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Governing boards and perceived performance of secondary schools

Preliminary evidence from a developing country

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Abstract

Purpose – The purpose of this paper is to report the results of a study carried out to determine the effect of governing boards on the performance of Ugandan secondary schools. Specifically, the study investigated whether governing boards (board role performance, finance committee role performance, board size, frequency of board meetings and board finance expertise) have an effect on the perceived performance of the schools.

Design/methodology/approach – This study is cross-sectional and correlational. Data were collected through a questionnaire survey of 271 schools out of which 200 responded. The data were analysed through ordinary least squares regression using Statistical Package for Social Scientists.

Findings – The results suggest that board role performance, finance committee role performance, frequency of meetings and finance expertise of governing boards have a significant effect on the schools' performance.

Research limitations/implications – The authors measure some of the variables qualitatively and perceptively contrary to, for instance, the commonly used quantitative measures of performance, but process factors which are inherently qualitative in nature can better explain variances in secondary schools' performance. Thus, in this study, the authors do not claim highly refined measurement concepts. More research is therefore needed to better refine qualitative concepts used in this study. The results too suggest that board and finance committee role performance and finance expertise of the board are more important for performance of a school than board size, and frequency of meetings which academics have been focusing on. These findings call for more research to validate the posited relationships.

Practical implications – The results are important for governing board policy development; for example, in terms of prescribing the qualifications for schools' governing board members and also finance committee board members.

Originality/value – This study shows that one way to capture the influence of all governing boards' roles including service role is to adopt a perception-based approach which asks respondents to what extent they think governing boards fulfil all their roles. Unlike previous studies which used proxies for board role performance such as proportion of non-executive directors and board size for monitoring and control and resource provision, the study incorporates proxies as well as perception-based measures of board role performance to determine if governing boards have a significant influence on the performance of Uganda secondary schools.

Keywords Performance, Uganda, Public sector, Boards, Education, Secondary schools

Paper type Research paper



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1. Introduction

The importance of corporate boards as the ultimate control mechanism for managerial actions in the private sector has been emphasised for many years (e.g. Fama and Jensen, 1983; Jensen, 1993; Institute of Directors in Southern Africa (IOD), 2002). According to Larcker *et al.* (2007), it is now inconceivable to think of situations where corporate boards are irrelevant for understanding organisational outcomes. Corporate boards are viewed as having the responsibility for monitoring managerial performance, and thus their structures and workings have received increasing attention in the literature. For example, Hermalin and Weisbach (2003) argue that board structure reveals information about the quality of management as well as the extent of checks and balances on managerial decisions.

Consistent with the above, the relationship between board structures and organisational performance has been examined extensively in the literature. For example, Dahya *et al.* (2008), document a negative association between board size and performance, suggesting that firms with larger boards perform worse than firms with smaller boards. In this respect, the literature suggests that although large boards enhance the experience and knowledge base available to the firm, they are less flexible and more inefficient (Lipton and Lorsch, 1992; Jensen, 1993). Empirically, the relationship between performance and non-executive directors is not well established. Some studies found a negative relationship (e.g. Agrawal and Knoeber, 1996; Coles *et al.*, 2008; Yermack, 1996), others (e.g. Ho and Williams, 2003; Klein, 1998; Ramdani and van Witteloostuijn, 2010) found a positive relation and yet some found no relation (e.g. Haniffa and Hudaib, 2006; Weir *et al.*, 2002).

Despite a number of studies relating to the private sector, there has been relatively very little empirical evidence on the relationship between governance and performance in the public sector (e.g. McDonagh, 2006; Tusiime *et al.*, 2011). The relationship between governing boards and performance can differ between the private sector and public sector because in the analysis of for-profit organisations, it is generally assumed that managers choose actions that maximise the present value of their profits (Eldenbarg *et al.*, 2004; Kezar, 2006). The purpose of corporate governance in such situations is to manage the process of maximising this objective function through incentives and monitoring of the top management. However, in public service organisations such as secondary schools, it is not apparent what the managers (head teachers) are supposed to maximise. As a result, it is not at all clear whether corporate governance mechanisms; especially those meant for the private sector are equally effective in influencing performance in the public sector.

Another feature of extant private sector-based research on the influence of governing boards on performance is the use of proxy such as proportion of non-executive directors for board roles like monitoring (Fama, 1980; Zahra and Pearce, 1989), control role (Zahra and Pearce, 1989; Baysinger and Hoskisson, 1990; Monks and Minow, 2002) and board size for such roles as resource provision (e.g. Davis and Cobb, 2009). While this approach has enhanced our understanding of the relationship between governing boards and performance, it may be argued that using such proxies misses other important governing board roles such as service role in corporate strategy development (Judge and Zeithaml, 1992; Pettigrew and McNulty, 1995). One way to capture the influence of all governing boards' roles including service role is to adopt a perception-based approach which asks respondents to what extent they think the governing boards fulfil all their roles.

The purpose of the current study is to contribute to empirical literature on the influence of governing boards' role performance in a public sector context. Specifically, we investigate whether board role performance, finance committee role performance,

board size, frequency of board meetings and finance expertise have an effect on the performance of Ugandan secondary schools. Our study is different from previous studies and contributes to existing literature in two ways. First, our study is the first to investigate the relationship between governing boards and performance in secondary schools in Africa in general and specifically in Uganda. Uganda is unique because the government of Uganda has recently liberalised the education sector to allow private individuals to provide education services. The Education Act 2008, for example, puts the governing boards at the centre stage. Given that the provision of strategic direction of the school has been identified as one of the school board's responsibilities (e.g. Kaufman and Herman, 1991; Axelrod, 1994; Korac-Kakabadse *et al.*, 2001; Jackson *et al.*, 2003; McCormick *et al.*, 2006), how secondary school boards influence school performance should be of interest to their stakeholders in Uganda.

Second, unlike previous studies which used proxies for board role performance such as proportion of non-executive directors and board size for monitoring and control and, resource provision, our study incorporates proxies as well as perception-based measure of board role performance to determine if governing boards have a significant influence on the performance of Ugandan secondary schools. As indicated above, our argument is that some board roles such as service roles do not have readily quantifiable proxies. We also incorporate a perception-based measure of finance committee role performance following the same reasoning. In addition, we also include a perception-based measure of performance which captures a number of performance measures by which secondary schools can be judged. This contrasts with existing private sector-based studies that in most cases are limited to single-based measures such as profitability (e.g. Haniffa and Hudaib, 2006; Ramdani and van Witteloostuijn, 2010).

The rest of the paper is organised as follows. In Section 2 we review literature and develop hypotheses. This is followed by discussion of research methodology in Section 3. In Section 4, we present and discuss our results. The final section is a summary and conclusion.

2. Literature review and hypotheses development

2.1 Board role performance

Generally, governing boards are common elements of many organisational structures (McCormick *et al.*, 2006) including secondary schools. For this reason some writers have identified a growing interest in governing boards and some have argued that there is evidence that effective governance contributes to strategic direction and firm performance (Kroll *et al.*, 1997; Okpara, 2011). Among the roles the boards are expected to perform are: monitoring, service, strategy and resource provision (Daily *et al.*, 2003; Zahra and Pearce, 1989). According to Zahra and Pearce (1989), monitoring is a very crucial board role as boards of directors are "the apex of the internal control system" (Jensen, 1993, p. 862). The service role pertains to giving school management advice and support. The governing board is also responsible for the strategic direction of the school (McCormick *et al.*, 2006). The board's role in strategy ranges from articulation of strategy (mission) to review of strategy implementation (Stiles and Taylor, 2000). The resource provision role refers to the ability of a governing board to bring resources to the organisation. These benefits include providing legitimacy (Selznick, 1949); providing experience (Baysinger and Hoskisson, 1990) and linking the firm to important stakeholders or other important parties (Hillman and Dalziel, 2003). Nkundabanyanga and Ahiauzu (2012), found that the potential of the services sector can be harnessed through board role performance. And for small enterprises, it has been found and argued

that by performing their roles, boards can help overcome the internal lack of resources and complement the management with experience, knowledge and skills and external influences (e.g. Castaldi and Wortman, 1984; Gabriellsson and Huse, 2005). Olson (2000) investigated governance and financial performance in non-profit colleges and concluded that decision control facilitated by tenure and expertise had a positive influence on the organisation's financial performance. Herman *et al.* (1997) also found that boards that have specific processes for evaluating CEO performance were more likely to be found ineffective organisations. Moreover, as Herman and Renz (2000) note, effective boards improve organisational performance. We therefore hypothesise that:

H1. Board role performance has influence on the performance of Ugandan secondary schools.

2.2 Finance committee role performance

While the role of finance sub-committee is not clearly stated by Uganda Education Act of 2008, it is reasonable to assume that some of its duties will include an oversight of draft financial plan prepared by the head teacher and his staff, exploring different expenditure options; monitoring budgeted income and expenditure; assessing the effectiveness of financial decisions and making recommendations to board of governors on financial matters. All these roles are expected to influence the financial performance of a school. Although there is no direct empirical evidence on the likely influence of finance committee in Ugandan secondary schools, existing research relating to finance or audit committee is largely mixed. For example, in a survey of the practitioner and academic literature on audit committee effectiveness, Spira (1999) concludes that these committees are largely ceremonial and largely ineffective in improving financial reporting. However, it has also been argued that in terms of accounting, an audit committee can improve the quality and accuracy of financial information (DeFond and Jiambalvo, 1991; McMullen, 1996), ensuring that the officers responsible for reporting and disclosure are more closely monitored and controlled. Similarly, we argue that the extent to which the finance sub-committee fulfils its role should be positively associated with the performance of the school. We therefore hypothesise that:

H2. Finance committee role performance has a positive influence on the performance of Ugandan secondary schools.

2.3 Board size

In the private sector, the link between board size and performance has been investigated by several researchers (e.g. Jerry *et al.*, 1994; Van den Berghe and Levrau, 2004; Dalton and Dalton, 2005). The reasoning behind the relationship is that a larger board can bring more experience and knowledge from which the CEO may draw high-quality advice (Dalton *et al.*, 1999). It has also been suggested that having a larger board can help to provide wider and important linkages for the company (Dalton *et al.*, 1999; Mangena *et al.*, 2012). Those who take the contrarian view, however, argue that larger boards are less effective in monitoring managers, since they are difficult to co-ordinate and it becomes very difficult to process problems due to the large number of people involved (Kyereboah-Coleman and Biekpe, 2007; Kajola, 2008). Also the costs of a larger board may outweigh the benefits, particularly in SMEs, where agency problems are minimal and there is no need for the extensive monitoring achieved by a larger board. Given that the relationship between board size and performance can be either positive or negative, our hypothesis is non-directional. We therefore hypothesise that:

H3. Board size has an influence on the performance of Ugandan secondary schools.

2.4 Frequency of board meetings

Vafeas (1999) suggests that the link between frequency of board meetings and firm value is not a priori clear. This is because, there are costs associated with board meetings, including managerial time, travel expenses and directors' meeting fees. Vafeas (1999), however, suggests that there are also benefits, including more time for directors to confer, set strategy and monitor management. If firms have fewer board meetings than are necessary, overemphasising costs, board meeting frequency will be positively associated with firm value. Evidence in this direction would suggest that increasing meeting frequency is one fairly inexpensive way for firms to increase value. If, by contrast, benefits are overemphasised, board meeting frequency will be negatively related with firm value. Frequency of board meetings has been found to be associated with firm performance. For example, Evans and Weir (1995) suggest that regular meetings allow potential problems to be identified, discussed and avoided and should therefore lead to a superior level of performance and hence higher profitability. Their findings suggest that weekly meetings were associated with superior performance compared to monthly meetings. The influence of frequency of board meetings on firm performance was also investigated by Desai (1998) who found that increased number of board meetings was positively related to subsequent firm performance. Vafeas (1999) also found that operating performance of firms improved following years of abnormal board activity in terms of number of board meetings. The improvements were most pronounced for firms with poor prior performance. Although there is no prior literature specific to frequency of board meeting relating to secondary schools, we hypothesise that:

H4. Board frequency of meetings has a positive influence on the performance of Ugandan secondary schools.

2.5 Finance expertise of the board

The role of finance expertise on the boards has also been investigated previously. Prior studies, for example, found that capital markets react positively to the appointment of non-executive directors with financial expertise to the audit committees (Defond *et al.*, 2005), suggesting that finance expertise contributes to the effectiveness of the audit committee. Other studies reported a negative relationship between audit committees financial expertise and financial statements fraud (e.g. Abbott *et al.*, 2000) and earnings management (Klein, 2002) and earnings restatement (Lin *et al.*, 2006). This suggests that audit committee financial expertise may alleviate problems of financial fraud, earnings management and earnings restatement, respectively. In addition, the findings of a positive relationship between audit committee financial expertise and extent of disclosure (e.g. Mangena and Pike, 2005) also suggest that audit committee financial expertise is effective in alleviating the problem of information asymmetry. A high proportion of finance experts on the governing board is expected to be positively associated with school performance because a higher proportion of finance experts is more likely to be associated with proper handling of finance. We therefore hypothesise that:

H5. The proportion of finance experts on the governing board influences performance of Ugandan secondary schools.

2.6 Control variables

The work of Bartov *et al.* (2000) suggest that failure to control for confounding variables could lead to falsely rejecting the hypothesis when in fact it should be accepted. A number of studies have found that firm size is associated with performance (e.g. Dalton *et al.*, 1999; Mangena *et al.*, 2012). In terms of governance, secondary schools

in Uganda can be categorised into one of the three categories: government secondary schools, religious founded schools and independent schools operated purely for commercial reasons. It is of interest to establish any significant differences among these types of schools. According to McCormick *et al.* (2006) the school's respective state/government or religious bureaucracies ultimately govern schools in the first two categories, whatever the extent of systemic decentralisation or devolution of decision making. McCormick *et al.* (2006) argued that even if considerable power were devolved to a systemic school board, one could confidently predict bureaucratic intervention if the school board were perceived to be ineffective with negative consequences for the school or system. As a result, in this study we control for school size and whether the school is government owned or not.

3. Methodology

3.1 Research setting

This study was done in Uganda, a land-locked country in east Africa. Uganda is bordered on the east by Kenya, on the north by south Sudan, on the west by the Democratic Republic of the Congo, on the southwest by Rwanda and on the south by Tanzania. The southern part of the country includes a substantial portion of Lake Victoria, shared with Kenya and Tanzania. Uganda gained independence from Britain on 9 October 1962. This suggests that Ugandan education system draws much from the British system of Education. The educational management, however, is currently traced to Ugandan Education (pre-primary, primary and post-primary) Act (2008) which requires a board of governors or a school management committee for any education institution.

The membership of such a board consists of: first, five members including a chairperson, nominated by the foundation body at least one of whom must be a woman; second, one local government representative nominated by the district council's standing committee responsible for education; third, one nominee of the local council; fourth, two representatives of parents of the school elected at the annual general meeting one of whom must be the treasurer of the parents teachers' association; fifth, two representatives of the staff elected by the staff at one of their meetings; sixth, one representative of old students elected at a meeting of the association of former students, if any, of the respective institutions'. Members of school boards serve a three-year term renewable once. The Act provides for committees of the board and the board appoints committees for the proper carrying out of its functions. One such committee is the finance committee. Membership of each committee cannot be less than four or more than six members including at least three board members, one staff member and one student.

In general, the functions of the board are those that are from time to time conferred by the Minister or district secretary for education. In addition, the Act also lists additional functions of the board as to: first, govern the school; second, administer the property of the school, whether movable or immovable; third, administer any funds, chattels or things of the school derived by way of fund raising or auction, on behalf of the school; fourth, provide for the welfare and discipline of students and staff, and fix fees and other charges with the approval of the Minister; and fifth, perform such other functions as are prescribed by these regulations. Board meetings are at least three times in a year at intervals not exceeding four months. The head teacher of a school which has a board is secretary to the board and the deputy head teacher acts as assistant secretary. Any other member of staff such as school bursar may be invited by the chairperson to attend the board meeting. The following take the form of

remuneration for board members: first, reimburse any member or a member of any of its committees in respect of any expenses incurred by that member in attending to the business of the board; and second, pay to any member or any member of any of its committees such allowances as may be approved.

Given that the Ugandan Education Act of 2008 is recent, this setting provided the ground for testing the hypotheses.

3.2 *Design and sample*

The research design for this study is cross-sectional. The study population is 3,645 secondary schools in Uganda of which 841 secondary schools are in Kampala (303), Wakiso (383) and Mukono (155) districts (School Guide Uganda Ltd, 2012). Our survey of 271 secondary schools is from these districts because these have traditionally dominated the education sector in Uganda. For example, out of 18,286 students who scored division one in year 2012 ordinary level examinations, 8,695 were from those three districts. This means that while there are about 112 districts in Uganda, the three districts accounted for about 48 per cent of the students passing in division one in the whole country for ordinary level examinations – 2012 (Ssenkabirwa, 2013; Businge, 2013). Secondary schools are the units of analysis. The 271 schools were generated using Yamane's (1973) sample selection approach. We selected the 271 secondary schools proportionately as follows: Kampala – 98, Wakiso – 123 and Mukono – 50 and collected the data through a survey questionnaire targeting school bursars or head teachers. The Likert scale questionnaire was designed to measure the opinion or attitude of a respondent (Burns and Grove, 2009) and utilised to obtain information from the school bursars or head teachers on their schools' performance. As previous research supports the reliability and validity of the self-report measures (Brush and Vanderwerf, 1992; Lechner *et al.*, 2006), we selected the respondents by virtue of their position and knowledge (McEvily and Marcus, 2005). Each questionnaire was accompanied by a cover letter providing explanations and assurances that all individual responses would be treated confidentially. A number of call backs to the respondents were made to ensure maximum retrieval of the questionnaires. A total of 200 usable responses were realised.

3.3 *Questionnaire and variables measurement*

The dependent variable for this study is performance which is operationalised using 16 Likert scale statements (rated on a seven-point scale with 1 – agree, 4 – not sure and 7 – strongly agree). While Boyer and Lewis (2002) conducted their study on manufacturing firms using flexibility, quality and delivery of service, we apply the measures with modifications to the education sector, particularly secondary schools. The construct of quality comprises of the extent to which the school has provided high-performing students, offered consistent, reliable performance and improved conformance to Uganda National examinations regulations/requirements. One such question which we asked to capture this is “student performance standards in grades 1 and 2 are satisfactory”. The construct of delivery comprises of the ability of the school to provide fast learners, meet syllabus completion deadlines and reduce on repetition rate/or dropout rates. For instance we asked a question like “student repetition rates are satisfactory”, to capture this dimension. Flexibility comprises of the ability of the school to make rapid changes in the design of syllabus, adjust capacity in form of facilities quickly, make rapid volume (in form of, e.g. student numbers) changes, offer a large

number of teaching service features, offer a large degree of product variety (e.g. subjects on offer) and adjust product mix (in form of, e.g. sciences and arts subjects). For instance we asked “the development and capacity building is satisfactory” to capture this dimension. The validated item scales can be found appended to this paper.

3.4 Tests of factorability, validity and reliability

We use factor analysis based on (principal components) and Cronbach's α to examine the validity and reliability of the scales as measures of board role performance, finance committee role performance and perceived school performance. To establish convergent validity, the principle components for each variable are extracted by running principle component analysis using varimax rotation method and factor loadings below 0.5 coefficients are suppressed to avoid extracting factors with weak loadings. Prior to performing the principal component analysis for our scales we assess the suitability of the data for factor analysis based on sample size adequacy, the Kaise-Meyer-Olkin (KMO) and Bartlett tests. The results show the KMO values: board role performance = 0.592, finance committee role performance = 0.671 and performance of the school = 0.648. Bartlett's test of sphericity in all scales reached statistical significance ($p < 0.05$) (significant value was 0.00 for each scale). Collectively, these results support the factorability of the correlation matrices because our correlation matrices are significantly different from the identity matrices in which the variables would not correlate with each other. The determinants for all the three matrices were greater than 0.01 implying that there were no multicollinearity or singularity between variables.

To determine the internal consistency (reliability) of our scales we computed Cronbach's α coefficient for the study variables. The standardised α coefficients for all the scales, are found to be above 0.6 (board role performance $\alpha = 0.802$, finance committee role performance $\alpha = 0.625$ and perceived performance of the school $\alpha = 0.702$)

3.5 Model

To examine the association between the secondary schools performance and governing boards (board role performance, finance committee role performance, board size, frequency of meetings and finance expertise) and the control variables (school ownership and size of the school) we specified the following multiple regression model (Table I):

$$PERF = \beta_0 + \beta_1 BRPM + \beta_2 FCRP + \beta_3 BOSZ + \beta_4 FRME + \beta_5 FNEP + \beta_6 OWNPN + \beta_7 SIZE + \epsilon_j$$

4. Empirical findings

4.1 Descriptive statistics

The summary descriptive statistics for perceived Ugandan secondary schools performance, governing boards and control variables included in the analyses are presented in Table II. Results show that the mean for performance is 4.92 with a standard deviation of 0.66, that for board role performance is 5.45 with a standard deviation of 0.54 and that for the finance committee role performance is 5.50 with a standard deviation of 0.63. As standard deviations relative to mean values are small, the calculated means highly represent the observed data (Field, 2009; Saunders *et al.*, 2007). The average board size is 13.66, slightly above the 12 members that are

Variable(s)	Definition
<i>Dependent variable</i>	
PERF Performance	Perceived performance of the school on a seven-point Likert scale
<i>Independent variables</i>	
BRPM Board role performance	Perceived board role performance on a seven-point Likert scale
FCRP Finance committee role performance	Perceived role performance on a seven-point Likert scale
BOSZ Board size	Number of individuals on the school board
FRME Meeting frequency	The number of times the school board of governors meets per calendar year
FNEP Finance expertise	Number of individuals on the governing board with finance background scaled by the total number on individuals on the governing board
OWNP Ownership of the school	Dichotomous variables, 1 if the school is owned by the government; "0" otherwise
SIZE Size of the school	Dichotomous variables, 1 if the school has over up to 560 pupils enrolled; "0" otherwise
GEBA Gender balance of the school	The number of female governors divided by the total number of people on the school board of governors
ϵ_j Error term	

Table I.
Definition of
variables included in
the regression model

Variable	Obs.	Mean	SD	Min.	Max.
Performance	200	4.92	0.66	3.00	6.88
Board role performance	200	5.45	0.54	3.06	6.81
Finance committee role performance	200	5.50	0.63	2.67	6.75
Board size	200	13.66	4.26	2.00	23.00
Meeting frequency	200	5.77	2.49	0.00	10.00
Finance expertise	200	0.45	0.20	0.00	1.00
Ownership of the school	200	0.14	0.34	0.00	1.00
Size	200	0.11	0.31	0.00	1.00

Table II.
Descriptive statistics
for dependent and
independent
variables

stipulated by the Uganda Education Act 2008. The minimum of two, however, suggests that some schools do not comply with the requirements of the Education Act 2008.

The school boards meet on average, 5.77 times a year; above three times per year stipulated in the Education Act, 2008. On average, 44.84 per cent of the individuals have finance expertise. About 13 per cent of the schools are owned by the government and the rest are either religiously (e.g. church) or privately owned. Finally, the size statistics suggest that 11 per cent of the schools have up to 560 pupils.

4.2 Multiple regression results

In Table III, we provide the Pearson product-moment correlation matrix among the variables. The correlations reveal that board role performance is positively associated with performance at 1 per cent level or better. The correlation coefficient between finance committee role performance and schools' performance is -0.38 which is also significant at the 1 per cent level. Finance expertise is positively associated with performance at the 5 per cent level and the relationship is significant at the 5 per cent

level. Finally, the correlation analysis also show that school size and performance are negatively and significantly related at the 1 per cent level.

The problem with univariate analyses is that they do not control for other factors, thus making the interpretation of results difficult. We, therefore, extend the analysis to a multivariate setting. We first examine correlations among our independent variables to determine whether multicollinearity problems exist. Field (2005) suggests that multicollinearity becomes a problem only when correlations exceed 0.80 or 0.90. As Table III shows, none of the correlations between independent variables is close to these threshold values. However, according to Myers (1990), a certain degree of multicollinearity can still exist even when none of the correlation coefficients is very large. Therefore, we also examine the variance inflation factors in our models to further test for multicollinearity. The highest VIF was 1.51 in respect of frequency of board meetings. This is well below the threshold value of 10 suggested by Field (2005) indicating that multicollinearity does not pose a problem to the regressions.

In Table IV, we present the results of multiple regressions. The adjusted R^2 is 29 per cent and the F -ratio is significant. The results show that board role performance, finance committee role performance, frequency of board meetings and finance expertise

Table III.
Pearson correlations between the dependent and independent variables

	1	2	3	4	5	6	7	8
Performance	1.00							
Board role performance	0.44**	1.00						
Finance committee role performance	0.38**	0.46**	1.00					
Board size	-0.06	0.04	0.15*	1.00				
Meeting frequency	-0.12	-0.17*	0.00	0.36**	1.00			
Finance expertise	0.24**	0.08	0.13	-0.05	0.36**	1.00		
Ownership of the school	0.03	0.03	-0.03	0.14*	-0.03	-0.21**	1.00	
Size	-0.20**	-0.14*	-0.17*	-0.22*	-0.26**	-0.24**	0.00	1.00

Notes: $n = 200$. *,**Correlations significant at the 0.05 and 0.01 levels, respectively (two-tailed)

Table IV.
Multiple regression results

Source	SS	df	MS				
Model	26.74	7	3.82				
Residual	59.14	192	0.31				
Total	85.87	199					
PERF	Coef.	SD	t -value	Sig.	95% Con. interval		VIF
					Lower bound	Upper bound	
(Constant)	1.90	0.49	3.88	0.00	0.93	2.85	
Board role performance	0.34	0.09	3.99	0.00	0.17	0.51	1.33
Finance committee role performance	0.22	0.07	3.11	0.00	0.08	0.36	1.32
Board size	-0.01	0.01	-0.94	0.35	-0.03	0.01	1.30
Meeting frequency	-0.05	0.02	-2.30	0.02	-0.08	-0.01	1.51
Finance expertise	0.79	0.23	3.45	0.00	0.34	1.25	1.33
Ownership of the school	0.16	0.12	1.33	0.19	-0.08	0.39	1.07
Size	-0.26	0.14	-1.91	0.06	-0.53	0.01	1.17
Mean VIF							1.29

Notes: Number of Obs. = 200; $F = 12.40$; Prob. > 0.00; $R^2 = 0.31$; Adj. $R^2 = 0.29$; MSE = 0.71; Durbin Watson = 1.87

are significantly associated with performance at 5 per cent level or better. Thus our *H1*, *H2*, *H4* and *H5* are supported. The governing board size variable is, however, not significantly associated with performance, hence *H3* is not supported. In terms of our control variables, the results suggest that both ownership of the school and size are not significantly associated with performance at the 5 per cent level. However, size is negatively associated with performance at the 10 per cent level.

4.3 Discussion

Results show that the relationship between board role performance and the schools' performance is the most significant in terms of the *t*-ratio of 3.99. This significant positive relationship between board role performance and school's performance suggest that the more boards fulfil their roles such as resource provision, service, monitoring and control, the better the performance of the school. Finance committee role performance is also positively and significantly associated with performance confirming the notion that finance committee role performance is important for the overall performance of schools. The negative but significant regression between frequency of board meetings and performance is interesting given that it suggests that boards which meet more frequently lead to worse performance. The positive and significant relationship between finance expertise and performance is consistent with the suggestion that individuals with finance expertise can offer advice to the organisation to improve organisational outcomes.

In terms of control variables, the results suggest that school size affects its performance in many ways. First, as large secondary schools are associated with large-sized boards, this school structure sets the path in terms of its choice of competitive arena as well as the overall strategy for achieving its mission and purpose. The large-sized boards (average is 13.66) could be the cause of the negative though, insignificant relationship with performance. This observation concurs with the observation more than 20 years ago made by Lipton and Lorsch (1992) and Jensen (1993) that when firm boards expand beyond seven or eight people, they are less likely to function effectively. Second, while frequency of meetings is a significant predictor of performance, its coefficient is also negative. We can then conservatively deduce that when large-sized boards meet frequently, this will negatively affect performance of secondary schools – secondary schools do not need a large board to improve performance. Such an observation confirms the finding of Vafeas (1999) that the annual number of board meetings is inversely related to firm value. We believe this result in the context of our study, is driven by the large number of board members who if they increase their activity (measured by frequency of meetings) becomes a negative element in schools' performance by way of increasing sitting allowances and other attendant costs to the secondary schools. Overall, while the result suggests that a combination of meeting frequency and board size may be an important dimension in explaining performance of a secondary school, it is board effectiveness (in terms of its role performance) that has been clearly highlighted as a crucial element for performance of secondary schools. It is not size or meeting frequency *per se* that has to be important.

Thus our results suggest that school boards should have the requisite knowledge of the operation and management of the school and its external environment, make and influence decisions and, commit to the task of governing. For example, the commitment to the task of governing requires boards' commitment to a shared sense of mission and clear goals, academic focus and high expectations and performance monitoring. Such key ingredients have been identified (see Wildy, 1991; Reynolds *et al.*, 1996) as common characteristics of effective schools. Besides, expertise (like in finance) is important for

the organisational performance, (Jackson *et al.*, 2003; Robinson and Ward, 2005) and our results suggest that these are largely determined by the characteristics of individual governing board members (Jackson *et al.*, 2003). Therefore our finding adds to the evidence that board role performance contributes to strategic direction and organisational performance (Kroll *et al.*, 1997). It also suggests that finance committee role performance and finance expertise of the board are important drivers of schools' performance. Thus the institutional role of a school board is considerably significant for the performance of a secondary school.

5. Summary and conclusion

The objective of this research was to investigate the effect of governing boards governing boards on the performance of Ugandan secondary schools. The objective was achieved through a questionnaire survey of 271 secondary schools throughout Uganda of which 200 responded with usable responses. Performance was measured using 16 statements on a seven-point Likert scale. The results indicate that board role performance, finance committee role performance, frequency of board meetings and finance expertise are significantly associated with performance.

Overall, these results have important implication for academics as well as stakeholders such as the government of Uganda. For academics, our results suggest that board and finance committee role performance are more important for performance of an organisation than board size, frequency of meetings and finance expertise which academics have been focusing on. For the Ugandan government, the results are important for governing board policy development; for example, in terms of prescribing the qualifications for governing board members and also finance committee board members. Besides, the size of the school's board should not be determined exogenously as the Act of 2008 suggests rather, it should be endogenously determined to fit the needs of a school. The Act appears to be prescribing too large a board for some schools and when this is coupled with more frequent meetings, it becomes a negative element in performance of the secondary school.

Like any study, there are a number of limitations with the present study. Thus the contributions should be interpreted in the light of the following limitations. First, the present study was limited to the secondary schools in Kampala, Wakiso and Mukono districts of Uganda and it is possible that the results are only applicable to those districts in Uganda. Second, whereas head teachers and bursars were asked as respondents and not the board governors themselves and we believe they could provide some more objective assessment of board performance because they are always present at board meetings, the influence of common methods bias can still remain a burgeoning concern. Finally, we measure our variables qualitatively and perceptively contrary to, for instance, the commonly used quantitative measures of performance, but process factors which are inherently qualitative in nature can better explain variances in secondary schools' performance. Thus, in this study, we do not claim highly refined measurement concepts. More research is therefore needed to better refine qualitative concepts used in this study. Because of the likelihood that common methods bias/or variance may have cropped into our study, we suggest further research that uses independent data for school performance. As this research suggests that board and finance committee role performance are more important than board size, frequency of meetings and finance expertise, more research is needed to validate the posited relationships. In spite of the limitations cited above, policy makers of Uganda dealing with the education sector, academicians, secondary school governing boards,

secondary school owners and even general readers interested in the field of education might find this study useful. Also, as frequency of board meetings is not significantly associated with performance of a secondary school and yet is a significant predictor of secondary schools' performance, future research may wish to examine whether it is a mediator in the relationship between governing boards effectiveness and performance of secondary schools.

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Appendix

Name of the School _____ (optional)

Back ground information, (please tick as appropriate)

a) Highest Qualification of respondent or equivalent qualification

High school	Diploma	1 st Degree	Masters	Professional	PhD

b) In which District is this School?

Kampala	Wakiso	Mukono

c) In what range does your total enrolled students lie

1- 280 students	281-560 students	561- 840 students	841 - 1,120 students	Above 1,120 students

d) This School is

Purely government owned and founded	Religiously founded	Purely privately owned

e) Please, state your position in this School. _____

f) Please state the number of members on your board of governors _____

g) Of the number stated in f) above, how many have a finance and accounts background _____

h) About how many times does your board meet in a year?

Never	Once	Twice	thrice	4 times	5 times	6 times	7 times	8 times	9 times	10 times	11 times	12 times	Above 12 times

i) The table below describes, for your school, the finance committee role performance. Please evaluate the statements by ticking in box with the number that best suits this committee in your School

Strongly disagree	Disagree	Somewhat disagree	Not sure	Somewhat agree	agree	Strongly agree
1	2	3	4	5	6	7

The finance committee of this school:

1	Causes the preparation of final accounts in respect of the preceding year within 3 months after the commencement of each financial year	1	2	3	4	5	6	7
2	Ensures the Auditor General or his representatives audit the accounts of this school	1	2	3	4	5	6	7
3	Uses the requisite accounting knowledge	1	2	3	4	5	6	7
4	Uses the requisite financial knowledge	1	2	3	4	5	6	7
5	Uses its appropriate training for the proper execution of its functions	1	2	3	4	5	6	7
6	Has a keen interest in all financial matters of the school	1	2	3	4	5	6	7
7	Has a keen interest in all audit matters of the school	1	2	3	4	5	6	7

j) The table below describes, for your school, the effectiveness of the governing board (performance of its roles). Please evaluate the statements by ticking in box with the number that best suits this School

Strongly disagree	Disagree	Somewhat disagree	Not sure	Somewhat agree	agree	Strongly agree
1	2	3	4	5	6	7

The governing board of this school:

1	Pursues the interests of the owners of this school	1	2	3	4	5	6	7
2	Pursues the interests of the members of this school	1	2	3	4	5	6	7
3	Selects the head teacher	1	2	3	4	5	6	7
4	Supports the head teacher	1	2	3	4	5	6	7
5	Evaluates the head teacher's performance	1	2	3	4	5	6	7
6	Provides feedback to the head teacher on his/her weaknesses and strength	1	2	3	4	5	6	7
7	Ensures programmes offered by the school are congruent with its mission	1	2	3	4	5	6	7
8	Ensures careful management of the school's resources	1	2	3	4	5	6	7
9	Presents a positive image of the school	1	2	3	4	5	6	7
10	Seeks to optimise its own performance	1	2	3	4	5	6	7
11	Focuses on students' achievement	1	2	3	4	5	6	7
12	Focuses on effective management	1	2	3	4	5	6	7
13	Focuses on developing conducive structures for head teacher's performance	1	2	3	4	5	6	7
14	Enhances collaborative relationship with the head teacher	1	2	3	4	5	6	7
15	Enhances beneficial communication with other stakeholders like government	1	2	3	4	5	6	7
16	Ensures effective performance in policy making	1	2	3	4	5	6	7
17	Ensures effective performance in financial management	1	2	3	4	5	6	7
18	Makes and influences decisions	1	2	3	4	5	6	7
19	Commits to the task of governing	1	2	3	4	5	6	7
20	Devotes time to effective decision-making	1	2	3	4	5	6	7

k) The table below describes, for your school, its performance. Please evaluate the statements by ticking in box with the number that best suits this School

Strongly disagree	Disagree	Somewhat disagree	Not sure	Somewhat agree	agree	Strongly agree
1	2	3	4	5	6	7

In this school:

1	We balance gender and urban/rural enrolment	1	2	3	4	5	6	7
2	There is adequate representation of students from the poorest families	1	2	3	4	5	6	7
3	Student progression rates are satisfactory	1	2	3	4	5	6	7
4	Student repetition rates are acceptable	1	2	3	4	5	6	7
5	Net intake of age 13 or 14 in senior 1 is appropriate	1	2	3	4	5	6	7
6	Students' skills training and higher education enrolment patterns are satisfactory	1	2	3	4	5	6	7
7	The pre-service teacher training enrolment is satisfactory	1	2	3	4	5	6	7
8	Student performance standards in grades 1 and 2 is satisfactory	1	2	3	4	5	6	7
9	Availability of instructional materials and trained teachers is satisfactory	1	2	3	4	5	6	7
10	The student-teacher ratio is satisfactory	1	2	3	4	5	6	7
11	Coverage of science, technology and ICT facilities is satisfactory	1	2	3	4	5	6	7
12	The development and capacity building is satisfactory	1	2	3	4	5	6	7
13	Priority programmes, spending patterns and disbursement are appropriate	1	2	3	4	5	6	7
14	Internal audit system is satisfactory	1	2	3	4	5	6	7
15	Salary and non-salary allocations and other expenditure ratios are adequate	1	2	3	4	5	6	7
16	Teaching and non-teaching staff numbers are adequate	1	2	3	4	5	6	7

We thank you.

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