cooperative Enterprise (NACE).

Marketing performance was the dependent variable that was controlled by the independent variable of corporate governance. Data on marketing performance of NACE was collected, analyzed and presented in table 4.4.7 below;

Table 4.4.7: Presentation of results of marketing performance of NACE

Marketing performance statement	N	SD % (F)	D % (F)	NS % (F)	A % (F)	SA % (F)	Mean	Std. dev
There has been increase in quantity of produce sold by NACE over the last five years	64	10.9 (7)	46.9 (30)	15.6 (10)	25.0 (16)	1.6 (1)	2.59	1.035
Number of shareholder selling through NACE has been increasing for the last five years	64	12.5 (8)	51.6 (33)	9.4 (6)	23.4 (15)	3.1 (2)	2.53	1.083
NACE has a list of known buyers of shareholders' produce	64	9.4 (6)	15.6 (10)	54.7 (35)	14.1 (9)	6.2 (4)	2.92	0.965
NACE has easy access to reliable produce buyers at all times	64	1.6 (1)	42.2 (27)	20.3 (13)	26.6 (17)	9.4 (6)	3.00	1.069
NACE meets supply quantities of produce each time as required by buyers	64	6.2 (4)	32.8 (21)	29.7 (19)	26.6 (17)	4.7 (3)	2.91	1.019
Price paid for produce sold by NACE has been increasing for the last five years	64	1.6 (1)	48.4 (31)	12.5 (8)	34.4 (22)	3.1 (2)	2.89	1.010
NACE has a clear system of paying money to shareholders who sell through NACE	64	0	12.5 (8)	10.9 (7)	65.6 (42)	10.9 (7)	3.75	0.816

Source: Primary data (2016)

KEY:

N (F): Frequency of responses on the given variable statement, **%:** Percentage of respondents to a given variable, **SD**: Strongly Disagree, **D**: Disagree, **NS**: Not sure, **A**: Agree, **SA**: Strongly Agree.

Results in table 4.4.7 on whether there has been increase in quantity of produce sold by NACE in the last five years indicate that 46.9% (30) of respondents disagreed and 10.9% strongly disagreed. Mean response was 2.59 and Standard Deviation 1.035. This means that sales turn over as indicated by the majority of respondents has not grown as anticipated. This implies that NACE is unable to fulfil its purpose for which it was started of ensuring that more produce is sold by shareholders through NACE as elaborated in their business plan (2013-2015). This was also confirmed during document review where, for example, NACE marketed 58 metric tons of maize in 2013 but it reduced to 32.5 metric tons in 2014 according to NACE progress reports (2013 and 2014).

Regarding the increase in the number of shareholders selling through the NACE, table 4.4.7 shows that 51.6% (33) of the respondents disagreed with the statement with mean response of 2.59 and Standard Deviation of 1.083. This means that there has not been an increase in the number of shareholders selling produce through NACE. This implies that marketing performance has not increased. This is in contrast to the general statistics of NACE obtained during document review that showed an increasing number of shareholders joining the cooperative while it does not actually increase the number of those selling (NACE, 2014).

Findings in table 4.4.7 on whether NACE has a list of known produce buyers indicate that the 15.6% (10) agreed and 9.4% (4) of respondents disagreed with the statement while 54.7% (35) were not sure. Mean response was 2.92 and Standard Deviation of 0.965. This means that majority of respondents denied that NACE had a list of known buyers. This implies that the lack of profiled buyers denies the shareholders incentives to produce for ready markets and leads to low marketing performance. The situation therefore contradicts the resource dependency theory by Hillman, Canella and Paetzold (2000) that puts it that corporate boards are teams of trustees of a company charged with the responsibility to mobilize networks, suppliers and buyers of company products due to their expected linkage, legitimacy and exposure to the external environment, which potential has not yet been exploited by the board of NACE.

Regarding whether NACE has easy access to reliable produce buyers at all times, findings in table 4.4.7 show that 42.2% (27) disagreed while 20.3% (13) were not sure, with a mean of 3.00 and Standard Deviation of 1.019. This means that NACE does not have easy access to reliable buyers for their produce. This implies that there has been minimal efforts to build and maintain close relationship with reliable buyers of given quantity and quality of produce. In fact, during an interview, one of the respondents said "*when members produce grade one maize grain through applying good post harvest handling practices, the prices that buyers give us are like those given to other farmers with low grade grain. We never get an added incentive in terms of higher price making us to perform poorly*". The argument of this respondent is supported by Wright (2012) in her Agribusiness off-takers' report that prominent buyers (off-takers) willing to work along with farmers to buy their produce contribute to increased marketing performance of organised agri-business producers.

On whether NACE meets supply quantities of produce each time as required by buyers, it was found out that 32.8% (21) disagreed, 6.2% (4) strongly disagreed while 29.7% (19) were not sure. Mean response was 2.91 and Standard Deviation 1.019. This means that NACE is unable to supply larger quantities of produce to larger buyers. This implies that shareholders have not been mobilised and motivated with incentives to increase production capacity and quality in order to be able to meet quantity requirements from serious buyers. However, participants in a focus group discussion mentioned that this inability was due to low farm production caused by poor quality seeds and inaccessibility to fertilizers for increased farm yield. This is also in line with the agribusiness off-takers report by Wright (2012) where cooperatives are recommended to work with partners in financing the farm requirements in order to increase supply to the markets. In addition, from document review, it was revealed that low productivity denies NACE the chance to maintain reliable buyers. For example, as shown in their 2014 annual progress report, they had been contracted by Nile breweries to produce and market 260 metric tons of sorghum but at the end of the year they supplied 32.5 metric tons.

According to findings in table 4.4.7 above, 48.4% (31) disagreed and 1.5% (1) agreed with the statement that price paid for produce sold by NACE has been increasing in the last five years while 12.5% (8) were not sure. Mean response was 2.89 and Standard Deviation 1.010. This implies that price earned by shareholder for produce has been lower than expected during the last five years. According to Wright (2012), a higher price paid for produce is an incentive for increasing production by farmers since it encourages more investment in production and value addition. Participants of a focus group discussion commented that in order to increase the price of their produce, they wanted NACE to invest in value addition especially for maize. This would enable them to sell and obtain a better price by selling maize flour instead of maize grain.

On whether NACE has a clear system of paying money to shareholders who sell through NACE, results in table 4.4.13 indicate that 65.6% (42) agreed with the statement, with mean response of 3.75 and Standard Deviation of 0.816. This means that NACE has a clear system of paying shareholders who sell through NACE. The clear payment system is a good indicator of transparency on the part of management and board to transact on behalf of the shareholders. This implies that transparency is expected to encourage more shareholders to sell larger quantities of produce through NACE for better marketing performance.

On the overall, therefore, the findings about the dependent variable revealed that marketing performance in NACE is still below expectation of most respondents. Table 4.4.8 below shows the mean response at 3.0747 with Standard Deviation of 0.59821. This implies that majority of respondents scored marketing performance of NACE nearer to the mean indicating that some of them slightly agreed and some disagreed with the questions regarding growth in marketing performance. Such can be tracked from responses show there has been no increase in produce turn with mean response of 2.59 and Standard Deviation of 1.053, no increase in price with mean of 2.89 and Standard Deviation of 1.010.

Table 4.4.8: Descriptive Statistics for marketing performance

	N	Minimum	Maximum	Mean	Std. Deviation
Marketing performance	64	1.89	4.44	3.0747	.59821
Valid N (listwise)	64				

Source: Primary data (2016)

4.5. Correlation and regression analysis of results per objective

4.5.1. Corporate planning and marketing performance of NACE

The first objective was to examine the effect of corporate planning on marketing performance of agricultural marketing cooperative societies. Correlation and regression analysis was done for corporate planning against marketing performance of NACE and presented as follows;

4.5.1.1. Correlation analysis of corporate planning and marketing performance of NACE

Pearson Correlation Coefficient was determined for corporate planning and marketing performance of NACE using SPSS and results presented in table 4.5.1 below;

Table 4.5.1: Correlation between Corporate planning and Marketing performance of NACE

Correlations			
		Corporate planning	Marketing performance
Corporate planning	Pearson Correlation	1	.720**
	Sig. (2-tailed)		.000
	N	64	64
Marketing performance	Pearson Correlation	.720**	1
	Sig. (2-tailed)	.000	
	N	64	64
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 4.5.1 indicates that there is a positive significant relationship between corporate planning and Marketing performance of NACE (r=.720, p=0.000). This means that corporate planning is strongly related with the marketing performance of NACE. This implies that when corporate planning is enhanced, there will be increased marketing performance of NACE.

4.5.1.2. Regression analysis for corporate planning and marketing performance of NACE

The study used linear regression analysis to determine and predict the effect of independent variable (X) on dependent variable (Y). In this case, the research wanted to determine and predict the marketing performance of NACE (Y) basing on corporate planning of NACE (X) as predictor variable. The model summary and regression coefficients were obtained using SPSS and presented in tables 4.5.2 and 4.5.3 below;

Table 4.5.2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.720[a]	.518	.510	.41861
a. Predictors: (Constant), Corporate planning				

The model summary in table 4.5.2 above shows that R = 0.720 and R^2 = 0.518 (0.518*100) =51.8%. This means that 51.8% variation in marketing performance is due to the sole effect of corporate planning, the other 48.2% is due to other factors. Corporate planning therefore has a positive effect on marketing performance of NACE.

Table 4.5.3: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	1.288	.225		5.722	.000
	Corporate planning	.590	.072	.720	8.164	.000
a. Dependent Variable: Marketing performance						

Using y=a+bx to formulate the regression equation;

y= dependent variable (expected marketing performance)

a=1.288 (the Y intercept/constant)

b=0.590 (the gradient of the regression line, whether positive or negative)

x=independent variable (at given values of corporate planning scores)

Therefore, Marketing performance = 1.288+0.590 * (x = any values of corporate planning). This implies that a unit increase in the level corporate planning leads to 0.590 increase in marketing performance. Whereas at 0 (zero) level of corporate planning, marketing performance will be at 1.288 level, other variables held constant.

4.5.2. Corporate staff control and marketing performance of NACE

The second objective was to assess the effect of corporate staff control on marketing performance of agricultural marketing cooperative societies. Correlation and regression analysis were done for corporate staff control against marketing performance and presented as follows;

4.5.2.1. Correlation analysis between corporate staff control and marketing performance of NACE

The research analyzed the nature and strength of relationship between independent variable construct (Corporate staff control) and dependent variable (Marketing performance) of Namungalwe Area Cooperative Enterprise. This was run using Pearson Correlation Coefficient in SPSS as presented in table 4.5.4 below;

Table 4.5.4: Correlation between Corporate Staff control and Marketing performance of NACE

Correlations			
		Corporate staff control	Marketing performance
Corporate staff control	Pearson Correlation	1	.724**
	Sig. (2-tailed)		.000
	N	64	64
Marketing performance	Pearson Correlation	.724**	1
	Sig. (2-tailed)	.000	
	N	64	64
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 4.5.4 indicates that there is a significant positive relationship between corporate staff control and Marketing performance of NACE (r=.724, p=0.000). This implies that corporate staff control has a strong relationship with marketing performance of NACE. Therefore, increased corporate board's staff control will result into increased marketing performance.

4.5.2.2. Regression analysis for corporate staff control and marketing performance

Linear regression analysis was adopted to determine and predict the effect of independent variable (X) on dependent variable (Y). In this case, the researcher wanted to determine and predict marketing performance of NACE (Y) basing on corporate staff control variation of NACE. The model summary and regression coefficients were obtained from SPSS outputs as follows;

Table 4.5.5: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724[a]	.525	.517	.41565
a. Predictors: (Constant), Corporate staff control				

The model summary in table 4.5.5 above shows that R = 0.724 and R^2 = 0.525 (0.525*100) =52.5%. This means that 52.5% is variation in marketing performance due to the sole effect of corporate staff control, the other 47.5% is due to other factors.

Table 4.5.6: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.889	.269		3.302	.002
	Corporate staff control	.715	.086	.724	8.276	.000
a. Dependent Variable: Marketing performance						

Using y=a+bx for regression equation

y= dependent variable (expected level of marketing performance)

a=0.889 (the Y intercept or constant)

b=0.715 (the gradient of the regression line, whether positive or negative)

x=independent variable (given values of corporate staff control scores)

Therefore, Marketing performance = 0.889 +0.715 * (x=any values for corporate staff control). This means that a unit increase in the corporate staff control leads to 0.715 increase in marketing performance. Whereas at 0 (zero) level of corporate staff control, marketing performance will be at 0.889 level. This implies that enhancing corporate staff control leads to increased marketing performance.

4.5.3. Corporate accountability and marketing performance of NACE

The third objective was to examine the effect of corporate accountability on marketing performance of agricultural marketing cooperative societies. Correlation and regression analyses were done for corporate accountability against marketing performance and presented as follows;

4.5.3.1. Correlation analysis between corporate accountability and marketing performance of NACE

The research analyzed the nature and strength of relationship between independent variable construct (Corporate accountability) and dependent variable (Marketing performance) of Namungalwe Area Cooperative Enterprise Society. This was computed using Pearson Correlation Coefficient in SPSS as presented in table 4.5.7 below;

Table 4.5.7: Correlation between Corporate accountability and Marketing performance of NACE

Correlations			
		Corporate accountability	Marketing performance
Corporate accountability	Pearson Correlation	1	.780**
	Sig. (2-tailed)		.000
	N	64	64
Marketing performance	Pearson Correlation	.780**	1
	Sig. (2-tailed)	.000	
	N	64	64
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 4.5.7 indicates that there is a significant positive relationship between corporate accountability and Marketing performance of NACE ($r=0.780$, $p=0.000$). This implies

that strengthening corporate accountability will positively improve the marketing performance of NACE.

4.5.3.2. Regression analysis for corporate accountability and marketing performance

The research computed linear regression analysis to determine and predict the effect of independent variable (X) on dependent variable (Y). In this case, the study wanted to predict marketing performance of NACE (Y) basing on corporate staff accountability variation of NACE (X). The model summary, regression coefficients and equation were obtained from SPSS outputs as follows;

Table 4.5.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780[a]	.608	.602	.37741
a. Predictors: (Constant), Corporate accountability				

The model summary in table 4.5.8 above shows R = 0.780 with R^2 of 0.608 (0.608*100) = 60.8%. This means that 60.8% is variation in marketing performance due to the sole effect of corporate accountability. The other 39.2% is due to other factors. It can be concluded therefore that corporate accountability has moderate and positive effect on the marketing performance of NACE.

Table 4.5.9: Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.760	.241		3.157	.002
	Corporate accountability	.725	.074	.780	9.812	.000
a. Dependent Variable: Marketing performance						

Using y=a+bx

y= dependent variable (expected level of marketing performance)

a=0.760 (the Y intercept or constant)

b=0.725 (the gradient of the regression line, whether positive or negative)

x=independent variable (given values of corporate accountability scores)

Therefore, Marketing performance = 0.760 +0.725 * (x=any values for corporate accountability). This implies that a unit increase in corporate accountability leads to 0.725 increase in marketing performance. Whereas at 0 (zero) variation of corporate accountability, there will 0.760 variation in marketing performance while other variables are held constant. Thus enhancing corporate accountability increases the marketing performance of NACE.

4.6. Correlation between corporate governance and marketing performance

Table 6.6.1: correlation between corporate governance and marketing performance

		Corporate Governance	Marketing performance
Corporate Governance	Pearson Correlation	1	.840**
	Sig. (2-tailed)		.000
	N	64	64
Marketing performance	Pearson Correlation	.840**	1
	Sig. (2-tailed)	.000	
	N	64	64
**. Correlation is significant at the 0.01 level (2-tailed).			

Table 6.6.1 above presents the strength of relationship existing between corporate governance and marketing performance of NACE. It shows a significant correlation of 0.840 (p-values = 0.00). Such a relationship means that corporate governance is strongly related with marketing performance. This implies that enhanced corporate governance within NACE will result into increased marketing performance.

4.7. Multiple regression for corporate governance and marketing performance of NACE

Multiple regression analysis was done for the main independent variable (corporate governance) against the dependent variable (marketing performance). This was done to determine and predict marketing performance associated with corporate planning, corporate staff control and corporate accountability together. Multiple regression model summary and regression coefficients below were obtained using SPSS;

Table 4.7.1: Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.853[a]	.728	.714	.31992
a. Predictors: (Constant), Corporate planning, Corporate staff control, Corporate accountability				

The model summary in table 4.7.1 above indicates that R^2 =0.728. This means that 72.8% (0.728*100) variation in marketing performance of NACE is fully accounted for corporate governance. Adjusted R Square denotes the effect of independent variables adjusted for the number of variables and cases. Therefore, Adjusted R Square of 0.714 (0.714*100 =71.4%) shows that 71.4% is the more honest variation in marketing performance explained by corporate governance. The other 28.6% is due to other variables unknown in this study.

Table 4.7.2: Multiple regression coefficients of corporate governance and marketing performance of NACE

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.320	.227		1.407	.165
	Corporate planning	.219	.091	.267	2.409	.019
	Corporate staff control	.205	.113	.208	1.810	.075
	Corporate accountability	.459	.082	.494	5.610	.000
a. Dependent Variable: Marketing performance						

Using $Y = a+b_1X_1+b_2X_2+b_3X_3$ for multiple regression equation;

Y = Marketing performance

a = 0.320; constant

b_1 = 0.219; regression coefficient for corporate planning

b_2 = 0.205; regression coefficient for corporate staff control

b_3 =0.459; regression coefficient for corporate accountability

X_1 = values for corporate planning

X_2 = values for corporate staff control

X_3 = values for corporate accountability

Therefore,

Marketing performance = $0.320+0.219(X_1) + 0.205(X_2) + 0.459(X_3)$

The multiple regression equation above obtained from table 4.7.2 indicates that a unit increase in corporate planning will lead to 0.219 increase in marketing performance, unit increase in corporate staff control will lead to 0.205 increase in marketing performance and unit increase in corporate accountability will lead to 0.459 increase in marketing performance. This implies that in a multiple relationship, corporate accountability has the greatest effect on marketing performance, followed by corporate planning, while corporate staff control has the least effect on marketing performance of NACE.

The Beta coefficients in table 4.7.2 above indicate the correlation of predictor variables of corporate planning, corporate staff control and corporate accountability in a multiple regression model with marketing performance. Therefore, in such a model, the correlation coefficients of corporate planning, corporate staff control and corporate accountability are 0.267, 0.208 and 0.944 respectively. This implies that all predictor variables are positively related with marketing performance. However, the statistical significance of corporate staff control is very low given its p-values = 0.075 which is above 0.05, while the other two, corporate staff control (p-values =0.019) and corporate accountability (p-values = 0.000) are statistically significant; implying that there is a true relationship different from zero.

4.8. Conclusion

This chapter presented, analyzed and discussed the findings of the study on corporate governance and marketing performance of Namungalwe Area Cooperative Enterprise (NACE). Data was collected from 64 respondents, 55% of whom were males and 45 females. Presentation and discussion of findings was done per objective. Correlation and regression analysis for each objective were computed to assess their relationship and effect on the dependent variable of marketing performance. Multiple regression analysis was conducted to determine and predict the overall strength and direction of association between corporate governance and marketing performance of Agricultural Marketing Cooperative Societies.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1. Introduction

This chapter presents the summary and conclusions of the findings presented in chapter four about the study on corporate governance and marketing performance of Namungalwe Area Cooperative Enterprise (NACE). Basing on the findings and conclusion, the researcher also presents study recommendations as well as suggestions for further research.

5.2. Summary of findings

The major objective of this study was to examine the relationship between corporate governance and marketing performance of agricultural marketing cooperative societies, with emphasis on Namungalwe Area Cooperative Enterprise. This section provides the summary of findings for each specific objective.

5.2.1. To examine the effect of corporate planning on marketing performance of agricultural marketing cooperative societies.

From the study findings it was revealed that corporate planning has a positive and significant effect on the marketing performance of NACE, evidenced by R Square of 0.518 and correlation coefficient of 0.720. This is a high positive correlation, coefficient of determination meaning that high marketing performance of NACE significantly resulted from corporate planning.

5.2.2. To assess the effect of corporate staff control on marketing performance of agricultural marketing cooperative societies.

The findings of the study established that corporate staff control has a positive significant relationship with marketing performance of NACE at a correlation coefficient of 0.724. This was a strong positive relationship meaning that marketing performance of NACE was significantly related to corporate staff control with 0.517 (51.7%) marketing performance variation explained by corporate staff control.

5.2.3. To examine the effect of corporate accountability on marketing performance of agricultural marketing cooperative societies.

The study established that corporate accountability had a significant positive relationship with marketing performance of NACE with a correlation coefficient of 0.780. This means that high marketing performance of NACE is strongly related with corporate accountability and 0.608 (60.8%) variation in marketing performance can be explained by corporate accountability.

5.3. Conclusions

The major objective of this study was to examine the relationship between corporate governance and marketing performance of agricultural marketing cooperative societies, with emphasis on Namungalwe Area Cooperative Enterprise (NACE). This section provides the conclusion on findings for each specific objective.

5.3.1. To examine the effect of corporate planning on marketing performance of agricultural marketing cooperative societies.

From the study findings, it was concluded that corporate planning has a strong effect on marketing performance of Agricultural marketing cooperative societies. The effective contribution of the board in their corporate planning role will lead to increased marketing performance. Therefore, in order for NACE to increase on their level of marketing performance, enhancing the corporate planning practices like control of planning processes, increasing their skills in corporate planning and involvement of shareholders in corporate planning will be very fundamental.

5.3.2. To assess the effect of corporate staff control on marketing performance of agricultural marketing cooperative societies.

From findings of the study, it was concluded that corporate staff control has a strong effect on marketing performance of agricultural marketing cooperative societies. To increase marketing performance, it will require increased effectiveness of corporate staff control. This is because from the summary above under objective two, there is positive effect on corporate staff control on marketing performance of NACE.

5.3.3. To examine the effect of corporate accountability on marketing performance of agricultural marketing cooperative societies.

From the study, it was concluded that corporate accountability has a strong effect on the marketing performance of agricultural marketing cooperative societies. Therefore increase in board's role of corporate accountability will lead to increased marketing performance. Given the larger effect of this corporate accountability compared to other variables, weaker compliance to it may lead to compromise the contribution of corporate governance to the marketing performance of NACE as well as other related corporations.

5.4. Recommendations

Based on the above summary and conclusions of this study, the researcher was able to make the following recommendations;

Corporate planning was established to be an essential role of the corporate board of NACE and had a strong effect on marketing performance. However, board needs to put more emphasis on ownership and responsibility for corporate planning process especially at corporate strategy level. It can be recommended that NACE's board makes corporate planning as one of their key deliverable outputs in the board's terms of reference so that its performance can be measured against this task at the end of every year. It can also be recommended that each board, during its term in office be trained on how to handle corporate planning for the cooperative society. The cooperative department in the Ministry of Trade, Industry and Cooperatives (MTIC) and the apex cooperative body such as Uganda Cooperative Alliance should be resourceful for such trainings by subsidizing the cost of trainings. NACE should make financial provision for such capacity building trainings obtained from the cooperative education fund that each cooperative is obliged to contribute from the earnings of its businesses for its own benefit.

It is also recommended that the board designs a mechanism for promoting participation and contribution of the shareholders to the corporate planning process and a feedback mechanism that will keep the shareholders at the top of the affairs within NACE. This is very significant given the fact that cooperative societies are people owned social enterprises where shareholders function as users, beneficiaries, funders and controllers of the cooperative societies. For example, during a focus group discussion, participants recommended that members of the board should go to the Rural Producer Organisations that are the primary members of NACE at parish level to collect views and provide feedback on the plans and progress of NACE other than waiting to give brief reports to the few shareholders who attend Annual General Meetings.

Given that corporate staff control influences the extent to which cooperative managers and staff contribute to the marketing performance of cooperative societies, it is recommended that the board of NACE initiates the process of assigning performance targets to the management staff. During the quarterly board meetings, key deliverable outputs should be assigned to the management staff by the board and reviewed in the subsequent meetings. These performance targets will now become yardstick for monitoring and evaluating the effort of the management to enhance the marketing performance of NACE.

It is also recommended that NACE puts in place key policy documents such as Human Resource policies and finance policy to ease the staff, board and shareholder relationships. The board should task the management of NACE to formulate such policies, for example, in consultation with the technical team at the Uganda Cooperative Alliance that the board should be able to review and approve.

Corporate accountability was found to have a strong positive relationship with marketing performance of NACE. It is therefore recommended that the board tightens the role of corporate accountability especially in the area of internal auditing and supervision. Under here, the board should facilitate the process of filling the internal audit and supervisory committee using a process as provided for by the cooperative guidelines in order to support the board in providing oversight compliance monitoring of the board, management staff and shareholders. It is also recommended that the audit and supervisory committee, once fully composed, should be given adequate technical capacity building in order to fully dispense their oversight duties in NACE.

NACE should embark on providing for social goods in the community in order to win the trust of different stakeholders by contributing resources to improve the quality of life of the community as a social enterprise. For example, part of commissions charged by NACE from transactions should be channeled to maintenance of public utilities like water sources, hygiene promotion programmes and civic education. This will increase

NACE’s relevance in the society and encourage more shareholders to patronize and do more business with NACE.

5.5. Suggestions for further research

Further research could be conducted to explore the part of variation in marketing performance unaccounted for by the independent variable from the findings of this study. Other studies could be conducted on shareholders’ commitment and marketing performance of agricultural marketing cooperative societies.

5.6. Conclusion

This chapter presented the summary, conclusions, recommendations and suggestions for further research. Summary and conclusions were presented objective by objective basing on the main findings of the study. Recommendations of the study were suggested and presented collectively picking lessons from the main findings, the summary and conclusions of the study.

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APPENDICES

Appendix I: Research questionnaire

Dear Respondent,

I am a student of Uganda Martyrs University pursuing Masters Degree of Business Administration. I am undertaking a research as one of the requirements for the award of Masters Degree of Business Administration. The study is on corporate governance and marketing performance of agricultural marketing cooperative societies, a case study of Namungalwe Area Cooperative Enterprise (NACE). You have been carefully identified as a potential person who can provide useful and reliable data for this study. It is hoped that the findings in the final study report will help policy makers and implementers to strengthen corporate governance and marketing performance of Namungalwe Area Cooperative Enterprise. I therefore request for a few minutes from you to kindly complete this questionnaire.

All the information you give here will be used for academic purposes only and will remain confidential. In the final report, only aggregated and analyzed data will be presented and there will be no mention of any individual's responses and identity.

Your participation is highly appreciated.

Yours Faithfully,

Muhwezi B. Godfrey

Student

SECTION A: DEMOGRAPHIC DATA

This questionnaire is made up of five sections (A to E). In section A, please tick or write against the corresponding answer that matches your situation.

1	Sex: 1) Male ……2) Female…….
2	Age in years: 1) Below 25 (2) 26-35 (3) 36-45, (4) 46-55, (5) 56-65, (6) 66 and above years
3	Level of education 1) Primary, 2) S.1-S.4, 3) S.5-S.6, 4) Diploma, 5) Degree 6) Others (specify) ………………………………………..…………………………………
4	Length of time with NACE: 1) less than 1 year; 2) 1-2 years; 3) 3-5 years; 4) Above 5 years

For sections B to E, kindly tick your suitable response according to the meaning in the table below. For the questions under each table, fill in your opinion in the spaces provided.

Strongly Disagree (SD)	Disagree (D)	Not Sure (NS)	Agree (A)	Strongly Agree (SA)
1	**2**	**3**	**4**	**5**

SECTION B: CORPORATE PLANNING

NO		**1**	**2**	**3**	**4**	**5**
1	NACE's board is fully in-charge of NACE's long term planning process					
2	NACE has a documented long term plan					
3	NACE's board members possess requisite skills for long term planning					
4	Shareholders (members) of NACE fully participate in long term planning for NACE					
5	Marketing performance of NACE has grown because of the Board's active role in long term planning					
6	The board has made NACE's long term plans known to all shareholders (members)					
7	The board has specific known plans to improve performance					

8. In what other ways do you think the Board carries out long term planning for NACE? Please specify:

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

SECTION C: CORPORATE STAFF CONTROL

		1	2	3	4	5
1	NACE's Board has full control over management staff					
2	NACE's board is responsible for hiring the top management of NACE					
3	NACE's board is responsible for dismissing the top management of NACE					
5	The board always gives performance targets to management					
6	The board reviews performance reports from the management at least every quarter of the year					
7	NACE has written policies that guide the actions of management staff					
8	Board's control over management has led to enhanced marketing performance of NACE					

9. In your opinion, what do you think are other ways in which NACE's Board carries out corporate staff control? Please specify:

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

SECTION D: CORPORATE ACCOUNTABILITY

		1	2	3	4	5
1	NACE's board holds General meetings with NACE shareholders every year					
2	Board presents financial reports to all Annual General Meetings (AGM) without fail					
3	Board presents narrative progress reports to all Annual General meetings without fail					
4	NACE supports any social programs of the community					
5	NACE has an internal audit committee					
6	Internal Audit committee of NACE is fully active					
7	External financial audit of NACE is done every year					
8	Accountability of NACE's Board to its shareholders (members) has led to increased performance in marketing					

9. In which other ways do you think NACE's Board carries out corporate accountability? Please specify:

…………………………………………………………………………………………
……

…………………………………………………………………………………………
……

SECTION E: MARKETING PERFORMANCE BY NACE

		1	2	3	4	5
1	There has been increase in quantity of produce sold by NACE on behalf of its shareholders for the last five years					
2	Number of shareholders selling produce through NACE has been increasing for the last five years					
3	NACE has a list of known buyers of shareholders' produce					
4	NACE has easy access to reliable produce buyers all the time					
5	NACE meets the supply quantities each time as required by buyers					
6	The price paid for produce sold by NACE has been increasing for the last five years					
7	Shareholders selling through NACE often get higher price than others not selling through NACE					
8	NACE has a clear system of paying money to shareholders who sell produce through NACE					
9	The performance of NACE in marketing of shareholders' produce is satisfactory					

10. In your opinion, are there any other indicators showing increased marketing performance of NACE? Please specify:

....……………………………………………………………
…………......……………………………………………………………………….…………………
……………………….…...……………………………………………………………………………
……………………………………………………………….………………………………………
…………………………………………………………………………….

Thank you for your time!

Appendix II: Focus group discussion guide

1. Are you aware if NACE has a long term plan document?
2. Does your board have a role in developing such plans? Which role? How about other members of ACE?
3. How does your board control performance of the staff of NACE
4. Do you attend Annual General Assemblies? What is discussed in those meetings?
5. Does NACE have an audit committee? What do they do?
6. What is your comment about the extent to which board controls staff performance
7. Are you satisfied with NACE sales turnover? Why?
8. Are you satisfied with the markets available for your produce? Why? Which buyers
9. Are you satisfied with the price paid for the quality of your produce sold at NACE? Why?
10. How do members get payment for produce sold by NACE if any? What is your comment?

Thank you for your time!

Appendix III: Interview guide

1. Does government and your office have any technical input in the coop governance of ACE?, What aspects of corporate governance
2. What is your perception of corporate governance in cooperative societies?
3. What is your comment on the level of progress in sales turnover, access to buyers and price received by agricultural marketing cooperative societies?
4. What support is there from your office/government to enable cooperative societies market members produce profitably? Is this service accessed

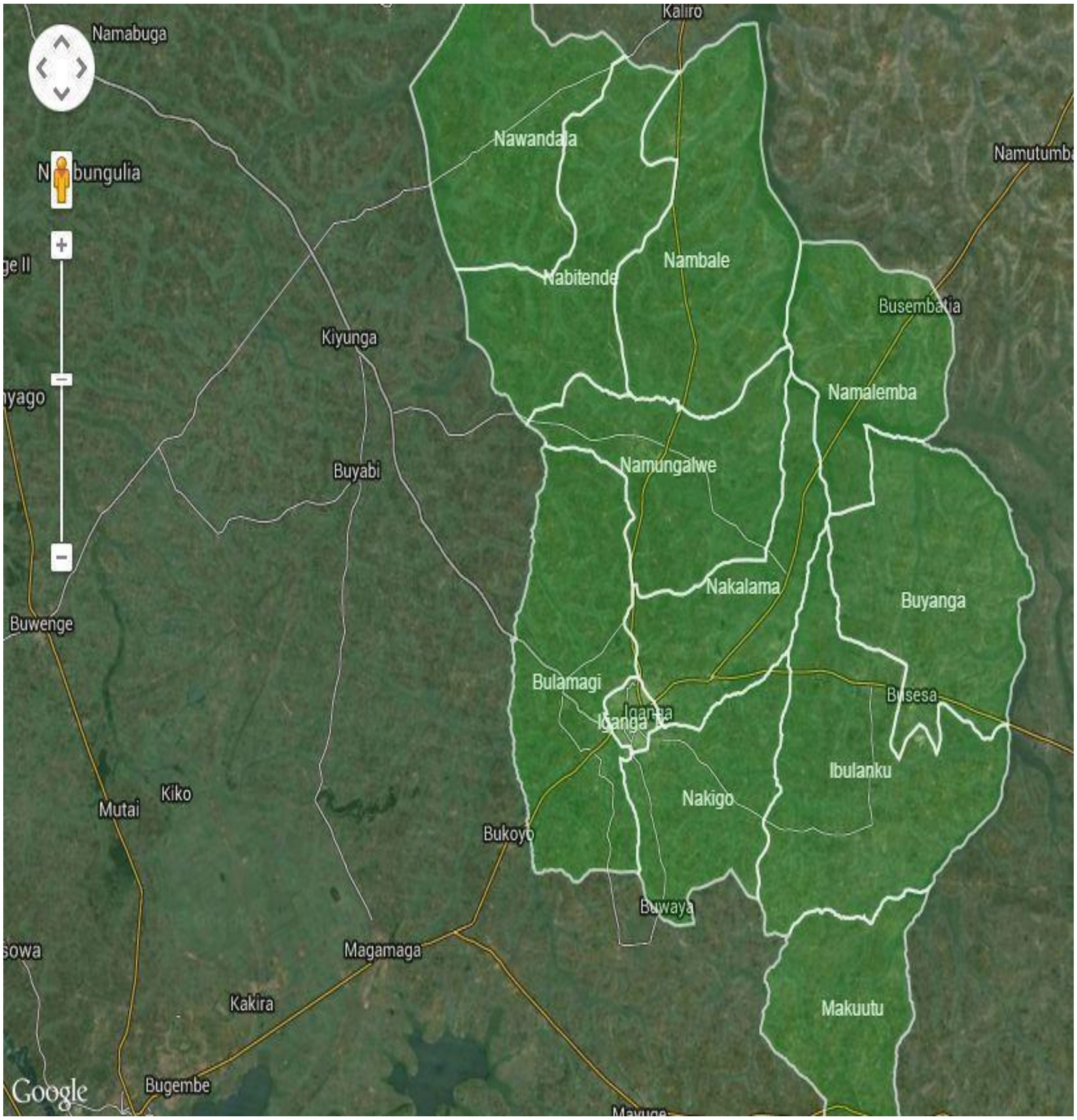
Thank you for your time!

Appendix IV: Table for Determining Sample Size of a known population

Population size	Sample size	Population size	Sample size	Population size	Sample size
10	10	220	140	1200	291
15	14	230	144	1400	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	**66**	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Source: Krejcie &Morgan (1970).

Appendix V: Map of Iganga district showing the study area – Namungalwe Sub County



Source; Google maps 31/03/2015

Appendix VI: Acceptance to conduct research in NACE

NAMUNGALWE AREA CO-OPERATIVE ENTERPRISE (NACE) LTD.

P.O.BOX 430 IGANGA – UGANDA

TEL: 0752204852 /0776 999048

Email: namungalweace@yahoo /etc.if3@remcu.net

15/03/2016

Mr. Muhwezi B. Godfrey

Uganda Martyrs University,

RE: ACCEPTANCE

Following your expression of interest to conduct research for Masters Degree dissertation in Namungalwe Area Cooperative Enterprise Limited (NACE), you are hereby notified that your request was accepted. You will be provided with the information and guidance as will be necessary.

Wishing you success.

Yours sincerely,

Balidawa Badru Siraj,

Manager - ACE

Appendix VII: Reliability statistics for the variables tested.

Reliability Statistics: Corporate planning

Cronbach's Alpha	N of Items
.939	7

Reliability Statistics: Corporate staff control

Cronbach's Alpha	N of Items
.863	7

Reliability Statistics: Corporate accountability

Cronbach's Alpha	N of Items
.823	8

Reliability Statistics: Marketing performance

Cronbach's Alpha	N of Items
.882	9

Appendix VIII: Frequency tables of research results

Age of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	26-35 years	13	20.3	20.3	20.3
	36-45 years	21	32.8	32.8	53.1
	46-55 years	20	31.2	31.2	84.4
	56-65 years	6	9.4	9.4	93.8
	66 and above years	4	6.2	6.2	100.0
	Total	64	100.0	100.0	

Level of Education of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Primary	17	26.6	26.6	26.6
	S1-S4	39	60.9	60.9	87.5
	Diploma	1	1.6	1.6	89.1
	Degree	1	1.6	1.6	90.6
	Others	6	9.4	9.4	100.0
	Total	64	100.0	100.0	

Length of time a respondent has been with NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1-2 years	8	12.5	12.5	12.5
	3-5 years	45	70.3	70.3	82.8
	Above 5 years	11	17.2	17.2	100.0
	Total	64	100.0	100.0	

Board is fully in-charge of NACE's longer term planning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	29	45.3	45.3	45.3
	Not Sure	11	17.2	17.2	62.5
	Agree	19	29.7	29.7	92.2
	Strongly Agree	5	7.8	7.8	100.0
	Total	64	100.0	100.0	

NACE has a documented long term plan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	10	15.6	15.6	17.2
	Not Sure	23	35.9	35.9	53.1
	Agree	21	32.8	32.8	85.9
	Strongly Agree	9	14.1	14.1	100.0
	Total	64	100.0	100.0	

NACE board possess requisite skills for long term planning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	24	37.5	37.5	39.1
	Not Sure	21	32.8	32.8	71.9
	Agree	14	21.9	21.9	93.8
	Strongly Agree	4	6.2	6.2	100.0
	Total	64	100.0	100.0	

NACE shareholders fully participate in long term planning for NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	28	43.8	43.8	43.8
	Not Sure	17	26.6	26.6	70.3
	Agree	17	26.6	26.6	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

Marketing performance of NACE has grown because of the Board's active role in long term planning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	10.9	10.9
	Disagree	26	40.6	40.6	51.6
	Not Sure	12	18.8	18.8	70.3
	Agree	17	26.6	26.6	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

Board has made long term plans known to all shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	10.9	10.9
	Disagree	10	15.6	15.6	26.6
	Not Sure	2	3.1	3.1	29.7
	Agree	42	65.6	65.6	95.3
	Strongly Agree	3	4.7	4.7	100.0
	Total	64	100.0	100.0	

The board has specific known plans to improve NACE's marketing performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	20	31.2	31.2	31.2
	Not Sure	33	51.6	51.6	82.8
	Agree	10	15.6	15.6	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

NACE's board has full control over Management staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	32	50.0	50.0	50.0
	Not Sure	19	29.7	29.7	79.7
	Agree	9	14.1	14.1	93.8
	Strongly Agree	4	6.2	6.2	100.0
	Total	64	100.0	100.0	

NACE's Board is responsible for Hiring top Management staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	33	51.6	51.6	53.1
	Not Sure	19	29.7	29.7	82.8
	Agree	9	14.1	14.1	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

NACE's Board is responsible for dismissing top Management staff of NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	31	48.4	48.4	48.4
	Not Sure	19	29.7	29.7	78.1
	Agree	9	14.1	14.1	92.2
	Strongly Agree	5	7.8	7.8	100.0
	Total	64	100.0	100.0	

The Board gives performance targets to Management every quarter

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	29	45.3	45.3	46.9
	Not Sure	17	26.6	26.6	73.4
	Agree	16	25.0	25.0	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

The board reviews performance reports from management at least every quarter

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	13	20.3	20.3	20.3
	Not Sure	16	25.0	25.0	45.3
	Agree	31	48.4	48.4	93.8
	Strongly Agree	4	6.2	6.2	100.0
	Total	64	100.0	100.0	

NACE's has policies that guide the actions of Management staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	13	20.3	20.3	20.3
	Not Sure	6	9.4	9.4	29.7
	Agree	36	56.2	56.2	85.9
	Strongly Agree	9	14.1	14.1	100.0
	Total	64	100.0	100.0	

Board's control over Management staff has led to enhanced marketing performance of NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	15	23.4	23.4	23.4
	Not Sure	17	26.6	26.6	50.0
	Agree	29	45.3	45.3	95.3
	Strongly Agree	3	4.7	4.7	100.0
	Total	64	100.0	100.0	

NACE Board conducts Annual General Meetings with NACE Shareholder every year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	9.4	9.4	9.4
	Not Sure	1	1.6	1.6	10.9
	Agree	41	64.1	64.1	75.0
	Strongly Agree	16	25.0	25.0	100.0
	Total	64	100.0	100.0	

Board presents financial reports to the AGM every year without fail

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	10.9	10.9	10.9
	Not Sure	18	28.1	28.1	39.1
	Agree	33	51.6	51.6	90.6
	Strongly Agree	6	9.4	9.4	100.0
	Total	64	100.0	100.0	

Board presents narrative progress reports to during all AGMs without fail

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	7	10.9	10.9	10.9
	Not Sure	13	20.3	20.3	31.2
	Agree	36	56.2	56.2	87.5
	Strongly Agree	8	12.5	12.5	100.0
	Total	64	100.0	100.0	

NACE supports any social programmes in the community

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	17	26.6	26.6	26.6
	Disagree	16	25.0	25.0	51.6
	Not Sure	13	20.3	20.3	71.9
	Agree	17	26.6	26.6	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

NACE has internal audit and supervisory committee

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	12.5	12.5	12.5
	Disagree	20	31.2	31.2	43.8
	Not Sure	15	23.4	23.4	67.2
	Agree	20	31.2	31.2	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

Internal audit committee of NACE is fully active

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	33	51.6	51.6	51.6
	Not Sure	16	25.0	25.0	76.6
	Agree	12	18.8	18.8	95.3
	Strongly Agree	3	4.7	4.7	100.0
	Total	64	100.0	100.0	

External financial audit of NACE is done every year

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	17.2	17.2	17.2
	Disagree	11	17.2	17.2	34.4
	Not Sure	14	21.9	21.9	56.2
	Agree	26	40.6	40.6	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

Accountability of NACE's board to its shareholders has led to increased marketing performance of NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	10.9	10.9
	Disagree	4	6.2	6.2	17.2
	Not Sure	26	40.6	40.6	57.8
	Agree	19	29.7	29.7	87.5
	Strongly Agree	8	12.5	12.5	100.0
	Total	64	100.0	100.0	

There has been increase in quantity of produce sold by NACE over the last five years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	10.9	10.9	10.9
	Disagree	30	46.9	46.9	57.8
	Not Sure	10	15.6	15.6	73.4
	Agree	16	25.0	25.0	98.4
	Strongly Agree	1	1.6	1.6	100.0
	Total	64	100.0	100.0	

Number of shareholder selling through NACE has been increasing for the last five years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	12.5	12.5	12.5
	Disagree	33	51.6	51.6	64.1
	Not Sure	6	9.4	9.4	73.4
	Agree	15	23.4	23.4	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

NACE has a list of known buyers of shareholders produce

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	9.4	9.4	9.4
	Disagree	10	15.6	15.6	25.0
	Not Sure	35	54.7	54.7	79.7
	Agree	9	14.1	14.1	93.8
	Strongly Agree	4	6.2	6.2	100.0
	Total	64	100.0	100.0	

NACE has easy access to reliable produce buyers at all times

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	27	42.2	42.2	43.8
	Not Sure	13	20.3	20.3	64.1
	Agree	17	26.6	26.6	90.6
	Strongly Agree	6	9.4	9.4	100.0
	Total	64	100.0	100.0	

NACE meets supply quantities of produce each time as required by buyers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	6.2	6.2	6.2
	Disagree	21	32.8	32.8	39.1
	Not Sure	19	29.7	29.7	68.8
	Agree	17	26.6	26.6	95.3
	Strongly Agree	3	4.7	4.7	100.0
	Total	64	100.0	100.0	

Price paid for produce sold by NACE has been increasing for the last five years

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	1.6	1.6	1.6
	Disagree	31	48.4	48.4	50.0
	Not Sure	8	12.5	12.5	62.5
	Agree	22	34.4	34.4	96.9
	Strongly Agree	2	3.1	3.1	100.0
	Total	64	100.0	100.0	

Shareholders selling through NACE often get higher price than other not selling through NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	9	14.1	14.1	14.1
	Not Sure	8	12.5	12.5	26.6
	Agree	26	40.6	40.6	67.2
	Strongly Agree	21	32.8	32.8	100.0
	Total	64	100.0	100.0	

NACE as a clear system of paying money to shareholders who sell through NACE

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	8	12.5	12.5	12.5
	Not Sure	7	10.9	10.9	23.4
	Agree	42	65.6	65.6	89.1
	Strongly Agree	7	10.9	10.9	100.0
	Total	64	100.0	100.0	

Appendix IX: Document review checklist

Information required/ Themes	**Documents to review**	**Results obtained**
Background information on NACE	NACE's constitution	
	NACE's strategic plans	
Population of study	NACE's reports	
	Reports from Uganda cooperative Alliance	
Marketing performance of NACE	NACE's annual reports	
	NACE's business plans	
	AGM minutes	
Governance of NACE	NACE's constitution	
	AGM minutes of NACE	
	Policy documents of NACE	
Management structure	Strategic plan of NACE	
	NACE's Business plan	