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Full length Research Paper

Board role performance in Uganda's services sector firms

Stephen K. Nkundabanyanga[1*] and Augustine Ahiauzu[2]

[1]Makerere University Business School, Kampala, Uganda.

[2]Rivers State University of Science and Technology, Port Harcourt, Nigeria

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The present paper sought to confirm factors that are relevant to board role performance in Uganda and as a corollary empirically tested the relationship between individual dimensions of the model of board role performance. The study was cross-sectional and correlational and the analysis was conducted using Structural Equation Modelling (SEM) with Analysis of Moment Structures (AMOS) software on a sample of 128 service firms in Uganda. Findings indicate that a four-dimensional model of board role performance was determined to be the best fitting model for Ugandan service firms. From the results we do claim, that board role performance causes the scores observed on the measured variables of boundary spanning, effective partnership, environmental scanning and control of the organization. The measured variables are the individual dimensions of the model of board role performance. The present study provides one of the few studies that have analysed with confirmatory factor analysis (CFA) using AMOS to test board role performance measurement model and provides a benchmark for Uganda's service firms wishing to leverage performance of their boards. However, using cross-sectional data does not allow for testing of the process aspect of the model; still, it provides evidence that the model can stand empirical tests of the four elements of the model. Additional research should examine the process aspects of board role performance and also test our model in predicting firm financial performance. The model in this paper might improve the quality of board role performance and apply to other sectors of Uganda's firms to avert the problem of ineffective boards as evidenced by consistent firm failures in Uganda. By improving the quality of board role performance, boards will demonstrate their relevance in company direction and improvement of company value to the benefit of all stakeholders.

Key words: Board role performance, service firms, analysis of moment structures (AMOS), Uganda.

INTRODUCTION

The overall objective of this study is to confirm factors that are relevant to board role performance in Uganda and empirically test the relationship between individual dimensions of the model of board role performance in Ugandan service firms. This is because a paucity of empirical board role performance models to use in practice has often led to the perceived attrition of credibility of board role performance among firms. Moreover, understanding the nature of effective board role performance is important in management and economics research that focuses directly on what boards need to do in order to perform their roles more effectively (Ong and Wan, 2008), especially in developing countries‟ context, to lift their social economic development.

The issue of board role performance, a concept resulting from corporate governance came to prominence in Uganda between September 1998 and May 1999 when four Ugandan banks were closed for imprudent banking practices (Habyarimana, 2003) and poor internal governance (Bank of Uganda, 1999; Brownbridge, 1998) which illuminated two problems associated with board role performance in Uganda. First, the investors were/or are not getting the best out of the firms in Uganda given their poor performance. Recently, there have been

*Corresponding author. E-mail: snkundabanyanga@mubs.ac.ug. Tel: +256 712 806 865.

Table 1. Uganda‟s service sector contribution to GDP.

Year	2004/2005	2005/2006	2006/2007	2008/2009	2009/2010
Contribution to GDP growth (%)	7.9	6.2	12.2	8.8	13.0
Contribution to GDP (%)	42.2	43.8	45.5	47.1	49.0

Various backgrounds to the budget.

consistent reports of companies financially performing poorly and this poor performance has often led to some of these companies closing business (Kasita and Emojong, 2010; Among, 2009; Tentena, 2010), further eroding the social economic development of the country. The second is that there are no empirically confirmed measures of board role performance in Ugandan service firms that would act as benchmarks for board role performance in the sector in spite of its importance to the economy.

Indeed, the services sector has the highest demonstrated potential than any other sector in Uganda‟s economy as can be discerned from Table 1. The importance of this sector as shown by its contribution to Uganda‟s real GDP creates much of the interest by the Uganda government and other stakeholders regarding board role performance of the firms forming the sector; to gain reasonable assurance that the sector‟s firms continue to register impressive performance.

In this study, it is confirmed that the potential of services sector firms can be harnessed through a well-defined framework of board role performance and the study makes important contributions to management practice and to extant board role performance literature. Ong and Wan (2008) for example, argued that previous research largely investigated board role performance in general or under the dominant agency perspective which emphasizes the board‟s monitoring role and instead advocated for the role of board process. Their (Ong and Wan, 2008) finding that current literature provides little consensus as to the specific configuration for effective board role performance and in the light of problems enlisted previously, also offers the motivation for this research to test board role performance measurement model. As a corollary, this study provides a model for board effectiveness (board role performance).

The rest of the paper proceeds as follows. Subsequently, the study presents literature review. This is followed by the materials and methods; thereafter it presents the results and discussions. Finally, the study was concluded.

LITERATURE REVIEW

Board roles

Board role research is mainly characterised by the conceptual development of board roles, based on a range of organisational theories such as agency (Berle and Means, 1932; Jensen and Meckling, 1976; Jensen, 1993; Eisenhardt, 1989), resource dependence (Pfeffer and Salancik, 1978), resource-based (Wernerfelt, 1984), stake-holder (Freeman, 1984) and stewardship (Davis et al., 2010). At least four board roles have been identified in theory: Control (Pearce and Zahra, 1992; Finkelstein and Hambrick, 1996; Johnson et al., 1996; Hillman et al., 2000; Hillman and Dalziel, 2003); strategic (Pearce and Zahra, 1992); service (Pearce and Zahra, 1992; Johnson et al., 1996) and resource dependency (Finkelstein and Hambrick, 1996; Johnson et al., 1996; Hillman et al., 2000; Hillman and Dalziel, 2003). According to these authors, the control role encompasses the selection of senior executives; monitoring, evaluating and rewarding executive performance; and using board power to protect shareholders‟ interests; administration and internal control; directors monitoring managers as fiduciaries of stockholders including hiring and firing the CEO; determining executive pay and monitoring managers; serving shareholders by ratifying the decisions of managers and monitoring the implementation of those decisions; monitoring strategy implementation; planning CEO succession and evaluating and rewarding the CEO/ top managers. The strategic role includes representing the firm‟s interest in the community, linking the firm with its external environment and performing ceremonial functions in the life of the firm. The resource dependency role requires the board to act as buffers and boundary spanners, link organizations to critical resources in the environment and to valuable information residing in a network, provide legitimacy, connect the firm with external factors which generate uncertainty and external dependencies, bolster the image of the firm, provide expertise, aid in the formulation of strategy and other important decisions.

Pearce and Zahra (1992) described three sets of interrelated roles played by boards in contemporary organisations: service, strategy and control. Later, Finkelstein and Hambrick (1996) identified two roles boards of directors perform in the organisation, which were construed by Heuvel et al. (2006) as control and resource dependency. In the same year, Johnson et al. (1996) defined three main roles for boards of directors; the control role, the service role, and the resource dependence role. More so, Hillman et al. (2000) distinguished between the agency or control role and the resource dependence role. Subsequently, Hillman and Dalziel (2003) described the monitoring function and the provision of resources function.

Most of the previous studies on board roles, however, focused on developed countries" contexts. Research on board role performance within a developing country-context is still considered fragmented (Huse, 2000) and is relatively in its infancy (Heuvel et al., 2006). Literature review illustrates that conceptual and methodological improvements could enhance this area of study (Heuvel et al., 2006; Babic et al., 2011). This implies a clear dearth of empirical research studying developing country-contexts to validate the performance of board roles identified in the literature.

Board role performance in Uganda

According to the Uganda country assessment report and programme of action (2007), unitary boards – reflecting the British company laws - are the dominant structure for public and private limited liability companies in Uganda. This means that the roles that boards play are dictated by such a structure. Moreover, the Ugandan companies Act, Cap.110 stipulate a minimum of two directors for both public and private companies" registration. This requirement can be construed a requirement for companies just to register. The Act is silent on how to ensure performance of the duties for which such board members are required on a company. More so, there is no statutory requirement for executive and non-executive or other categories of members on the board of directors.

It can be argued that directors should be qualified persons reflecting a diversity of training, experience and backgrounds. It could also be desirable for the board to include a balance of executive and non-executive directors to mitigate against dominance of individuals or interest blocs in the decision making. However, in Uganda there is no law prescribing the appointment of executive and non-executive directors of companies. The absence of such provisions within the Companies Act might weaken the balance, independence and objectivity within company boards in the performance of their duties. Hence we believe there is need to develop a model of board role performance in Uganda. Corroborating support for this belief is provided by the fact that the number of directorships tenable in Uganda is also unlimited except for under the Capital Markets Authority Regulations" limit of not more than five directorships and two chairmanships for listed companies. The effectiveness of a director involved on several boards simultaneously and the potential created for conflicting situations and competing interests can negate benefits of board role performance.

Meanwhile, the board is usually permitted under the Articles of Association to delegate power to committees which exercise powers as may be required by the board. The Companies Act, Cap. 110 Laws of Uganda requires that every company shall have a secretary. In the Companies Bill 2004, some changes have been introduced under part V regarding management and administration, where it states that it is optional for single member companies to have a Company Secretary and it is mandatory for public companies to have a secretary. Similarly, the Companies Act contains prohibitions, restrictions and qualifications relating to the appointment of directors, their powers and duties and their conduct. However, the Act does not provide term limits for directors but prescribes the director"s age limit at 70 years, only applicable to public companies. Other companies may if they wish provide upper age limits in their Memorandum and Articles of Association.

Uganda country assessment report and programme of action (2007) noted that failure to enable boards to operate vigorously and to introduce new ideas can impact on the boards" performance of their roles in the country. As noted earlier, the company law in Uganda contains prohibitions, restrictions and guidelines relating to the appointment of directors, their powers and duties and their conduct. Some of them include the eligibility criteria, the criteria for composition of boards and the criteria for remuneration of directors.

According to the Institute of Corporate Governance of Uganda Manual on Corporate Governance (2001) which is not binding, candidates for election to the board should have the background, experience or specialized knowledge that corresponds closely with the business of the company. The lacuna in the Uganda company law and the Institute of Corporate Governance of Uganda Manual on Corporate Governance manual on corporate governance that is not binding might lead to ambiguity regarding board role definitions and their (roles) performance by existing boards in Uganda. Consequently, we suggest that in the case of Uganda, this study conceptualizes board role performance from theories mentioned earlier as the way managers and directors perceive board role performance and hence confirm, using SEM, a model of board role performance for Uganda"s service sector firms.

Hypothesis development

Unitary boards support the hypothesis, that between owner as principal and managers as agents a conflict of interest exists and the board as an internal mechanism has the task of monitoring managers, board role performance is contingent on its independence from management. This line of reasoning implies that boards should be composed of a large number of independent members. This view is inconsistent with the stewardship theory, which holds that managers act in the owners" interest, and boards are thus better off composed of a large number of internal, executive directors (Babic et al., 2011).

Board effectiveness depends on its strategic role, which implicitly affirms the hypothesis that boards composed of a large number of internal executive directors are in fact more effective because they possess the required knowledge, skills, and information for making strategic decisions (Levrau and Van den Berghe, 2007b). The given instances of being at variance with each other indicate that correlation between board composition and board role performance depends on the theoretical research framework and the role of the board whose effectiveness is being evaluated. Thus in the case of Uganda, it might be necessary to fit a board role performance measurement model suitable for its purposes.

According to Murphy and Mclntyre (2007), boards may be able to provide advice on new ways of identifying and developing talent and have the ability to act as an external source of knowledge that is bolstered by the network of contacts that the board can access. Consistent with this argument, governance literature (Huse, 2005; Roberts et al., 2005) sees board roles as created by individual board of directors. This means, within this literature, individual director contribution is essentially about creating roles that a board needs to perform (Petrovic, 2008). Thus, it is what individual members perceive as their roles that they will eventually perform even at group level in absence of a coherent model of board role performance.

The development of resource dependence theory indicates that the understanding of board roles and responsibilities has changed. Agency theorists contend that the obligations attendant on outside directorships distract CEOs from obligations to their own firms and create the potential for managerial opportunism (Geletkanycz and Boyd, 2011); yet, resource dependence theory comprehends the board as a mechanism for co-opting important external organizations with which the company is interdependent. One strategy here is to appoint representatives of competitors, key suppliers, or customers to the board (Babic et al., 2011).

According to Pfeffer and Salancik (1978), board members provide advice and expertise, access to resources, and legitimacy, and also contribute to strategic decision-making by providing access to key resources (Pugliese et al., 2009). This means that the board has a service role related to management decision-making activities: co-opting external influences, realizing contacts between board members and relevant individuals to ensure pivotal company resources, ceremonial activities, and enhancement of the company‟s reputation, and advising the management during the strategic decision-making process. While the management bears the responsibility for the development of new strategy, the boards‟ advisory role enables their indirect influence over the strategic decision-making process (Nicholson and Newton, 2010).

Contemporary understandings of stakeholder theory derive from the definition of a stakeholder as "any group or individual who can affect or is affected by the achievement of the firm‟s objectives" (Freeman, 1984:25) and the firm might be considered as a coalition in which the different stakeholders participate to gain their own benefit (Freeman, 1984). That is probably why Herman (1981) argues that managers make the vast majority of important decisions on behalf of the firm, even though shareholders may be able to wrest control from them under extreme circumstances by gaining control of the board of directors. More so, the Commonwealth Guidelines require the board to ensure a managed and effective process for board appointments in order to provide a mix of proficient directors able to add value and independent judgment to the decision making process.

Based on the previous discussion, it seems Ugandan boards may not be performing their proper roles as espoused in the dominant theories. The companies Act, which is a binding document, seems to be silent on a number of board role performance issues. Given the current law, it seems highly unlikely for Ugandan company boards to fulfil their obligations as espoused under the Institute of Corporate Governance of Uganda (2001) and theory.

Moreover, current literature offers little consensus as to the appropriate model of board role performance (Ong and Wan, 2008), noting also that board role performance could be different in view of various contextual factors like industry type. Besides, as precedent literature on board research centre on board structure and firm performance and reveal equivocal relationships between the two, attention should shift towards board role performance (Ong and Wan, 2008). Consequently, we suggest an empirical model of board role performance for Uganda‟s service sector firms. Hence in this study we hypothesize as follows:

H_1: There is a significant relationship between board role performance factor structure of observed variables and their underlying latent variables in Ugandan service sector firms.

MATERIALS AND METHODS

Design, population and sample

This study employs a cross sectional survey design. A total sample of 377 service firms for this study was generated using Yamane‟s (1973) sample selection approach. One hundred twenty eight (128) questionnaires were received from respondent firms indicating a response rate of 34%. For the unit of analysis, trade and other business services were 64 (or about 50%), hotels and restaurants were 17 (or about 13%), transport, storage, posts and telecommunications were 21 (or about 16%) and financial services were 26 (or about 20%). For the unit of enquiry, the male respondents were 97 (about 76%) and the female respondents were 31 (or about 24%). Out of 128 respondents, 10 had diplomas, 39 had degrees, 45 had masters, 31 had professional qualifications and 3 had PhDs as their highest qualification. More than half of the respondents were above 36 years of age. Moreover, 35 respondents were directors and 93 were managers.

Measurement of board role performance

We identified board"s performance of its tasks consistent with the works of Heuvel et al. (2006), Murphy and Mclntyre (2007), Petrovic (2008) and Huse (2005) on likert scale of 1 to 5 designed to measure the opinion or attitude of a respondent (Burns and Grove, 2009). We did this because their studies were heavily informed by theories identified in this study and also because our analysis tools employed in this study are theory based. As an example Murphy and Mclntyre (2007:218 to 219) have this say on board role performance:

"*Boards can also be judged by their ability to scan the internal and external operating environments for opportunities and threats. The ability to act as an external source of knowledge may be bolstered by the network of contacts that the board can access. Directors usually have a number of contacts with experience and expertise on particular issues that may be relevant to the challenges being faced by the firm. Directors may be able to provide more impartial advice on the person-job fit of proposed executives. At the very least, BOD may be able to act as a ''sounding board'' for why a particular individual is being considered for an executive position*".

Similarly, Heuvel et al. (2006), informs our board role performance measurements because most of the service firms in Uganda are small and medium and sometimes family businesses.

Statistical modelling

To estimate the model, we employed Structural equation modelling (SEM). SEM is a comprehensive statistical approach to testing hypotheses about relations among observed and latent variables (Hoyle, 1995). SEM helps in understanding the patterns of correlational/covariance among a set of variables and according to Kline (2011), explains as much variance as possible with the model specified. Therefore, in order to account for variation and co-variation of board role performance, the present study uses SEM with AMOS. We used the estimation procedure in AMOS 18 (Arbuckle, 2009) to construct a board role performance measurement model. The Chi-square test which is an absolute test of model fit requires that the model is rejected if the p-value is < 0.05; Root mean square error of approximation (RMSEA) should be < 0.06 and Tucker-Lewis Index (TLI) values of 0.95 or higher (Hu and Bentler, 1999). Others like Kim (2007) and Yang (2006) recommend, goodness of fit (GFI) > 0.90, adjusted goodness of fit index (AGFI) > 0.85, TLI > 0.95, CFI > 0.90 and RMSEA < 0.08 as acceptable goodness-of-fit indices. We followed those guidelines in fitting our model.

RESULTS

The results of our analysis testing the hypothesis: "There is a significant relationship between board role performance factor structure of observed variables and their underlying latent variables in Ugandan service sector firms" can be discerned from Figure 1 and Table 3. The board role performance model suggested in this study showed an NFI of 0.925, which indicates strong convergent validity (Mark and Sockel, 2001) and Figure 1 indicate the model in which we obtained 78 distinct sample moments, 30 distinct parameters estimated and 48 degrees of freedom (78 to 30). The chi-square value of 58.217 is non-significant at the 0.05 level: its p-value is 0.148 suggesting that the model fits the data acceptably in our population. More evidence is provided by the RMSEA = 0.041 which is further supported by the TLI result of 0.980. Additionally, GFI = 0.931 is larger than 0.9 which reflects a good fit. Accordingly, board role performance structure is confirmed for the case of service firms in Uganda.

The unstandardized loadings in Table 2 appear along with a critical ratio, and p-values. The critical ratio and p-values were used to ascertain statistical significance. A critical ratio greater than 1.96 or a p-value smaller than 0.05 signifies significance. Three asterisks (***) indicate that the p-value is smaller than 0.001. In this case, all of the unconstrained estimates are significant. All the other indicators have strong standardized loadings. The R^2 statistics range from moderate to strong regressions.

The convergent validity can be assessed by examining factor loadings. The observed factor loadings compared with their standard errors reveal evidence of an association between board role performance and its respective constructs of control roles, services roles and strategic roles (Koufteros, 1999).

As shown in Table 2, the observed factor loadings of all the items are statistically significant at the 0.01 alpha levels. As for item reliability, the multiple regression which is the same as R^2 can be used (Koufteros, 1999) and should be above 0.5 (Bollen, 1989), a condition this study satisfies. Construct reliability refers to the degree to which the measurement of the set of latent items of a construct is consistent (Lu et al., 2007) and the construct reliability of board role performance was 0.897, 0.892, 0.894 and 0.896 for boundary spanning; effective partnership, environmental scanning and control of the organization were above 0.7 indicating adequate construct reliability (Kim, 2007). Discriminant validity is assessed using average variance extracted (AVE) which should be above 0.5 (Fornell and Larcker, 1981). In this study, it is 0.6 which indicates acceptable convergent validity.

DISCUSSION

The objective of this paper is to confirm factors that are relevant to board role performance in Uganda and the relationship between individual dimensions of the model of board role performance. Results confirm that board role performance in Uganda is a composite of indicators of board performance of their roles, hence a multi-dimensional construct.

This study indicates that among those indicators are boundary spanning, effective partnership, environmental scanning and control of the organization and these items significantly explained board role performance,

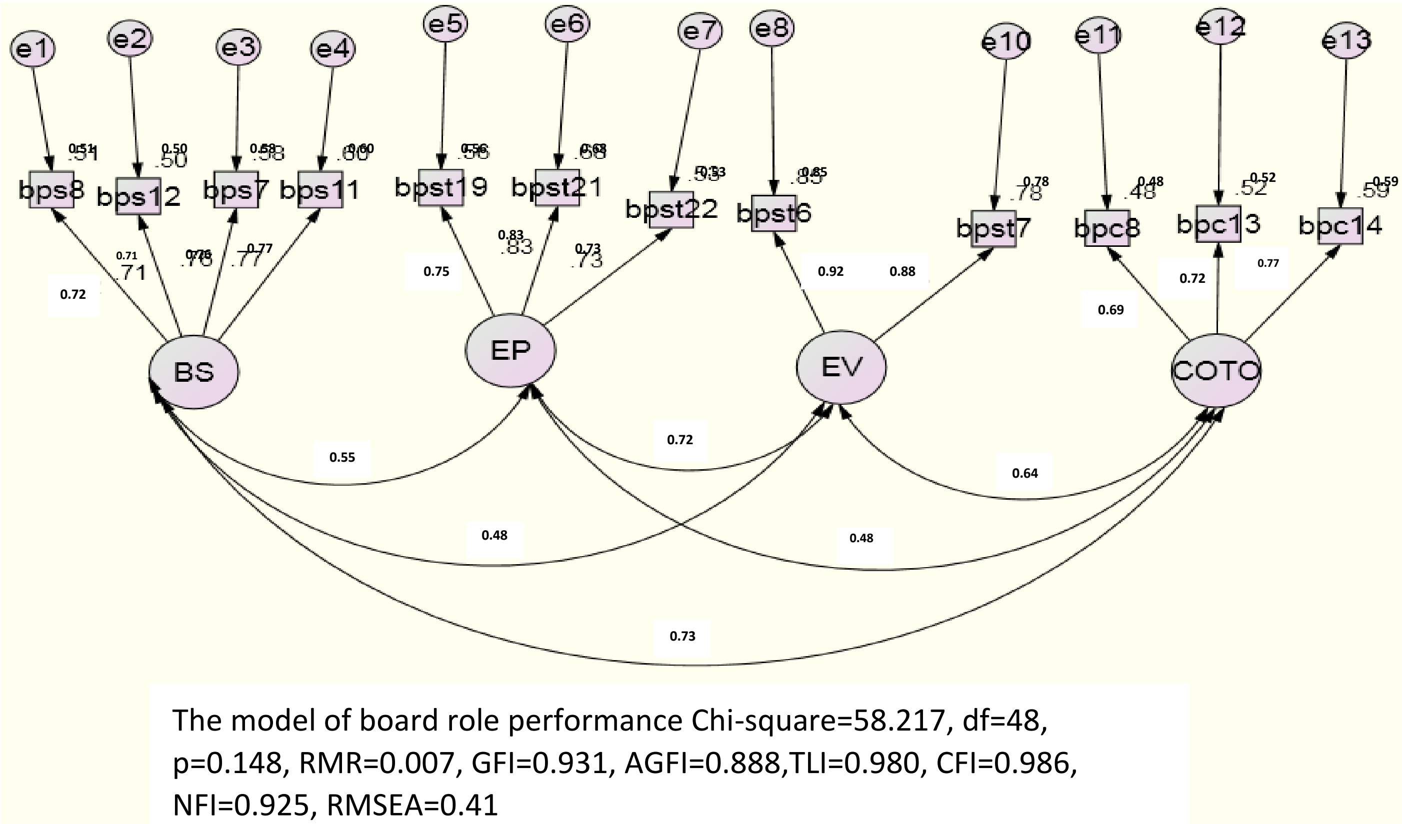

Figure 1. The model of board role performance in Uganda.

substantiating our hypothesis of verifying the posited relationships for board role performance factor structure of observed variables and the underlying latent variables. Our results provide support for Ong and Wan (2008) and Nicholson and Kiel (2004). According to these authors, board role performance is the ability of the board to perform board roles. For the case of Ugandan service firms, Table 4 epitomizes these roles. Table 4 indicates that there are four roles played by boards in Ugandan service sector firms, categorized as boundary spanning; three roles categorized as effective partnership, two roles categorized as environmental scanning and three roles categorized as control of the organization. The correlation between these categories of roles is significant at 0.001 levels which indicate convergence, providing more support for our hypothesis.

Although conceptual papers (Ong and Wan, 2008) identified three conceptual models of board role performance to include the structure model, the process model and the mediation model (which is a combination of structure and process models), their conceptualization is based on the extent to which board structure or process or mediation models can independently explain board role performance. For example, Ong and Wan (2008) provided 17 propositions for empirical research concerning board role performance. Additionally, Babic et al. (2011), examined why there is gap between what is, in theory, defined as board role expectations, and board performance. In addressing this concern Babic et al. (2011:142) analyzed the factors influencing the implementation of different board roles and also addressed key factors affecting board effectiveness: board structure and board process. They found and suggested that:

"*Traditional research finds the structural factors, e.g., composition, leadership structure, and board size, to be the most relevant influences on board effectiveness. Alternatively, behavioural approaches emphasize as the key factors of board effectiveness those influencing the processes within boards, that is, effort norms, cognitive conflict, and usage of knowledge, as well as board members' characteristics, including background diversity and behavioural characteristics. Factor analysis indicates that a new integrative framework for board effectiveness evaluation is much needed as a good starting point model for further empirical research. It is also suggested that the proper model implementation is contingent on its adjustment to the given socio-economic circumstances*".

Thus this study is not to confirm board structure and process but is concerned with what are observed factors

Table 2. Path coefficients for board role performance.

Path			Unstandardised path coeff.	C.R.	Standardised Path coeff.	R^2	*AVE*	*p*
bps8	<---	BS	1.000		0.716	0.588	0.60	
bps12	<---	BS	0.777	7.179	0.706	0.520		***
bps7	<---	BS	0.952	7.700	0.765	0.480		***
bps11	<---	BS	0.968	7.763	0.772	0.778		***
bpst19	<---	EP	1.000		0.748	0.851		
bpst21	<---	EP	1.079	8.423	0.828	0.532		***
bpst22	<---	EP	1.015	7.646	0.730	0.685		***
bpst6	<---	EV	1.000		0.922	0.559		
bpst7	<---	EV	0.892	12.213	0.882	0.596		***
bpc8	<---	COTO	1.000		0.693	0.585		
bpc13	<---	COTO	1.039	6.829	0.721	0.499		***
bpc14	<---	COTO	1.142	7.125	0.767	0.513		***

Table 3. Correlations.

Variable	BS	EP	EV	COTO
Boundary spanning (BS)	1			
Effective partnership (EP)	0.548***	1		
Environmental scanning (EV)	0.484***	0.721***	1	
Control of the organization (COTO)	0.730***	0.484***	0.641***	1

*** The correlation is significant at the 0.001 level (two-tailed).

explaining board role performance in Ugandan service firms taking the behavioural perspective and in doing this we are able to establish a conceptual model for testing board role performance of boundary spanning, effective partnership, environmental scanning and control of the organization. Similarly, this study is not at variance with previous conceptual studies of board structure and processes but instead supports the development of models specific to different economies and firm sectors.

The resource dependency theory (Pfeffer and Salancik, 1978) which comprehends the board as a mechanism for co-opting important external organizations with which the company is interdependent is supported by this study and hence boards are important boundary spanners that secure resources for the company. In this vein the model proposed in this study confirms that board of directors of Ugandan service firms should act as a source of knowledge reinforced by the number of contacts they access and requisite experience and expertise on particular issues relevant to the challenges their organizations face.

By harnessing cross-sector and cross-cultural partnerships and facilitating cross-generational collaboration Uganda boards enlist effective partnerships beneficial to the organization. It also implies that Ugandan boards should perform a service role related to management decision-making activities: co-opting external influences, enhancement of the company‟s reputation, and advising the management during the strategic decision-making process (Babic et al., 2011). This challenge the espoused notion of board independence premised on separation of chairmanship and „CEO-ship‟ in the reduction of agency costs. In this view, board role performance is to support and assist managers in reaching the company objectives, and not to control them – a view that is again at variance with the agency theory perspective that views boards as internal governing mechanism with authority to control the work of managers through ratification and monitoring during the decision-making process (Farma and Jensen, 1983).

So, the results of the current study appear to favour stewardship theory which argues that the interests of managers and the members of the board are not in conflict (Pugliese et al., 2009) as Huse (2005) exemplifies that the core concept of stewardship theory is trust between managers and owner. This appears to be more appropriate in Ugandan firms where mostly owners are the directors. With control of the organization as one of the factors explaining board role performance in Uganda, this study nevertheless confirms control of the organization as a legitimate role that the board needs to perform.

Similarly, the environmental scanning view of Murphy and McIntyre (2007) is supported by this study. Thus,

Table 4. Board role performance in Uganda‟s service sector firms.

Role dimension		Specific role performance	Code per analysis
Boundary spanning	1.	Our organization is reputed because of our board of directors	Bps8
	2.	The contacts of our board of directors always have the requisite experience and expertise on particular issues relevant to the challenges our organization faces	Bps12
	3.	Our board of directors provide advice on new ways of identifying and developing talent in this organization	Bps7
	4.	Our board of directors acts as a source of knowledge bolstered by the number of contacts this board accesses	Bps11
Effective partnership	1.	Our directors facilitate cross generational collaboration	Bpst19
	2.	Our directors leverage cross-cultural perspectives	Bpst21
	3.	Our Board of directors harness cross-sector partnerships	Bpst22
Environmental scanning	1.	Our board of directors reviews present and future opportunities, threats and risks in the external environment, and current and future strengths weaknesses and risks of the company	Bpst6
	2.	Our board of directors determines, supports, and enforces company policies	Bpst7
Control of the organization	1.	Our board of directors adapts performance measures to monitor the implementation of strategy, policies and plans, and the legal/fiduciary obligations affecting business and the board	Bpc8
	2.	Our board of directors establishes mutually agreed management performance criteria and business plans	Bpc13
	3.	Our board of directors uses mutually agreed management performance criteria and business plans as the basis for monitoring and evaluating management's performance	Bpc14

although the development of the contemporary perspective on board role performance is based on disputing the agency model and therefore founded on the legal perspective (McDonald and Westphal, 2010; Lan and Heracleous, 2010), the results of this study lend considerable support for agency, stewardship, stake-holder and resource dependency theories as relevant theoretical frameworks to Ugandan service sector boards‟ role performance.

Conclusions

We surveyed 128 managers and board members for a total of 128 service firms in Kampala Uganda. We asked them to indicate on a five-point Likert scale the extent of their agreement with a number of questions relating to the perceived board role performance in their respective service firms. We believe that subjective measures of board role performance might be more relevant to the Ugandan service sector setting where most firms are small and medium and not listed on the stock exchange but which must be directed and controlled by a board of directors capable of performing their duties satisfactorily. We put forward and achieved our objective of confirming factors that explain board role performance in Uganda and Figure 1 delineates the model of board role performance in Uganda and is comprised of 4 dimen-sions, namely, boundary spanning, effective partnership, environmental scanning and control of the organization; and the 12 scales by which to gauge the 4 conceptual dimensions.

The findings have important implications for board role performance in Ugandan service firms. First, given the realization that Uganda‟s service sector contributes about half to real GDP, the government and other stakeholders need to develop a keen interest in the extent to which boards of Ugandan service firms perform the roles as espoused by our model. Secondly, in light of our confirmation of board role performance in Uganda, we believe that our model of board role performance can also apply to other sectors of Uganda‟s firms, if to do so could help to avert the problem of ineffective boards as evidenced by consistent firm failures in Uganda and hence improve the socio-economic development of this country.

This research can be useful to other developing nations and service firms with similar cultural, economic and political environments, the Africa region. Lastly, the present study makes a modest contribution to the growing body of corporate governance literature and debate. For the first time, we explain board role performance in Uganda qualitatively rather than prescriptively.

There are a number of limitations with the present paper. Although there is plenty of literature on corporate governance, there is scarce literature on board role performance conceptualization and this may have affected our conceptualization of the paper. Secondly, although we self-administered the questionnaire, we did not undertake follow up interviews which would have informed us the reasons why the respondents held certain views. Thirdly, our study was limited to the service sector firms registered and operating in Kampala, Uganda and it is possible that our results are only applicable to this sector in Uganda. Finally, the present study is cross-sectional; it is possible that the views held by individuals may change over the years. In spite of the limitations, we believe that our study makes important contributions as mentioned elsewhere in this paper. Future research may wish to test our model in predicting firm financial performance.

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