THE EFFECT OF CORPORATE GOVERNANCE ON THE PERFORMANCE OF INSURANCE COMPANIES IN KAMPALA: A CASE STUDY OF CIC GENERAL INSURANCE UGANDA LIMITED

BY

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A RESEARCH REPORT SUBMITTED TO THE COLLEGE OF ECONOMICS AND MANAGEMENT DEPARTMENT OF ACCOUNTING AND FINANCE IN PARTIAL FULFILLMENT OF REQUIREMENTS FOR THE AWARD OF BACHELORS DEGREE IN BUSINESS ADMINISTRATION (ACCOUNTING AND FINANCE) OF KAMPALA INTERNATIONAL UNIVERSITY, UGANDA

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DECLARATION

This research project is my original work and has not been presented for a degree in any other institution.

Signature: ...Joan... Date: ...29/May/2017...

ASIIMWE JOAN

APPROVAL

This research project has been compiled for examination with my approval and is ready for submission.

Signature: ....Date: 29th May 2017

Ms. IRAU FLORENCE

DEDICATION

This project is especially dedicated to my family members. Without their encouragement, understanding, support and love, completion of this study could not have been possible.

ACKNOWLEDGEMENT

First, I am indebted to the powerful GOD for all the blessings he showered on me and for being with me throughout the study. I am deeply obliged to my supervisor,

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Special thanks go to all the respondents for taking time off their busy schedules to provide information that has contributed to the successful completion of this research. Thanks to their adherence!

May God bless you always!

LIST OF ABBREVIATIONS

CEO	:	Chief Executive Officer
ROA	:	Return On Assets
ROE	:	Return On Equity
UK	:	United Kingdom
USA	:	United States of America
BOD	:	Board of Directors
CIC	:	Corporative Insurance Company

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ABSTRACT

Corporate governance reflects the interaction among all stockholders, which provides resources to the company and contribute to its performance such as shareholders, employees, creditors, long-term suppliers and subcontractors. This study had the following objectives: to assess the relationship between board composition and the performance of the insurance companies in Uganda, to establish the effect of board size on performance of insurance company in Uganda, to examine the effect of CEO duality on performance of insurance company in Uganda.

The study has used a descriptive research design and correlation research design with a quantitative approach. The population of interest was 185 composed of employees and Board members and a sample of 65 was purposively selected as sample. The data was collected via questionnaire, interview and documentations techniques.

The study concludes that corporate governance has a significant impact on performance of CIC General Insurance (U) Ltd: It was found that the board size has an effect on performance of insurance company in Uganda. The study concluded that CEO duality may negatively affect the performance of the company.

From the practice perspective, the study recommended that the management of CIC General Insurance (U) Ltd should maintain good governance towards the better performance of the firm. Academics and practitioners can use the findings of this study to fully understand how corporate governance of the firm may increase the performance of insurance company.

CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter constitutes the background of the study, the statement of the problem, objectives of the study (general objectives and specific objectives), research questions, scope of the study (content scope, geographic scope, and time scope), and significance of the study as well as conceptual framework of the study.

1.1 Background to the Study

1.1.1 Historical Perspective

Corporate governance exhibits how its mission, values and philosophy govern an organization. Jenifer (2002) defines Corporate Governance as a set of interlocking rules by which corporations, shareholders and management govern their behavior. In each country, this is a combination of a legal system that sets some common standards of governance and systems of behavior determined by firms themselves. Corporate Governance scandals and accounting failures such as Maxwell in the UK and Enron in the US have been dominating business debates during the last decade.

Increasing and ethical problems are recognized as symptoms of failing Corporate Governance and systems of accountability and control in publicly quoted firms (Igor, 2004).

In Uganda and the rest of the developing countries, the penetration of insurance services has always been limited. The insurance companies have not been able to penetrate all parts and reach all people. This problem is compounded by lack of enough skilled sales agents, lack of campaign activities by the government and negative publicity of insurance companies. Collapse of insurance companies such as United, INVESCO has dented the image of insurance industry in Kenya. Some of the cited reasons for insurance companies collapse include inadequate risk management, unqualified personnel managing the firms and non-adherence to good corporate governance.

1.1.2 Theoretical Perspective

This research was based on the agency theory. Jensen and Meckling (1976) say Agency theory identifies the agency relationship where one party (the principal) delegate works to another party (the agent). In the context of a corporation, the owners are the principal and directors are the agents. The work of Fama, Jensen, (1983) is important. The agency relationship had a number of disadvantages relating to the opportunities or self-interest of the agent.

For example, agent might not act in the best interest of the principal, or the agent might act only partly in the best interest of the principal. Much of agency theory as related to corporations was set in the context of separation of ownership and control as described in the work of (Besle Means, 1932). In this context, the agents are the managers and the principals are the shareholders, and this is the most commonly cited agency relationship in the corporate governance context.

1.1.3 Conceptual Perspective

Corporate governance

Corporate Governance has come to mean many things. Arya, Tandon, Vashisht (2003) defines corporate governance as the codes of practice by which a firm's management is held accountable to capital providers for the efficient use of assets. Arya, Tandon.Vashit (2003) defines corporate governance as the codes of practice by which a firms management is held accountable to capital providers for the efficient use of assets. Jenifer (2002) defines corporate governance as set of interlocking rules by which corporations, shareholders and management govern their behavior. One view of corporate governance is that it is based on a series of underlying concepts (BPP, 2012).

Fairness

The director's deliberations and also the system and values that underlie the company must be balanced by taking into account everyone who has a legitimate interest in the company and respecting their rights and views. The views of minority shareholders and foreign shareholders should be considered when making decisions. Determination of pay structure in the organization should be fair to employees and directors but should also consider the shareholders in terms of availability of net profit for distribution.

Openness and transparency

Transparency means corporate disclosures to stakeholders. The main reason why disclosures is so important relate to the agency problem, the potential conflict between owners and managers.

Without effective disclosure the position could be unfairly weighed towards managers, since they have far more knowledge of the company's activities and financial situation than the owners/investors. Openness and transparency can be increased by increased reporting of financial activities and more voluntary disclosures in the financial statements.

Integrity can be taken as meaning someone of high moral character who sticks to principles no matter the pressure to do otherwise. Straight forward dealing in relationships with different people constituencies who you meet is particularly important, trust is vital in relationships and belief in the integrity of those with whom you are dealing under in this. Integrity is an essential principle of the corporate governance relationship, particularly in relationship to representing shareholders" interests and exercising agency. The integrity of the financial statement depended on the integrity of these preparing and presenting the financial statement.

Key issues in corporate governance have included the role of the board, the quality of financial reporting and auditing, directors' remuneration and risk management. Composition and balance of the board; a feature of many corporate governance scandals has been boards dominated by single senior executive with other board members merely acting as a rubber stamp.

Director's remuneration and reward: Directors being paid excessive salaries and bonuses have been seen as one of the major corporate abuses for a large number of years. It is thus inevitable that the corporate governance codes have targeted this issue. This has been cited as a resultant of Agency problem in many organizations. Director's rewarding themselves hefty salaries and bonuses means that little is available to re-invest or for distribution to the shareholders.

Responsibility of the board for risk management and internal control system: Boards that meet irregularly or fail to consider systematically the organization's activities and risks are clearly not fulfilling their responsibilities. Sometimes, the failure to carry out proper oversight is due to a lack of information being provided, which in turn may be due to inadequate systems being in place for measurement and reporting of risk. The composition of Risk committee included people with knowledge of risks that were likely to face the organization. Suggestions and deliberation of risk committee and internal control function were to be followed closely for compliance.

Performance

Performance of the firm may be in terms of either financial or nonfinancial performance. Measures of financial performance includes key business statistics such as number of new orders, cash collection efficiency, and Return on Investment (ROI), Return on Asset (ROA) which measure a firm's performance in critical areas.

Key Performance Indicators (KPIs) show the progress (or lack of it) towards realizing the firm's objectives or strategic plans by monitoring activities which (if not properly performed) would likely cause severe losses or outright failure.

A company ought to be profitable and there are obvious checks on profitability such as whether the company has made a profit or loss on its ordinary activities and by how much this year's profit or loss is bigger or smaller than last year's profit or loss. Financial performance can be viewed from the perspective of its capital structure; the way in which an organization is financed which may include a combination of long-term capital (ordinary shares and reserves, preference shares, debentures, bank loans, convertible bond) and short term liabilities such as bank overdraft and trade payables. A high level of debt creates financial risk. Gearing measures the relationship between shareholders' capital plus reserves and debt (BPP, 2012). A stable organization had a strong statement of financial position.

The non-financial performance measures were: Customer Measures, Market share, On-time delivery, Customer satisfaction, brand recognition, position in favorable markets, Internal Business Processes, High product quality, Manufacturing innovation, High manufacturing productivity, Cycle time, Yield and reduction in waste, Learning and Innovation (Human Resources), Competence and integrity of managers, Morale and firm wide culture, Education and training, Innovation and new products and manufacturing methods.

1.1.4 Contextual Perspective

The composition of the board may be used to ameliorate the principal-agent problem. The participation of outside directors was designed to enhance the ability of the firm to protect itself against threats from the environment and aligned the firm's resources for greater advantage.

CIC General Insurance Uganda Limited is a subsidiary company of CIC Insurance Group from Nairobi Kenya that is owned 75% by co-operatives and 25%by individual shareholders. CIC General Insurance Uganda is a joint venture of CIC Kenya and the co-operatives movement in Uganda. The company is fully incorporated and licensed to transact general insurance business. In addition to the general policies available for institutions, corporate, individual and all categories of entities, the company serves all cooperatives societies in Uganda along the cooperative model.

Board of directors and corporate governance structures. The board set the company strategic aims, ensuring that the necessary resources were in place to achieve those aims. The board also reviewed management and the company's financial performance. It was accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value. This enabled CIC General Insurance (U) Ltd to sustain better performance through following the proper corporate governance values in the company.

1.2 Statement of the Problem

Incorporation may mean that the owners of the organization are not necessarily the managers and this may create agency issues which include managers acting for their own selfish interest at the expense of other stakeholders.

Despite tight regulatory framework, Corporate Governance continues to weaken in Uganda (Mang'unyi, 2011). Many companies have been characterized by scandals. Directors have acted llegally or in bad faith towards their shareholders. Because Uganda offers great opportunity for rivate investors, this makes it unique in the region and attractive for more investment flows. Iowever, this increases the pressure on the firms to develop corporate governance and provide igher protection for the stakeholders generally. Whereas there has been renewed interest in orporate governance, relevant data from empirical studies are still few. There are therefore mitations in the depth of our understanding of Corporate Governance issues. With such an ıvironment in the background, together with the weak judicial system, the interest of both the inority shareholders and creditors could be compromised. Consequently, performance of such ms might be compromised.

uch of research has been done on the subject at both local and global level and the result own the relation of good corporate governance and superior financial performance. Najjar

(2012) studied the impact of Corporate Governance on the insurance Firm's performance in Bahrain. HABARUGIRA (2013), Kamanzi (2011) says large board size tends to impact performance negatively; the existence of independent board of directors tends to enhance the performance of the bank.

1.3. General Objective

To investigate the relationship between corporate governance on performance of insurance companies in Kampala.

1.4 Specific objectives of the study

To assess the relationship between board composition and the performance of the insurance companies in Kampala.

To establish the effect of board size on performance of insurance company in Kampala.

To examine the effect of CEO duality on performance of insurance company in Kampala.

1.5 The Research questions

Is there relationship between board composition and performance of Insurance Company?

What is the effect of board size on performance of insurance company?

What is the effect of CEO duality on performance of insurance company?

1.6 Scope of the study

This study was limited in space, time and domain as follows:

1.6.1 Geographical scope

The study was generally limited to financial sector particularly in insurance industry in CIC General Insurance (U) Ltd.

The study was carried out on Lourdel Road, Nakasero in Kampala.

1.6.2 Time scope

n terms of period, this research covered the period from March, 2017 to May, 2017.

1.6.3 Content scope

The current study was limited to the contribution of cooperate governance on the performance of CIC General Insurance (U) Ltd.

1.7 Significance of the study

This study is important for various categories as explained below:

1.7.1 To the Researcher

This study helped the researcher to improve the knowledge and skills on the corporate governance, and financial sector especially insurance industry and how they correlate each other.

1.7.2 To the Management of CIC General Insurance (U) Ltd.

Only few researches have been conducted on the effect of corporate governance on financial performance specifically on Insurance companies in Kampala. The study offers valuable knowledge to the stakeholders and shareholders of the company on whether good corporate governance has a major role on financial performance of the insurance company in Kampala and whether much focus should be directed to it.

1.7.3 To future Researchers

Finally, other researchers in this area will find this useful. They will get recommendations for further research from this study. The beneficiaries will have access to the information on the findings from the compiled report.

1.7.4 To Kampala International University

This document will be used by the university management to learn how the good governance practices are done and their importance. This study will be the reference to the relevance of study in terms of academic contributions and practical use that might be made of the findings. It will reflect on knowledge creation, technological or socio economic value to the community.

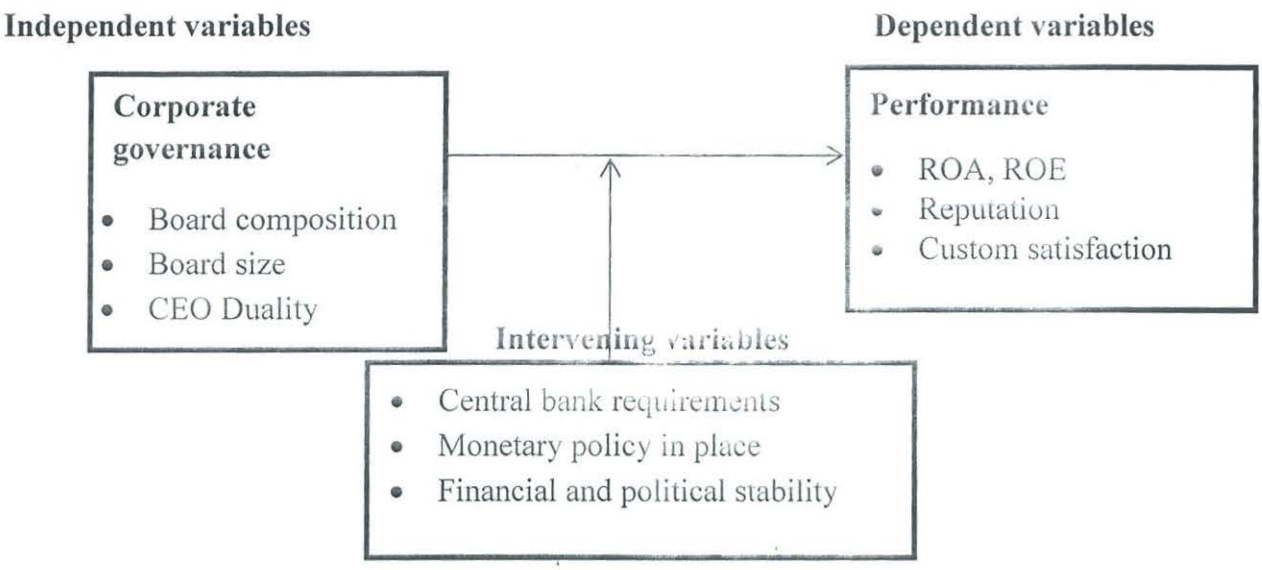
1.8 Conceptual framework

The conceptual framework interlinks Independent variable, and dependent variable as depicted below: Independent variable: In this case independent variable represents the corporate governance that reflects board composition, board size and nonexecutive directors. The dependent variable in this case reflects the performance of the company. The performance may be either financial or nonfinancial performance.

The measures of financial performance are ROA (Return of Asset), ROI (Return on Investment) and ROCE (Return on Capital Employed). The nonfinancial performance may be measured by reputation, customer or employee satisfaction, the number of new products, number of customers and market share.

It is expected that the good governance in insurance company lead to superior performance with better financial returns, good reputation, highly customer satisfaction, innovation, on time delivery and customer care.

Figure 1: Conceptual model



Source: Primary data

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter discusses the various theories relevant to corporate governance and reviews past studies on the subject and critically reviews relevant literature.

2.1.1 Theoretical Review

Corporate governance has, in more recent years, become one of the most commonly used terms in the modern corporation. The corporate governance researcher thus needs to have an in-depth understanding of the diverse roles various stakeholders play and how they "fit" together in the complex arena of corporate governance as it exists today.

Governance refers to the manner in which power is exercised in the management of economic and social resources for sustainable human development initiative (McCord, 2002). According to McCord corporate governance refers to the manner in which the power of a corporation is exercised in the stewardship of the corporation total portfolio and resources with an objective of obtaining increasing stakeholders value with a satisfaction of other stakeholders within the context of individual organizations corporate mission and vision as spelt out in the strategic plan of an institution.

In today's world governance has assumed critical importance in the socio-economic and political systems.

The definition of corporate governance may vary in different contexts or different countries (Solomon and Solomon, 2004). In very simple terms, corporate governance refers to how a corporation is governed (National Association of Corporate Directors, 2006). Laws, regulations or formal policy play a significant role in determining this, of course. For example, legally, a board of directors is vested with the authority to manage or supervise the management of the business and affairs of a corporation. Each director and officer, in exercising their powers and discharging their duties, is required by law to: act honestly and in good faith with a view to the best interests of the company (otherwise known as the director's "fiduciary duty"); and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (otherwise known as the director's "duty of care"). While these duties are deliberately broad in their scope, what has occurred in the last several years is that specific duties and responsibilities have been imposed on, and expected of, directors, by regulations, shareholder guidelines and otherwise, in a broad variety of areas (e.g., board structure and composition, director qualifications and financial, risk and compensation oversight by the board) in order to ensure that boards of directors adequately oversee the management of the organization and act in the best interests of the company and all of its shareholders at all times.

Good corporate governance is necessary in order to attract investors both local and foreign and assure them that their investment will be secure and efficiently managed and in a transparent and accountable process, create competitive and efficient companies and business enterprises, enhance the accountability and performance of those entrusted to manage corporations and promote efficient and effective use of limited resources (Ledgerwoods, 1981).

The dimensions of corporate governance addressed in the literature include firm's ownership structure, the composition of board of directors, and board size. The composition of the board of directors varies according to differences in ownership structures (Eldenburg, Hermalin, Weisbach, and Wasinska, 2004), the composition of the board is what determines the level of monitoring the CEO (Weisbach, 1987), and the size of the board of directors is inversely related to firm value as firms with large boards tend to use their assets less efficiently and earn less profit (Yermack, 1996).

2.1.2 Theories of corporate governance

This study was based on the following theories that the researcher deemed necessary for the research. Neuman (2006) defines a theory as a system of interconnected ideas that condense and organize knowledge about the world. The agency and the stakeholder theory were the main theories underlying the concept of Corporate Governance. However, other theories were also discussed.

Agency Theory

Jensen and Meckling (1976) say Agency theory identifies the agency relationship where one party (the principal) delegate works to another party (the agent). In the context of a corporation, the owners are the principal and directors are the agents. The work of Fama, Jensen, (1983) is important. The agency relationship can have a number of disadvantages relating to the opportunities or self-interest of the agent.

For example, agent may not act in the best interest of the principal, or the agent may act only partly in the best interest of the principal. Much of agency theory as related to corporations is set in the context of separation of ownership and control as described in the work of (Besle Means, 1932). In this context, the agents are the managers and the principals are the shareholders, and this is the most commonly cited agency relationship in the corporate governance context.

Resource Dependence Theory (RDT)

RDT is the study of how the external resources of organizations affect the behavior of the organization. The procurement of external resources is an important tenet of both the strategic and tactical management of any organization. RDT has implications regarding the optimal structure of organizations, recruitment of board members and employees, production strategies, contract structure, external organizational links and many other aspects of organizational strategy (Pfeffer & Salancit, 1978). Johnson et al (1996) agrees that resource dependence theory focuses on appointment of representative of independent organizations as a means for gaining access in resources critical to firm success. Millan (2013) says directors are able to connect the company to the resources needed to achieve corporate objectives. Davis, Cobb, (2009) argues that there are three core ideas of the theory: social context matter, organizations have strategies to enhance their autonomy and pursue interests and power (not just rationality or efficiency) is important for understanding internal and external actions of organizations. The emphasis on power, and a careful articulation of the explicit repertoires of tactics available to organizations, is a hallmark of resource dependence theory that distinguishes it from other approaches, such as transaction cost economics

Transaction Cost Economies

Commons (1931) introduced the idea that transactions form the basis of an economic thinking. He said that these individual actions are really transactions instead of either individual behavior or the exchange of commodities. According to Williamson (1981), the determinants of transaction costs are frequency, specificity, uncertainty, limited rationality and opportunistic behavior. Mallin (2013) TCE views the firm as a governance structure whereas agency theory views the firm as a nexus of contract. Essentially, the latter means that there is a connected group of series of contracts amongst the various players arising because it is seemingly impossible to have a contract that perfectly aligns the interest of principal and agent in a corporate control situation. There are a number of costs to writing a contract between principal and agent, which include the cost of thinking about and providing for all the different eventualities that may occur during the course of the contract, the cost of negotiating with others and the cost of writing the contract in an appropriate way so that it is for example legally enforceable.

Stakeholders Theory

Freeman (1984) identifies and models the groups which are stakeholders of a corporation, and both describes and recommends methods by which management can give due regard to the interests of those groups. Mallin (2013), stakeholder theory takes account of a wider group of constituents rather than focusing on shareholders.

A consequence of focusing on shareholders is that the maintenance or enhancement of shareholders' value is paramount, whereas when a wider stakeholder group such as employees, providers of credit, customers, suppliers, government and local community is taken into account, the overriding focus on the shareholder value becomes less self-evident. In the traditional view of the firm, the shareholder view, the shareholders or stockholders are the owners of the company, and the firm has a binding fiduciary duty to put their needs first, to increase value for them. Stakeholder theory argues that there are other parties involved, including employees, customers, suppliers, financiers, communities, governmental bodies, political groups, trade associations and trade unions.

While ethical codes have the potential to constrain how performance is pursued, arguably the most direct contribution of stakeholder ideas to company performance is to be found in Kaplan, Norton's (1992) ideas about the balanced scorecard and the revolution in performance measurement that this has encouraged. Kaplan and Norton acknowledge the power of measurement on performance as well as the potential distortions on the operational effectiveness that can arise from purely financial accounting measures like earnings per share or return on investment. Jensen (2001) states that traditional stakeholders theory argues that the management of a firm should take account of the interests of all stakeholders in a firm but, because the theories refuse to say how trade-offs against the interests of each of these stakeholders groups might be made, there are no defined measurable objectives and this leaves managers unaccountable for their actions.

2.2 Determinant of Performance

2.2.1 Corporate Governance

Corporate governance is very often found in studies oriented toward the organizational performance. Drobetz (2004) also identified a positive impact of corporate governance on the performance of German firms. Ochieng (2011) concluded that corporate governance practices (director's effectiveness, management effectiveness, shareholder' protection, disclosure and transparency) have a positive relationship with bank performance. One of the most important and often cited studies belongs to (Gompers, Ishi & Metrick 2003). This study demonstrated the existence of a positive relationship between the quality of corporate governance and the firm performance.

2.2.2 Organization Strategy

Prescott, (1986) examined the relationship between an organization's strategy and its performance. According to this study, business strategy significantly influenced performance, external environment having the role to mitigate the effect of strategy on performance. One of the most significant studies belongs to (Porter, 1980). In this study, the author compared two groups of strategies (strategies aimed at reducing costs and differentiation strategies). The objective of cost strategies is gaining competitive advantage through a reduction in cost below the level of competitors. The objective of differentiation strategies is gaining competitive advantage by concentrating all departments of an organization to differentiate their products from those of competitors on one or more dimensions.

2.2.3 Innovation and Development

Innovation and development is a factor that may determine firm's performance. Kotler (2003) studied the relationship between innovation and performance, offering example of Song, a leader in innovation that has significantly increased market share by means of numerous new products to client. According to this study, firm's innovation capacity was the critical factor in explaining performance differences between firms. The extent to which new products are introduced, and the extent which products and production processes are improved determine the performance of an organization.

2.2.4 Leadership

Weiner & Mahoney (1981) studied the leadership in 193 manufacturing companies. According to this study, managerial practices have a significant impact on two organization performance components: profitability and share price. Other studies have suggested that leadership is a key element that ensures the connection between the success factors of an organization. The leadership of an organization should be able to provide clear strategy and direction.

2.3. Corporate Governance and Performance

Research showed that companies with a higher corporate governance (based on developed indices) were performing better and had higher market value or Tobin's Q (Bauer and Guenster, 2003; Beiner et al., 2004; Schmidt and Zimmermann, 2004). Moreover, a portfolio of companies with better corporate governance delivered a 2.1 per cent higher return as compared with companies of poor corporate governance (Bauer and Guenster, 2003). Schilling (2003) conducted on the sample of 242 of Europe's largest corporations listed in the FTSE Eurotop 300 index shows that companies with stronger corporate governance performance (measured by over 300 corporate governance rating variables)are on average also valued higher in terms of Tobin's Q. These results indicating positive relationship between good corporate governance and firm performance were supported by international research conducted on a sample of 526 Korean companies (Black et al., 2003). Corporate governance mechanisms assure investors in corporations that they will receive adequate returns on their investments (Shleifer and Vishny, 1997). If these mechanisms did not exist or did not function properly, outside investors would not lend to firms or buy their equity securities. Overall, economic performance would likely suffer because many good business opportunities would be missed and temporary financial problems at individual firms would spread quickly to other firms, employees and consumers. Previous evidence suggests that corporate governance has a positive influence over corporate performance. For example, based on industry-level view, Rajan and Zingales (1998) find that firms in industries that require large amounts of external financing grow faster in countries with high scores on their measures of financial development.

Thus, corporate governance (measured through better accounting standards, stronger legal protection of investors, and a stronger rule of law) appears to matter for financial performance. In addition, Williams (2000), Drobetz (2003) and Gemmill and Thomas (2004) concluded in their respective studies that there is a positive relationship between good corporate governance practices and firm value. A widely accepted statement is that good corporate governance results in a lower cost of capital.

One explanation is that good corporate governance leads to lower firm risk and subsequently to a lower cost of capital. Another research stream relies on the hypothesis that greater disclosure enhances stock market liquidity, thereby reducing the cost of capital (Coombs and Watson, 2001).

The commitment of management teams to increase the level of disclosure should lower the information asymmetry between managers and shareholders and lower the cost of capital. As a result of a reduced cost of capital, firm valuation will increase. If these relationships hold, greater disclosure of financial information and corporate governance topics will reduce information asymmetry and thereby lowering uncertainty and reducing the cost of capital. The main idea behind disclosure of corporate information and corporate governance is that it reduces information asymmetries between managers and shareholders and lowers its risk. Conventional wisdom on corporate governance predicts that good corporate governance increases firm valuation and firm performance and reduces the cost of capital and financial fraud. However, there may be important empirical and theoretical reasons why these relationships do not hold.

In theory, good corporate governance should be related to high-corporate valuation. A number of empirical studies have found that investors are willing to pay a premium averaging 10-12 percent for good corporate governance (Monks and Minow, 2004). The correlation of the governance ndex with performance could be explained in several different ways. One explanation, suggested y the results of other studies, is that inefficient governance directly causes additional agency osts. If the market estimates these additional costs, then stock returns will drop (Faccio and asfer, 2000). An alternative explanation is that good governance is a signal or symptom of ower agency costs – a signal not properly incorporated in market prices (Baysinger and Butler, 985).

Each of these explanations has different economic implications for the source of agency problems and different policy implications for the regulation of governance. It would be interesting to see whether higher corporate valuations are associated with better-governed US companies, measured by our measure of corporate governance index (Baysinger and Hoskinsson, 1990).

Though the issue of whether directors should be employees of or affiliated with the firm (inside directors) or outsiders has been well researched, no clear conclusion is reached. On the one hand, inside directors are more familiar with the firm's activities and they can act as monitors to top management especially if they perceive the opportunity to advance into positions held by incompetent executives. On the other hand, outside directors may act as "professional referees" to ensure that competition among insiders stimulates actions consistent with shareholder value maximization (Fama, 1980).

John and Senbet (1998), argue that boards of directors are more independent as the proportion of their outside directors increases. Though it has been argued (Fama and Jensen, 1983; Baums, 1994) that the effectiveness of a board depends on the optimal mix of inside and outside directors, there is very little theory on the determinants of an optimal board composition. The current study reviews the relationship between corporate governance and financial performance with a focus on separation of ownership and control, board size and composition and financial performance, independence of directors and independence of committees.

2.4.1 Board Composition and Financial Performance

The composition of the board was used to ameliorate the principal-agent problem. The participation of outside directors was designed to enhance the ability of the firm to protect itself against threats from the environment and aligned the firm's resources for greater advantage.

CIC General Insurance Uganda Limited is a subsidiary company of CIC Insurance group from Nairobi Kenya that is owned 75% by co-operatives and 25% by individual shareholders.CIC General Insurance Uganda is a joint venture of CIC Kenya and the co-operatives movement in Uganda. The company is fully incorporated and licensed to transact General insurance business. In addition to the general policies available for institutions, corporate, individual and all categories of entities, the company serves all cooperatives societies in Uganda along the cooperative model.

Board of directors and corporate governance structures. The board sets the company strategic aims, ensuring that the necessary resources are in place to achieve those aims. The board also reviews management and the company's financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long-term shareholder value.

However, research on the impact of outside directors has grown significantly but with mixed results. While the study by Wen et al. (2002) found a negative relationship between the number of outside directors on the board and performance, Bhagat and Black (2002) found no relationship between outside directors and Tobin's Q.

In another related work, the proportion of outside directors was found to have a significant positive relationship to firm performance (Weisbach, 1988). Firms with higher number of outside directors are expected to pursue activities that would bring about low financial leverage with a high market value of equity (Baysinger and Butler, 1985). Boards should be ready to increase meetings frequency if the situation requires a high supervision and control (Shivdasani and Zenner, 2004). Other studies suggest that boards should balance the costs and benefits of frequency. Jensen (1993) argues that separating CEO and chairman roles is in the shareholders' interest. Similarly, large firms that separate the two functions trade at higher price-to-book multiples (Yermack, 1996) and have higher return on assets and cost efficiency ratios than firms where the same person holds both titles. In a Nigerian study, Sanda et al. (2003) found that firm performance is positively related with small, as opposed to large boards. Since the duties of the Supervisory Committee are largely technical, it would be appropriate if at least one of the people elected to it has some experience or training in auditing or book-keeping. Independence of committees is also considered important for a board committee to be an effective monitor (Klein, 1998). John and Senbet (1998) report empirical evidence showing that the presence of monitoring committees (audit, nomination, and compensation committees) is positively related to factors associated with the benefits of monitoring.

However, the presence of insiders in the compensation committees increases the probability of making decisions in favor of the CEO's interests (Newman and Mozes, 1999).

Klein (2002) shows that independent audit committees reduce the likelihood of earnings management, thus improving transparency. Finally, when the CEO serves on the nominating committee, the audit one is less likely to have a majority of independent directors (Klein, 2002).

Corporate governance mechanisms assure investors in corporations that they will receive adequate returns on their investments (Shleifer and Vishny, 1997). If these mechanisms did not exist or did not function properly, outside investors would not lend to firms or buy their equity securities. Overall, economic performance would likely suffer because many good business opportunities would be missed and temporary financial problems at individual firms would spread quickly to other firms, employees and consumers. Previous evidence suggests that corporate governance has a positive influence over corporate performance.

The board of directors is assumed to have an influence on performance. The board is vested with responsibility for managing the firm and its activities. There is no agreement over whether a large or small board does this well. Yermack (1996) suggests that the smaller the board of directors the better the firm's performance. Yermack (1996) further argued that larger boards are found to be slow in decision making.

The monitoring expenses and poor communication in a larger board has also been seen as a reason for the support of small board size (Jensen, 1993). However, there is another school of thought that believes that firms with larger board size have the ability to push the managers to pursue lower costs of debt and increase performance.

Studies by Wen et al. (2002) and Abor (2007) both reported evidence in support of a positive relationship between board size and leverage. They argued that large boards with superior monitoring ability pursue higher leverage to raise the value of the firm. In the same line Weisbach (1988) tested whether monitoring management in companies with outsider – dominated board is more effective than for companies with insider - dominated board, by relating CEO resignations to performance measures like stock returns and accounting earnings. He also tested wither the CEO replacement relationship varies depending on a firm's size, ownership structure or industry. He found that the performance measures are more highly correlated with CEO turnover for firms in which outsiders dominate the boards of director than for firms in which insider dominate.

2.4.2. Board size and firm performance

When the board has adopted clear view of its responsibilities in governing the company, the directors can the move to discuss and agree the most effective way of structuring the board. The consideration could be given to the size of the board its self; is the size too small or too large to adequately fulfil its requirements, given the size and complexity of the organization? The balance of executive and non-executive directors and whether independent directors are necessary is another structural issue to consider. Likewise does the board has optimal skills mix to deliver effective governance considering the nature of the company governed? Depending on the circumstances, the board may benefit from having a member with industry experience, legal expertise or perhaps a director representative of stake holder. Gavin and Geoffrey, (2004).

Board size defined as the total number of directors on a board has been regarded as an important determination of effective corporate governance .The optimal board size according to Goshi, (2002) includes both the executive directors and non-executive directors. Forbes and Daniel (1999) argued that although board size is not truly a demographic attribute, it is unlikely to have effect on board functioning. Despite the considerable amount of effort in research on board size for more than a decade there is still lack of consensus among researchers on its relevancy. This inconclusive nature in the board size research quality and experience or independent directors on the board than the sheer numbers of individual's .there has been considerable debate on whether large boards perform better than smaller boards. Daily, (1995) argue that greater number of directors might increase the available expertise and resource pool while Bonn (2004) contends expanding the board size provides an increased pool of expertise, information and advice quality not obtained from other corporate staff. In contrast, the difficulty inherent in coordinating the contributions of many members can be complex, hindering them to use their knowledge and skills effectively, Epstein (2004). From agency perspective, increase in board increases the board s monitoring capacity but costs that accrue from large boards may facilitate CEO dominance aver board members. For instance large boards have difficulty in building the interpersonal relationships that further cohesiveness, or maintain high board effort norms owing to social loafing that exists in large boards. Studies such as Bonn (2004) have also supported the previous authors and concluded that when the board size is very large, the disadvantages such as lack of cohesiveness, coordination difficulties and fractionalization are most severe and they became less prevalent as board size decreases. In contrast very small boards cannot enjoy the advantages of the pool expertise, information and advice of a larger board and these benefits emerge when the board becomes larger. To date there are still wide views on an optimal board size. According to Lebiac & Gilles (2003) and 8-11 persons board may be considered optimal. In a recent study by Epstein (2004), a board of 9-13 members is typically right for most companies but too small for large ones. Goshi (2002) considered an average of 16 directors (3 within and 13 outside directors) to be appropriate for larger companies, though respondents in this study believed that 12 is the most effective board size. The study by Connely & Limpaphayom (2003) revealed that the average board size of insurance firms in Thailand was 10but ranged from a low number of 4 members to a high number of 16 members .the current study is focused on board size in terms of the number of university council and senate members as stipulated by the statute.

Policy and decision making

The final function that the board needs to consider is its duty with respect to delegating authority. Given the complexity of the business environment, it is impossible for the board to be the sole decision making body in the company. Instead each board needs to work on developing an appropriate method and level of delegation of authority. Obviously this will again vary with the context facing the board but, in all circumstances the board needs to clearly articulate and document the delegation it makes. The focus on board independence is grounded in agency theory (Fama and Jensen, 1983). In fact, it has long been argued in the finance literature that boards with a majority of independent directors are more effective in monitoring management (Baysinger and Butler, 1985; Morck and Nakamura, 1994; Kaplan and Minton, 1994; Bhagat and Black, 2002) and are more likely to replace poorly performing CEOs (Weisbach, 1988). More independent boards are also more likely to opt for a clean slate when company performance deteriorates significantly, and to hire a replacement CEO from outside the firm rather than promote an internal candidate (Borokhovich et al., 1996; Hudson, 2001).

2.4.3. CEO Duality and firm performance

Even though empirical studies cannot provide an agreed view on a contribution of duality to firms' performance, there was an agreement between shareholders, institutional investors and policy makers that a chairman or chairwoman of a board should not be the same with the Chief Executive Officer. In the study, Dahya (2009) presented that, between 1994 and 2003, policy makers in 15 advanced nations and the United Kingdom recommended a chairman or a chairwoman of board should not be the same with chief executive officer. In Europe, 84 percent of firms separate the roles of a chair of board and a CEO of a firm. According to a Hewa, Wellalage and Locke 2011 study, in Sri Lanka, the Sri Lanka Code of the best practice on corporate governance emphasize the balance of power within a firm to minimize any one individuals influence to the decision making process. These rules provided a recommendation that when there is duality in a firm, a number of independent directors on a board should be a majority to provide balance and an effective and efficient operation of a board.

In recognition of the importance of separation of responsibility between the chairman and a CEO for the period from 1999 to 2003, many businesses had altered their existing structure of duality to a non-duality structure (Chen, Lin and Yi, 2008). These authors considered that, in many businesses with a duality structure, there has been an abuse of power at the expense of the company and the shareholders .in Vietnam, ministry of finance (2012) stipulates that a chairman/ a chairwoman of a board should not be in the position of the CEO of a company unless this duality is approved by the annual general meeting of shareholders. In addition, Fama and Jensen (1983), Jensen (1993) concluded that duality would reduce a board's supervision of the management of the company. This reduction results in an increase of costs to an agency. As result, this study's research hypothesis is developed as follows: a duality negatively affects a firm's performance.

Board effectiveness occurs via the execution of roles set that is conceptualized by different researchers in different ways .What is clear is that the roles of the board have evolved over time. Defining a clear role set is difficult as different disciplines concentrate on different areas of interest. Pettigrew (1992) identified six themes of academic research on the role of managerial elites such as chairpersons, presidents, Chief Executive Officers (CEO) and directors. These include the study of interlocking directorates and the study of institutional and societal power, the study of boards and directors, the composition and correlation of top management teams, studies of strategic leadership, decision making and change, CEO compensation and CEO selection and succession. The roles that directors play in providing advice to the chief executive officer (CEO) is a link between the direction of the company and the day to day implementation of the direction which is the responsibility of the CEO. The board is the key source of knowledge and experience for the organization it governs. Therefore it is important for the board to share its experience with management, particularly the CEO, to serve the interests of the company Gavin and Geoffrey, (2004). Advising the CEO is widely acceptable Lorsh and Maclver (1989) and also resource dependence perspective, which envisages a role of directors in providing access to resources. Appointments to the Board of Directors should, through a managed and effective process, ensure that a balanced mix of proficient individuals made and that each of those appointed is able to add value and bring independent judgment to bear the decision making process. The board of directors should determine the purpose and values of the corporation, determine the strategy that purpose and implement its values in order to ensure that the corporations survives and thrives and that procedures and values that protect the assets of the corporation are put in place (CBK, 2001).

The board should ensure that a proper management structure is in place and make us that the structure functions to maintain corporate integrity, reputation and responsibility. The board should monitor and evaluate the implementation of strategies policies and management performance criteria and the plans of the corporation.

In addition, the board should constantly review the viability and financial sustainability of the enterprise and must do so at least one a year (CBK, 2001).

The board should identify the corporation's internal and external stakeholders; agree on a policy or policies determining how the corporation should relate to, and with them, increasing wealth, jobs and sustainability of a financially sound corporation while ensuring that the rights of stakeholders establishes by law or custom are expected, recognized and protected. The Board should ensure that no one person or group of persons has unfettered power and that there is an appropriate balance of power on the Board so that it can exercise objectives and independent judgment (CBK, 2001).

2.5 Empirical Review

Previous empirical studies have provided the nexus between corporate governance and firm financial performance (Gompers et al., 2003; Black et al., 2003 and Sanda et al. (2003) with inconclusive results). Others, Bebchuk and Cohen (2004) have shown that well-governed firms have higher firm performance.

The main characteristic of corporate governance identified in these studies include board size, board composition, and whether the CEO is also the board chairman. Rosenstein and Wyatt (1990) showed that the market rewards firms for appointing outside directors. Brickley et al. (1994) found a positive relation between proportion of outside directors and stock-market reactions to poison pill adoptions.

However, Forsberg (1989) found no relation between the proportion of outside directors and various financial performance measures. Bhagat and Black (2002) found no significant relationship between board composition and financial performance.

Yermack (1996) also showed that, the percentage of outside directors does not significantly affect firm financial performance.

Bauer et al. (2004) argued whether good corporate governance leads to higher common stock returns, firm value or operating performance using a sample of 269 firms from the FTSE Eurotop 300 over the period 2000-2001. The authors used Deminor's corporate governance ratings in order to measure the firms' quality of corporate governance. Deminor's rating can be attributed to four categories: shareholder rights, takeover defenses, disclosure on corporate governance and board structure and functioning. They argue that good corporate governance will increase investor trust and subsequently lower corporate risk and a lower expected rate of return; furthermore a lower expected rate of return leads to a higher firm valuation. However, they found an insignificant relationship between corporate governance and firm valuation. Finally, the relationship between corporate governance and firm performance is statistically negative.

Empirical evidence on the association between outside independent directors and firm financial performance is mixed. Studies have found that having more outside independent directors on the board improves financial performance (Daily and Dalton, 1994), while other studies have not found a link between independent NEDs and improved firm financial performance (Hermalin and Weisbach, 1991). The point that can, be made from these studies is that there is no clear benefit to firm financial performance provided by independent NEDs.

Petra (2005) argues that the mixed results may be reflective of a corporate culture wherein corporate boards are controlled by management and the presence of independent NEDs has no discernable impact on management decisions. As for the association between role duality and financial performance, Abdul Rahman and Haniffa (2003) documented that Malaysian companies with role duality seem not to perform as well as their counterparts with separate board leadership based on accounting performance measurement. Locally several studies have been done on the effect of corporate governance on financial performance.

Muriithi, (2004) studied the relationship between corporate governance mechanisms and performance of firms quoted on the NSE and found that the size and the composition of the board of directors together with the separation of the control and the management have the greatest effect on the performance. Ngugi (2007) did a study on the relationship between corporate governance structures and the performance of insurance companies in Kenya and found that inside directors are more familiar with the firm's activities and they can act as monitors to top management especially if they perceive the opportunity to advance into positions held by incompetent executives. The study also found that the effectiveness of a board depends on the optimal mix of inside and outside directors concluding that an optimal board composition lead to better performance of the companies.

Gatauwa (2008) studies the relationship between corporate governance practices and stock market liquidity for firms listed on the Nairobi Stock Exchange. The study found that greater disclosure enhances stock market liquidity, thereby reducing the cost of capital.

The commitment of management teams to increase the level of disclosure also lower the information asymmetry between managers and shareholders and lower the cost of capital. Matengo (2008) also conducted a study on the relationship between corporate governance practices and performance the case of banking industries in Kenya.

The study found that good corporate governance will lead to lower firm risk and subsequently to a lower cost of capital. The study also found that separation of ownership and control maximizes shareholders wealth.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section provides information on the type of research design that was used for the study. It gives the target population and sample size for the study. Furthermore it discusses the sampling techniques, sources of data, data collection methods, data processing, data analysis procedures, validity and reliability, limitations of the study and ethical consideration in research.

3.1 Study Design

This research problem was studied through the use of a descriptive research design. According to Cooper and Schindler (2003) a descriptive study is concerned with finding out the what, where and how of a phenomenon. Descriptive survey designs were used in preliminary and exploratory tudies to allow researchers to gather information, summarize, present and interpret for the urpose of clarification. The choice of the descriptive survey research design is based on the fact hat in the study, the research is interested on the state of affairs already existing in the field.

he study also adopted a correlation research design to assess the relationship between Insurance ompany performance and corporate governance. This study therefore was able to generalize the ndings to a larger population. The main focus of this study was quantitative. However some ualitative approaches have been used in order to gain a better understanding and possibly enable better and more insightful interpretation of the results from the quantitative study.

2 The target population

e population of the study refers to the people, objects and events from which the study sample drawn. The target population for this study was CIC General Insurance (U) Ltd employees cluding top management of CIC General Insurance (U) Ltd. They are aware of the influence of rporate governance on performance of CIC General Insurance (U) Ltd as insurance company.

3.3 Sample size determination

The sample size for this study was determined using the Sloven's formula; $n = \frac{N}{1 + Ne^2}$ whereby n: is the sample size, N: is the total population, e: is the margin of error, Remember that for this case N=65. Taking the confidence level of 90% that is with a permissible error of 5%, e=0.05

N=65

Sloven's Formula

$$n = \frac{N}{1 + Ne^2} = \frac{65}{1 + 65(0.05)^2} = \frac{65}{1 + 65(0.0025)} = \frac{65}{1.1625}$$

ı=55.9

ȝample size=56 respondents

[able 1: Break down of population and sample of respondents

꞉OMPANY	Category of respondents	Population	Sample	Sampling technique
꞉IC ꞉ENERAL ꞉SURANCE ꞉) LTD	Board member	13	9	Purposive
	Management committee	8	7	Purposive
	Finance and accounting and operations department	31	29	Simple random
	Marketing, distribution and selling unit	13	11	Simple random
	TOTAL	65	56	

3.4 Sampling techniques

The researcher used the purposive sampling techniques during the selection of CIC General Insurance (U) Ltd employees working at the Headquarters. Due to limited time, the researcher used this sampling method to select respondents but with the insurance that information is got from an employee of CIC General Insurance (U) Ltd, emphasis was put on top management.

3.5 Sources of data

Evidence for case studies may come from six sources: documents, archival records, interviews, direct observation, participant-observation and physical artifacts (Yin, 2003 p. 83). It should be noted that no single source has an advantage over all the others. In fact, all the sources are highly complementary, and a good case therefore incorporates as many sources as possible (Yin, 2003:85).

Data of this study was collected through primary and secondary means. The primary sources included survey that was made via questionnaires that were administered to respondents who will be selected from employees of CIC General Insurance (U) Ltd. Secondary data will be also obtained from annual reports of CIC General Insurance (U) Ltd from 2016 to 2017.

3.6 Data collection

To carry out this study a variety of tools were used, as practical means of obtaining information related to the research topic. The research focused mainly on documentation, questionnaire, and interview as techniques of data collection.

3.6.1 Questionnaire

The questionnaires were designed and distributed to respondents so as to get the needed information. The tool helped the researcher to present questionnaires to the respondents' office and any other convenient places for the respondents. This helped the researcher to obtain in depth answers.

3.6.2 Interview

The structured interview schedule was used to provide a framework of key Point on the topic around which investigative discussion was built on. The researcher conducted an interview with senior employees and Directors of different departments of CIC General Insurance (U) Ltd.

3.6.3 Documentation

This is a secondary data collecting technique basing on reading books, journals, and different reports (financial statements). During this study, the researcher read textbooks providing several related literature, various reports, journals and internet sources also consulted to get relevant information for this study.

3.7 Data processing

Roth (2002) asserts that data processing is concerned with classifying responses into meaningful Categories called codes. It involves the transformation of the data gathered from the field into a system of categories and transformation of these categories into codes and amenable to quantitative analysis and tabulation.

During this study, the data collected transformed into meaningful Information for easy interpretation and understanding. This involved editing, tabulating and analyzing to enable the researcher to draw conclusion in relation to the objectives. The data of the current study was collected from both primary and secondary sources.

3.7.1 Editing

Editing is the process of examining the collected data to detect any errors and omission so as to Correct them when possible (Weman and Krunger, 1999). The major purpose of editing is to discover mistakes made during the field study and monitor the accuracy and find whether there is some unfilled space in the questionnaire and eliminate unwanted answers.

During this study, data was edited to ensure that all information provided by the company under research is complete, consistent with other facts gathered, uniformly entered, and are well arranged to facilitate coding and tabulation.

3.7.2 Coding

The purpose of coding, according to Moser and Kalton (2001) is to classify answers into meaningful categories so as to bring out their essential patterns. To make it easier to organize and avoid distortions of responses given by the respondent, the researcher allocated each question with a code such that while grading the responses, it would be easy to quickly trace the answers for each question as expressed by different respondents.

3.7.3 Tabulation

According to Moser and Kalton (2001), data once edited and coded are put together in some kind of tables and may undergo some forms of statistical analysis. This is when data is put into some kind of statistical table showing the number of occurrence of responses to a particular question.

As is seen in the following chapters, tables were drawn showing the number of people and their response to a particular question and their corresponding percentages. This helped the researcher to make appropriate deduction with statistical support from already calculated percentages of the responses.

3.8 Data analysis procedures

The above processes of editing, coding and tabulation aimed at making the data analysis easier. The data was analyzed using Statistical Package for Social Scientists (SPSS.16), whereby tables, charts, regression and correlation were made.

The researcher entered in the SPSS software each question and its corresponding answers as they were provided by the respondents after classifying them as either string or numeric and thereafter regression analysis, descriptive statistics and frequency distribution were made for each major variable for better analysis. Frequency helped to demonstrate how the major variables were distributed throughout the responses. From such analysis it was easy to draw conclusion.

3.9 Validity and reliability

Validity of data collection is the extent to which the instrument collects data that it is meant to collect. It is the degree to which results obtained from the analysis of the data actually represent the phenomenon under study. In this study ensuring validity will involve going through questionnaire in relation to the set objectives and make sure it contains all the information that could enable answer these objectives.

Reliability measures the degree to which research instruments yields consistent results after repeated trials. To ensure reliability the questionnaire will be presented on 56 respondents. In this study a reliability coefficient (alpha value) of more than 0.7 will be assumed to reflect the acceptable reliability.

3.10 Limitations of the study

Common to most researchers, the researcher encountered the following limitations:

Delay in getting access to information at the case study; some respondents were negligent to fill the questionnaires;

Some information regarding financial measures (ROA and ROE) maybe not provided by the company and time for carrying out this research on a broader basis also might be hindered. However, the researcher managed to overcome all these challenges convincing the respondents and company how the information required is only for academic purpose so as to reduce their negligence of filling questionnaires and good allocation of little resources that were available.

3.11 Ethical consideration in Research

Ethical considerations were taken into consideration by first seeking authorization from the Managing Director of CIC General Insurance (U) Ltd. The researcher also picks the introductory research letter from Kampala International University. In addition, questionnaires were structured in such a way that there will be no mention of the Interviewee's name. A statement as to the strict confidentiality with which data was held will be expressly stated in the questionnaire.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF THE RESULTS

4.0. Introduction

This chapter involves the presentation, analysis and interpretation of findings in relation to the study objectives. The presentations are in form of tables and statements.

4.1. Background of respondents

The background information of respondents was deemed necessary because the ability of the respondents to give satisfactory information on the study variables greatly depends on their background. The information that has been presented below categorized into education levels, position held, age and experience in the organization.

4.1.1. Educational background of respondents

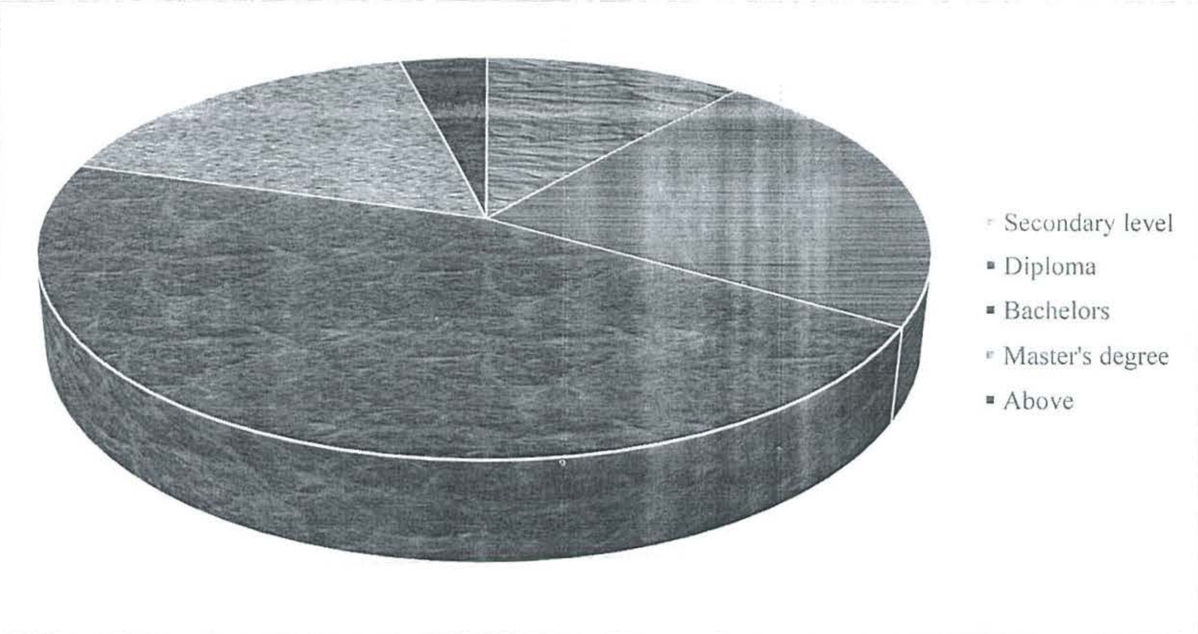
The education background greatly influences the one's personality (judgment, reaction, thinking, imagination, and reasoning). Interpersonal skills, communication skills and managerial skills can be learnt from the school, indicating that the education background of respondents shows his/her capacity to provide relevant information regarding financial sector.

Table 2: Academic qualification

		Frequency	Percent	Cumulative Percent
Valid	Secondary level	7	11.1	11.1
	Diploma	14	22.2	33.3
	Bachelor	30	46.3	79.6
	Master's degree	11	16.7	96.3
	Above	2	3.7	100.0
	Total	65	100.0	

Source: Primary data

Figure 1: showing percentage of respondents' academic qualifications



The above table 1 illustrates that the holders of bachelor's degree were 46.3% of respondents, the holders of diploma were 22.2, the master's degree were 16.7% of respondents, and the holders of certificate of secondary level were 11.1% finally the respondents with PhD were 3.7%. The majority of respondents were bachelor's holders. Moreover, most of respondent held the university level. This implies that the respondents have capacity to asses, and let their opinions on how great the tax incentives attract the foreign direct investment.

.1.2. Experience with CIC General insurance (U) Ltd

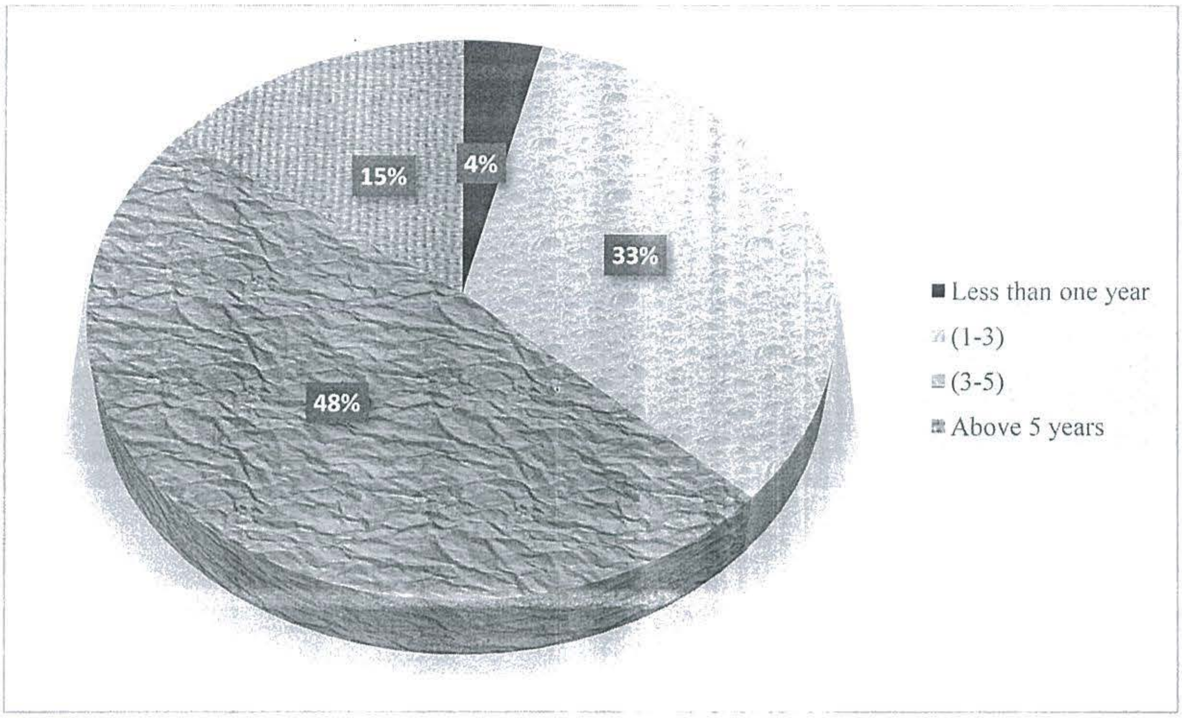
The study investigated the length of period in years the respondents employed with CIC General insurance (U)Ltd. This question was deemed important because the experience of employees in the organization gives him/her the opportunity to know more about the organizational management, its weaknesses, strengthens opportunities and threats.

Table 3: Experience of respondents

		Frequency	Percent	Cumulative Percent
Valid	Less than one year	2	3.7	3.7
	1-3	22	33.3	37.0
	3-5	31	48.1	85.2
	Above	10	14.8	100.0
	Total	65	100.0	

Source: Primary data

Figure 2: showing percentage of experience of respondents



The findings in table 2 above, reveals that majority, 48% of respondents have been employed with CIC General Insurance (U) Ltd for 3-5 years, the respondents worked for 1-3 years were 33%, the respondents who had experience of above 5 years in CIC General Insurance (U) Ltd were 11% while 3.7% of respondents employed below one year in CIC General insurance (U)

Ltd. This implies that basing on experience that most of respondent have employed with CIC General insurance (U)Ltd, the information provided to the researcher on cooperate government and its impact on performance of the company.

4.1.3. Position held by respondents in CIC General Insurance (U) Ltd

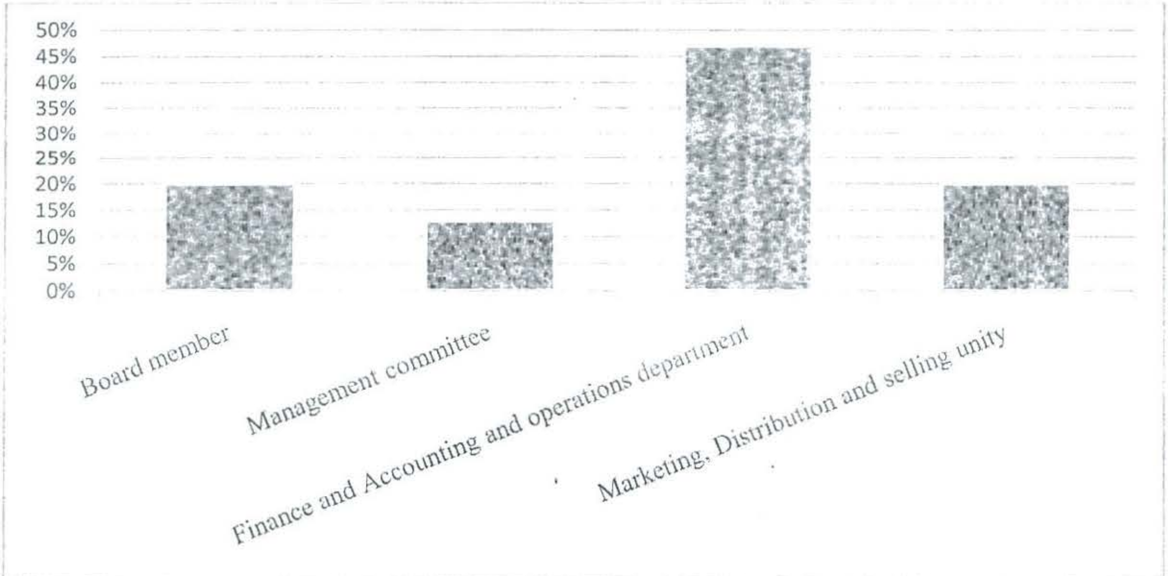
The information from each department is very relevant to the expectations of the researcher. The researcher validated each information and used it in more analysis.

Table 4: Position of respondents

		Frequency	Percent	Cumulative Percent
Valid	Board members	13	20.0	20.0
	Management committee	8	13	33.0
	Finance and Accounting and operations department	31	47	80.0
	Marketing, Distribution and selling unity	13	20.0	100.0
	Total	65	100.0	

Source: Primary data

Figure 3: showing percentages of respondents' positions at CIC Insurance (U) Ltd



The findings in figure above reveals that47% of respondents were working in finance, accounting, and operations departments, and 20% of respondents were board members and working in marketing, distribution and selling unity, while the management committee was13%. This implies that basing on position of every respondent, the information provided was highly taken into account in knowing the importance of cooperate governance on the performance of the company. The researcher was guaranteed the accurateness of the information provided by every person in his or her position.

4.1.4 Age of respondents

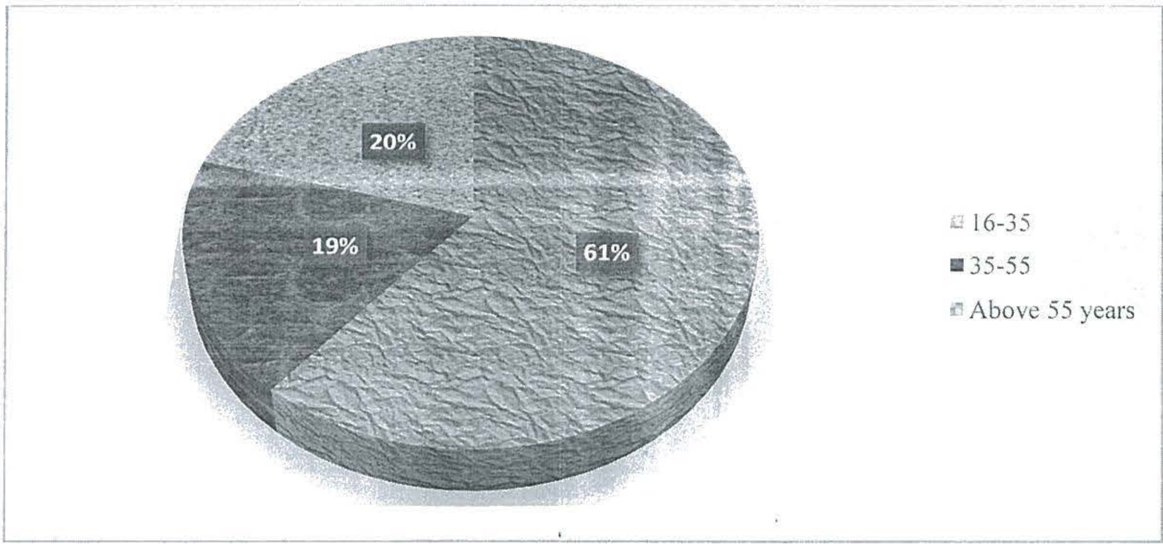
The age of respondent is also the factor that may influence the researcher to trust the consistent and accurateness of the information provided by the mature stakeholders of the organization.

Table 5: Age worked in CIC General insurance(U)Ltd

	Frequency	Percent	Cumulative Percent
16-35	40	61.1	61.1
35-55	12	18.5	79.6
Above 55 years	13	20.4	100.0
Total	65	100.0	

Source: Primary data

Figure 4: showing respondents' age in percentage at CIC General Insurance (U) Ltd



The table 4 above shows that 61.1% of respondents were in age group of 16-35, the researcher found that 20.4% of respondents were in age group of above 55 years, while 18% of respondents were in age group of 35-55 years. This implies that the majority of respondents were younger generation who are strong and react for achieving the objective of the company. The Board of Directors was at the second stage that need to long running institution by understanding the strategic plan and its implementation.

4.2. Corporate governance of CIC General Insurance(U)Ltd

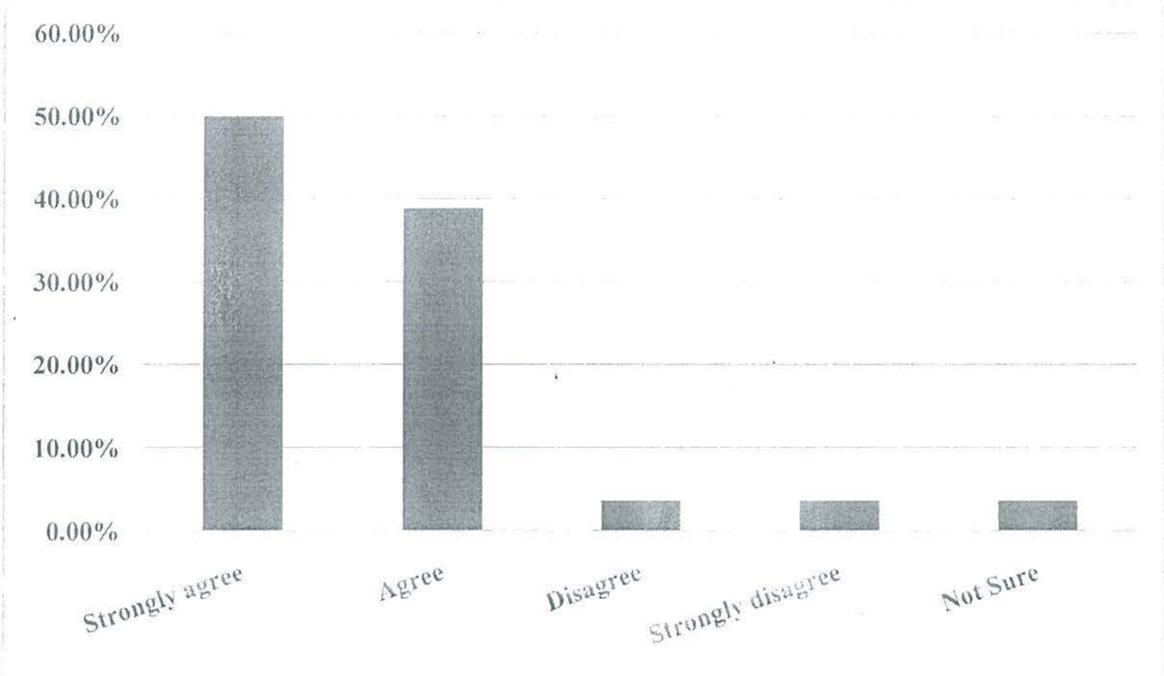
This section is very important to the researcher to understand the extent to which the respondents know the corporate governance and its impact on financial performance of the company. The SA stands strongly agree, A: Agree, D: disagree, SD: strongly disagree.

Table 6: Extent to which the respondents understand the cooperate governance

Extent	Frequency	Percent	Cumulative Percent
SA	33	50.0	50.0
A	25	38.9	88.9
D	2	3.7	92.6
SD	2	3.7	96.3
Not sure	2	3.7	100.0
Total	65	100.0	

Source: Primary data

Figure 5: showing extent to which respondents understand the cooperate governance



The results in figure above shows that 50% of respondents strongly agree that the Board of directors are competent to sustain the long running of the CIC General Insurance(U)Ltd, 38.9% of respondents agreed that the board members are competent to sustain the company since 3.7%

of respondents were not sure and disagree this statement. This implies that the majority of stakeholders of the company are ready to achieve the objectives and vision of the company.

4.2.1. Experience of either board or staff member in insurance industry

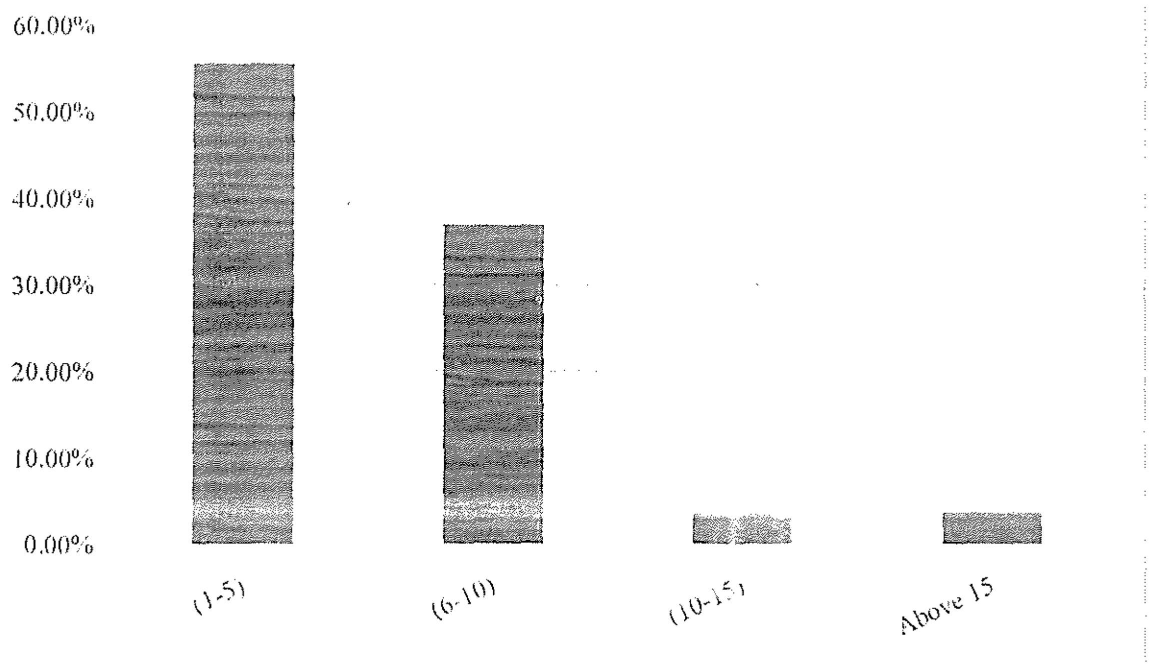
The previous skills of respondents may be point of development the current institution since all stakeholders use their knowledge in way of achieving the objectives of the institution. The table below shows the years of experience that the respondents have in insurance sector.

Table 7: Experience of respondents in insurance industry

		Frequency	Percent	Cumulative Percent
Valid	1-5	36	55.6	55.6
	6-10	24	37.0	92.6
	10-15	2	3.7.	96.3
	above 15	2	3.7	100.0
	Total	65	100	

Source: primary data

Figure 6: showing the experience of either a board or staff member



The results in table 6 above reveals that 55.6% of respondents have been working for 1-5 years n insurance industry before being appointed as Board or staff member of CIC General Insurance

(U) Ltd, 37% of respondents have worked for 6-10 years with insurance institution, 3.7% of respondents have worked in insurance sectors for 11-15 and above 15 years. This implies that the majority of respondents have enough experience towards the performance of the company via good corporate governance of the institution.

4.2.2. The extent to which elected organ understand and implement their roles

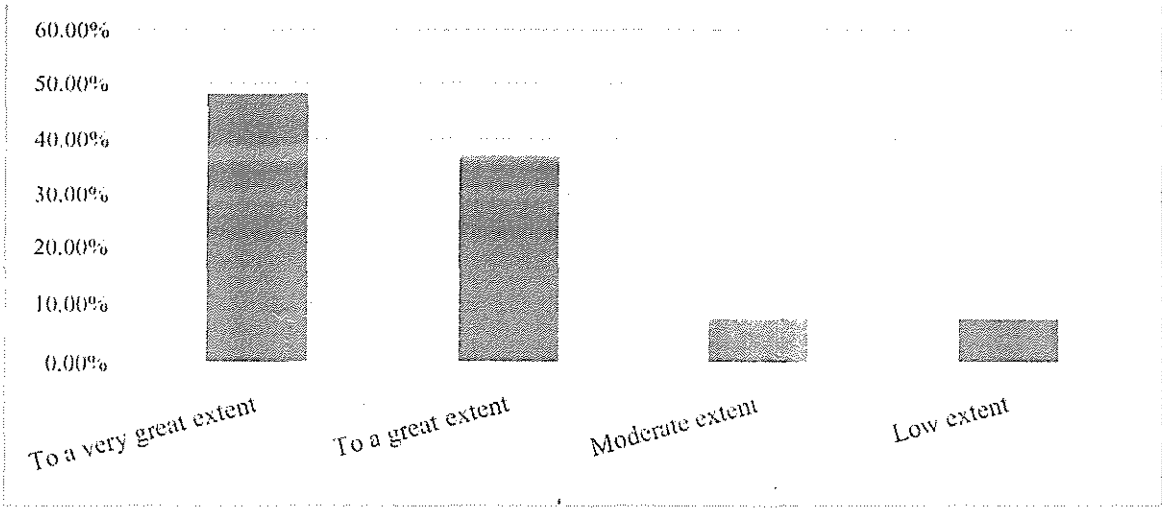
This section explains the level to which board members and staff understand and implement the responsibilities in their respective positions. The understanding and implementation of the responsibilities is the one among key factors that helps the any institution to achieve goals and increase both financial performance and non-financial performance. The tables (7) below shows the level of understanding and implementation of responsibilities of members in both board and staff.

Table 8: Understanding and implementation of strategic plan of the institution

		Frequency	Percent	Cumulative Percent
Valid	To a very extent	31	48.1	48.1
	To a great extent	24	37.0	85.2
	Moderate extent	5	7.4	92.6
	low extent	5	7.4	100.0
	Total	65	100.0	

Source: Primary data

Figure 7: showing understanding and implementation of strategic plan of the institution.



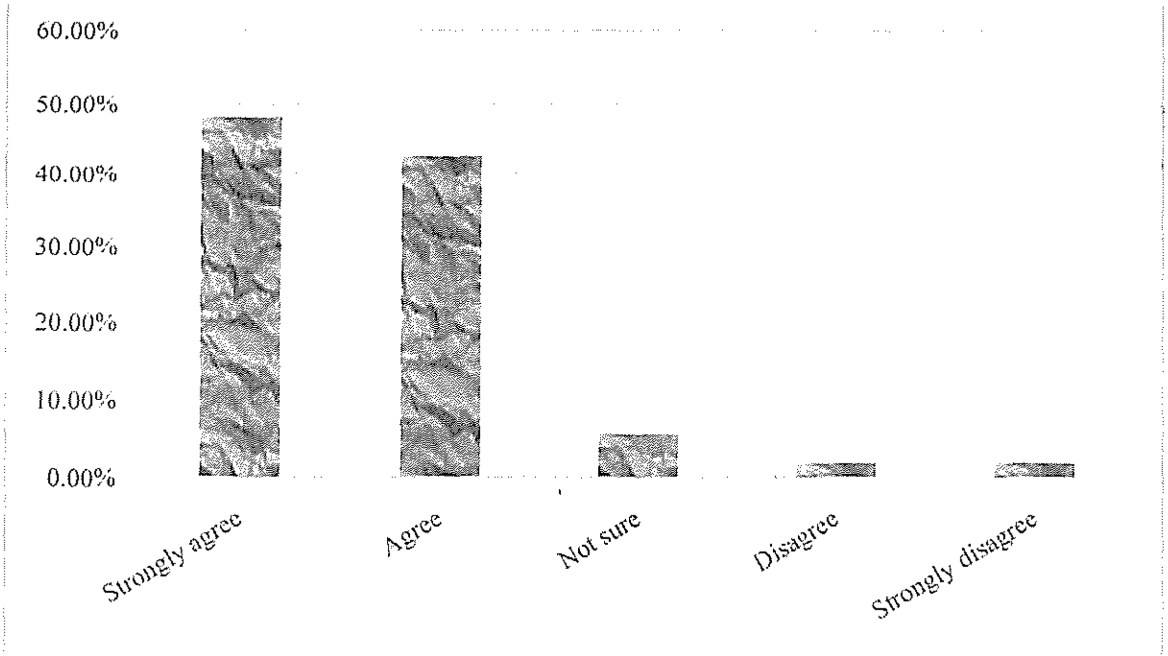
The report above shows that 48.1% of respondents understand and implement to a very extent the strategic plan of the company, 37% of respondents know the strategic plan to a great extent since 7.4% of respondents understand and implement the strategic plan to a moderate extent, while 7.4% of respondent are not aware. This implies that the knowledge that holds by the respondents is the tool to govern perfectly the institution.

Table 9: Decision making

		Frequency	Percent	Cumulative Percent
Valid	SA	31	48.1	48.1
	A	28	42.6	90.7
	Not sure	4	5.6	96.3
	D	1	1.9	98.1
	SD	1	1.9	100.0
	Total	65	100.0	

Source: Primary data

Figure 8: showing the extent decision making in the company



The above figure above reveals that 48.1% of respondents strongly agree that the decisions taken by the board and staff members were strong towards the vision and mission implementation and achievement of the company, 42.6% agreed this statement.

5.6% were not sure with this statement since 1% disagreed this statement. This indicates that the decision taken were strong and important for the development of the company as agreed by the majority of the respondents.

4.3 Composition of board members

The board members of any institution should be independent; the conflict of interest may rise since some of them are at the same time the executives. The different opinions saying agreed that the executive members may negatively impact the institution since are the ones composed the board of directors. The question is asked as: what is the influence of executive members since are the ones who made the composition of the board of Directors? The table below explains.

Table 10: Descriptive statistics on influence of executives in board members

Variables	Strongly agree		Agree		Not sure		Disagree		Strongly disagree		Total	
Frequency and performance	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
The presence of insiders in the compensation committees increases the probability of making decisions in favor of the CEOs interests	48	**74**	16	**24**	1	**2**	0	**0**	0	**0**	65	**100**
Separating CEO and chairman roles is in the shareholders interest	13	**20**	52	80			0	**0**	0		65	**100**
Independent outside directors make decisions for the interest of the whole company	7	**11**	56	**86**	2	**3**	0	**0**	0		65	**100**

Source: Primary data

The test statements were equally ranked in terms of frequency and percentages as a way of interpreting the results. And note that the ranking scales were as follows: 1: Strongly agree 2: Agree, 3: Not sure, 4: Disagree and 5: Strongly disagree.

In this regard, the respondents strongly agree the presence of insiders in the compensation committees increases the probability of making decisions in favor of the CEO's interests as shown by the percentage of 74 and 24 %agree. The respondents agreed that Separating CEO and chairman roles is in the shareholders' interest as shown by the percentage of 80 and they agreed that independent outside directors make decisions for the interest of the whole company as shown by the percentage of 86.

4.3.1 Relationship between board composition and the performance of the companies

Board composition greatly affects the performance of the company. Who composes the board matters and various options given agreed saying that there was experience and knowledge of board members on the financial sector especially insurance industry before their appointment. Another question asked was: whether the boards were competent to sustain the long running of the company.

Table 11: Descriptive statistics of board composition on performance

Variables	Strongly agree		Agree		Not sure		Disagree		Strongly disagree		Total	
Frequency and performance	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
The BODs are competent to sustain the long running of the company	60	**92**	5	**8**	0	**0**	0	**0**	0	**0**	65	**100**
There are people in the BODs who had experience and knowledge on the financial sector especially insurance industry before their appointment	58	**89**	6	**10**	1	**1**	0	**0**	0	**0**	65	**100**
The BODs understand and implement the vision and mission of the company	20	**31**	45	**69**	0	**0**	0	**0**	0	**0**	65	**100**
The decisions taken by the BODs are strong towards the vision and mission achievement of the company	8	**12**	57	**88**	0	**0**	0	**0**	0	**0**	65	**100**
The influence of executive members is strong since they are the ones who compose the BOD	62	**95**	3	**5**	0	**0**	0	**0**	0	**0**	65	**100**
The board composition influences the performance of the insurance company	14	**22**	51	**78**	0	**0**	0	**0**	0	**0**	65	**100**

Source: Primary data

The results in table 6 above indicate that 92% strongly agreed that the BOD is competent to sustain the long running of the company. The respondents strongly agreed that there are people in the board who had experience and knowledge on the financial sector especially insurance industry before their appointment by 89%. the findings in the above table indicate that 69%agreed and 31% strongly agreed that the BOD understands and implements the vision and mission and 88% agreed that the decisions made by the BODS are strong towards the vision and mission achievement.95% respondents strongly agreed that the influence of executive members is strong since they are the ones who compose the BOD and 78% agreed that board composition influences performance of the company.

4.3.2. The manners that the corporate governance influences the performance of the firm

This section explains how the corporate influences the performance of the firm as shown by the table below

Table 12: Descriptive statistics on cooperate governance and performance

Variables	Strongly Agree		Agree		Not sure		Disagree		Strongly Disagree		Total	
Frequency and performance	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**	**F**	**%**
Customers increase	25	**38**	40	**62**	0	**0**	0	**0**	0	**0**	65	**100**
Increase of market share	62	**95**	3	**5**	0	**0**	0	**0**	0	**0**	65	**100**
On time service delivery	38	**58**	27	**42**	0	**0**	0	**0**	0	**0**	65	**100**
Customer satisfaction	43	**66**	22	**34**	0	**0**	0	**0**	0	**0**	65	**100**
High productivity and product quality	12	**19**	45	**69**	8	**12**	0	**0**	0	**0**	65	**100**
High new product innovation	04	**06**	54	83	7	11	0	**0**	0	**0**	65	**100**
High competence and integrity of managers	37	**57**	27	41	1	2	0	**0**	0	**0**	65	**100**
High moral and firm wide culture	14	**22**	32	49	15	23	4	**06**	0	**0**	65	**100**
Good reputation of the institution	40	**62**	25	38	0	**0**	0	**0**	0	**0**	65	**100**
Education and training to executive and non-executive directors as well as community	36	**55**	29	**45**	0	**0**	0	**0**	0	**0**	65	**100**

Source: Primary data

The test statements were equally ranked in terms of their mean and standard deviation as a way of interpreting the results. And note that the ranking scales were as follows: 1: Strongly agree 2: Agree, 3: Not sure, 4: Disagree and 5: Strongly agree.

In this regard, the respondents agree that good governance lead to customer increase of the company and strongly agree that it increases market share as shown by the percentage of 95. The respondents agreed that good corporate governance lead to high moral and firm wide culture and strongly agree that high competence and integrity of the manager and good reputation of the institution are affected by corporate governance. The respondents agree that the good governance influence the high productivity and product quality of the company.

They also agreed that corporate governance influence Education and training to executive and non-executive directors as well as community. They also strongly agreed that on time delivery is brought about by good corporate governance.

4.4. Board size and performance of the company

This section explains the extent to which the size of the Board influences the performance of the company as shown in table below.

Table 13: Descriptive statistics of board size and performance of the company

Variables	Strongly Agree		Agree		Not sure		Disagree		Strongly Disagree		Total	
Frequency and performance	F	%	F	%	F	%	F	%	F	%	F	%
Size of board of directors is large	0	**0**	0	0	0	0	26	**40**	39	**60**	65	**100**
Medium aged members compose the board	0	**0**	34	52	0	**0**	31	**48**	0	**0**	65	**100**
The smaller the board of directors the better	42	**65**	21	32	2	**3**	0	**0**	0	**0**	65	**100**
Larger boards are found to be slow in decision making	37	**57**	28	**43**	0	**0**	0	**0**	0	**0**	65	**100**
Larger board complicates monitoring expenses and communication	23	**35**	42	65	0	**0**	0	**0**	0	**0**	65	**100**

Source: Primary data

The test statements were equally ranked in terms of their mean and standard deviation as a way of interpreting the results. And note that the ranking scales were as follows: 1: Strongly agree 2: Agree, 3: Not sure, 4: Disagree and 5: Strongly agree.

In this regard, the respondents strongly disagree that the size of board of directors is large shown by the percentage of 60. They agree that medium aged members compose the BOD of the company. The respondents agreed that the larger board complicated the monitoring expenses, and poor communications shown by the percentage of 65.

The respondents strongly agreed that the smaller the board of directors the better the firm's performance as shown by the percentage of 65 and that larger boards are found to be slow in decision making. This implies that the big size of board may complicate the performance of the company in sitting allowance, decision making and good service delivery.

4.5. CEO duality and performance of the company

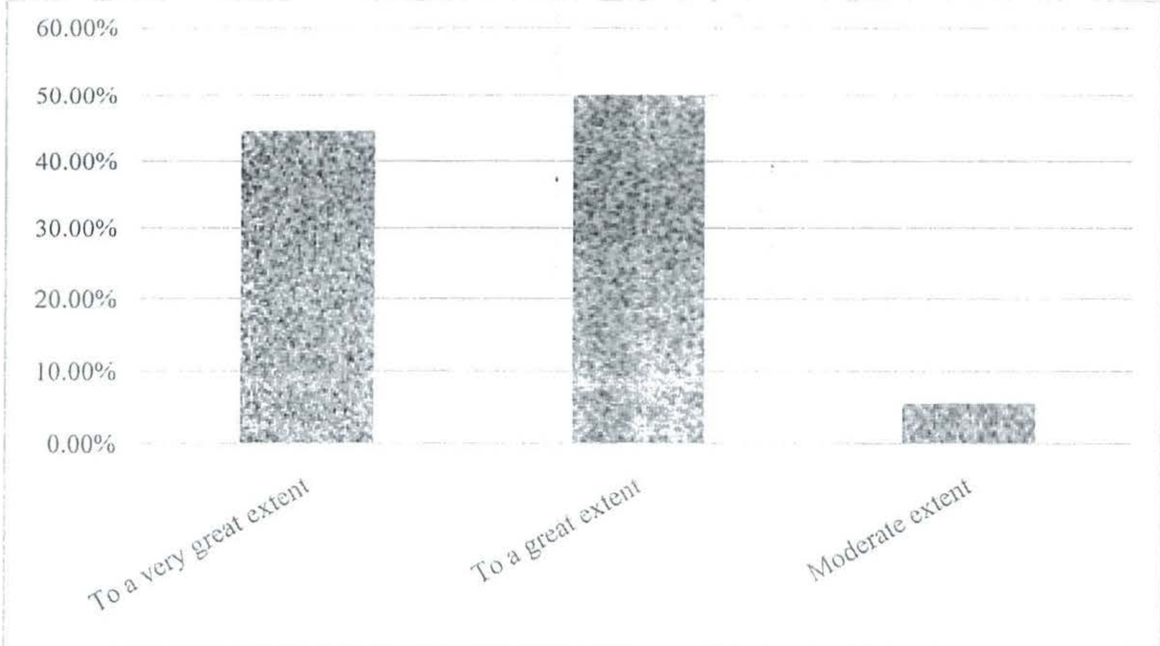
The chief executive officer may work for his or her own interest instead of the interests of the company. This may change the situation since he is among the board members while he manipulates other members to take decisions in his interest.

Table 14: CEO duality and performance of the company

Extent	Frequency	Percent	Cumulative Percent
To a very extent	29	44.4	44.4
To a great extent	33	50.0	94.4
moderate extent	3	5.6	100.0
Total	65	100.0	

Source: Primary data

Figure 9: showing the CEO duality and performance of the company



The results in table 13 show that 50% of respondents agreed to a great extent that CEO duality may influence the Board for his own interest instead of the interest of the whole company. 44.4% of respondents agreed to a very extent this statement. The respondents moderate agreed this statement on 5.6%. This implies that the duality in the company covers the mistakes of the CEO as suggested by respondents.

CHAPTER FIVE

SUMMARY OF THE FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the summary of findings, discussion, conclusions drawn from the findings and recommendations made therefore. The study sought to assess the correlation between board composition and the performance of the insurance companies in Kampala. This study sought also board size on performance of insurance company in Kampala. Furthermore the study was to find out the effect of CEO duality on performance of insurance company in Uganda.

5.1. Summary of the Findings

The findings of the study reviewed that corporate governance has a significant impact on performance of CIC General insurance (U) Ltd: It was found that the board size has an effect on performance of insurance company in Kampala. The study found that CEO duality may negatively affect the performance of the company.

5.2. Findings on the relationship between board composition and performance of the firm

The results in table 10 above indicated that there is relationship between cooperate governance and performance of CIC General insurance (U) Ltd as shown by the results in table 10. R squared of 0.784 implying that the independent variables accounted for 78.4% of the variance on performance of CIC General insurance (U) Ltd .The study also found that as the Board members is composed by outside independent members as the financial performance increase by 1.572 units, the board size will lead to an increase in financial performance by 1.397 units, it was also found that the CEO duality will lead to a decrease of financial performance by -0.961 units.

The previous researches have shown that companies with a higher corporate governance (based on developed indices) were performing better and had higher market value (Bauer and Guenster, 2003; Beiner et al., 2004; Schmidt and Zimmermann, 2004). Moreover, a portfolio of companies with better corporate governance delivered a 2.1 per cent higher return as compared with companies of poor corporate governance (Bauer and Guenster, 2003).

According to Gatauwa (2008), the study found that good corporate governance will lead to lower firm risk and subsequently to a lower cost of capital. The study also found that separation of ownership and control maximizes shareholders wealth.

5.3 Findings on the effect of board size on performance of the firm

The results revealed that the respondents agreed that the larger board complicated the monitoring expenses, and poor communication as shown by the mean of 1.7222. The respondents agreed that the smaller the board of directors the better the firm's performance as shown by the mean of 1.6481 and they agreed that Larger boards are found to be slow in decision making as shown by the mean of 1.5741.

Boards of directors may have a difficulty communicating with each other in a large size board, which causes great detriment to firm performance. Yermack (1996), Eisenberg et al. (1998) and Singh and Davidson (2003) prove that board size has a negative relation with firm performance.

5.4 Findings on CEO Duality and performance of the firm

The results in table 11 show that 50% of respondents agreed to a great extent that CEO duality may influence the Board for his own interest instead of the interest of the whole company, 44.4% of respondents agreed to a very extent this statement. The respondents moderate agreed this statement on 5.6%.

According to Dahya et al. (1996), as the chairman serves as the executive, playing roles of decision-maker and supervisor simultaneously, the board could lose its independence and monitoring power, consequence performing a weak function as a bulwark against agency problems. Daliy and Dalton (1993), attest to that CEO duality seems to deteriorate firm performance.

5.5 Conclusions

The study concludes that Board composition, Board size, and CEO Duality are the components of corporate governance and have the significant effect on performance of the firm. The results revealed that the Board composition correlate to performance of the firm.

The study further concluded that the board size has an effect on performance of the firm. The larger board size may deteriorate the performance of the firm.

The study also concludes that the CEO duality influence the performance of the firm.

5.6 Recommendation

This study examined effects of corporate governance on performance of the insurance company in Kampala case study of CIC General insurance (U) Ltd. From the practice perspective, this study recommends that the management of CIC General insurance (U) Ltd should maintain good governance towards the better performance of the firm by taking note that the influence of executive members is strong since they are the ones that compose the board of directors.

Management should note that the board size should be kept small for better firm's performance.

The CEO of CIC General insurance (U) Ltd should not be the chairman board of directors as it is therefore maintain it.

Academics and practitioners can use the findings of this study to fully understand how corporate governance of the firm may increase the performance of insurance company.

5.7 Suggestion for further Researchers

Research should be carried out that also includes those companies in other sectors to establish if hey also consider the good governance as the important tool of performance. The research may ›e carried out on the effect of cooperate governance on financial performance of commercial ›anks in Kampala.

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LIST OF APPENDICES

Appendix 1: Questionnaire to be filled by the stockholders of CIC General Insurance Uganda Company.

Dear Respondent,

My name is Asiimwe Joan, a student of Kampala International University. I am carrying out the Research on the **"Effect of cooperate governance on performance of the insurance companies in Kampala"** case study of CIC General Insurance (U) Ltd as a partial fulfillment of the requirement for the award of a Bachelor's degree. The questionnaire items are about the study and I kindly request you to participate in responding to the questions below to help me get the information needed in my research. The information given will be treated as confidential and the results of the study will be used for academic research purposes only.

PART A: DEMOGRAPHICS

1. What is your gender?

Female ☐ Male ☐

2. In which age group do you belong?

Below 16 ☐ Years 16-35 ☐ Years 36 -55 ☐ Years above 55 ☐

3. Number of years served in CIC General insurance (U) Ltd

) – 1 year ☐ 1 – 2 years ☐ 2 – 3 years ☐ over 3 years ☐

4. What is the highest education you achieved?

;econdary level ☐ Bachelor's degree ☐ Master's degree ☐ Above ☐

. What position do you hold in CIC General Insurance (U) Ltd?

Aanaging Director ☐ Board member ☐ Accountant ☐ Internal Auditor ☐

enior staff ☐

PART B: CORPORATE GOVERNANCE AND FINANCIAL PERFROMANCE.

BOARD COMPOSITION

Variables	SA	A	D	SD
The BODs of CIC General Insurance (U) Ltd are competent to sustain the long running of the company				
There are people in the Board of Directors who had experience and knowledge on the financial sector especially insurance industry before their appointment				
The Board of Directors understands and implements the vision and mission of CIC General Insurance (U) Ltd				
The decisions taken by the BODs are strong towards the vision and mission achievement of the company				
The influence of executive members is strong since they are the ones who compose the Board of Directors				
The presence of insiders in the compensation committees increases the probability of making decisions in favor of the CEO's interests				
Separating CEO and Chairman roles is in the shareholders' interest				
ndependent outside directors make decisions for the nterest of the whole company				

BOARD SIZE

Variables	SA	A	D	SD
The board composition influence the performance of the insurance company				
The size of board of directors large				
Medium- aged members compose the BOD of CIC General Insurance (U) Ltd				

What is the effect of board size on performance of the Insurance Company?

	SA	A	D	SD
The smaller the board of directors the better the firm's performance				
Larger boards are found to be slow in decision making				
The larger board complicated the monitoring expenses, and poor communication				

CEO DUALITY

Variables	SA	A	D	SD
The CEO of CIC General insurance (U) Ltd is the Chairman of the Board of Directors				
To a greater extent, the Chief Executive Officer (CEO) duality is dropping down the performance of the insurance company				
To a greater extent, the corporate governance relates to the financial performance of your company				

In which manner does the corporate governance influence the performance of your company?

Variables	SA	A	D	SD
Customers increase				
Increase of market share				
On time service delivery				
Customer satisfaction				
High productivity and product quality				
High New product innovation				
High Competence and integrity of managers				
High Moral and firm wide culture				
Good reputation of the institution				
Education and training to executive and non-executive directors as well as community				

Financial performance of the company

Variables	SA	A	D	SD
CIC General Insurance (U) Ltd company leadership ıffect the financial performance of the company				

Secondary data

Variables	2010-2011(%)	2012-2013(%)	2014-2015(%)	2016(%)
ROA				
ROE				

Thank you very much for your participation

APPENDIX II

TIME FRAME

March 2017- May, 2017 **Time Frame**

Activity	March	April	May	June
Preparation • Identifying the topic • Choosing a case study • Visiting the case study				
• Literature Reviewing • Designing the study methodology • Designing the questionnaires and interviews • Preparation and testing of data collection tools				
Proposal writing Printing Printing 1st draft Submitting Report proposal				
Research from the field Dissertation writing Submitting of the dissertation				

APPENDIX III

INTRODUCTION LETTER FROM KAMPALA INTERNATIONAL UNIVERSITY

KAMPALA INTERNATIONAL UNIVERSITY

Ggaba Road, Kansanga* PO BOX 20000 Kampala, Uganda
Tel: +256 777 295 599, Fax: +256 (0) 41 - 501 974
E-mail: mugumetm@gmail.com,
* Website: http://www.kiu.ac.ug

COLLEGE OF ECONOMICS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE

MAY, 08TH 2017

To whom it may concern

Dear Sir/Madam,

RE: **INTRODUCTORY LETTER FOR ASIIMWE JOAN, REG NO. BBA/47744/133/DU**

This is to introduce to you the above named student, who is a bonafide student of Kampala International University pursuing a Bachelor's Degree in Business Administration, Third year Second semester.

The purpose of this letter is to request you avail her with all the necessary assistance regarding her research.

Topic: - **THE EFFECT OF CORPORATE GOVERNANCE ON THE PERFORMANCE OF INSURANCE COMPANIES IN KAMPALA.**

Case Study: - **CIC GENERAL INSURANCE UGANDA LIMITED.**

Any information shared with her from your organization shall be treated with utmost confidentiality.

We shall be grateful for your positive response.

Yours truly,

Dr. KIRABO KYEYUNE BOUNTY JOSEPH
HOD – ACCOUNTING & FINANCE
0772323344

APPENDIX IV

ACCEPTANCE LETTER FROM CIC GENERAL INSURANCE (U) LTD

We keep our word

CIC GENERAL INSURANCE (U) LTD

AHA Building-1st Floor, Plot 7 Lourdel road Nakasero
P. O. Box 34975 Kampala-Uganda
Tel: +256 200 900 100
+256 392 175 046
Email: cic@ug.cicinsurancegroup.com
Website: www.cic.co.ke

MAY 24TH 2017

KAMPALA INTERNATIONAL UNIVERSITY,
COLLEGE OF ECONOMICS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE

Dear Sir/Madam,

RE: ACCEPTANCE LETTER FOR ASIIMWE JOAN REG NO. BBA/47744/133/DU

This letter serves as acceptance for the above named student from your University to undertake research on the effect of corporate governance on the performance of insurance companies in Kampala with reference to CIC General Insurance Uganda Limited.

We promise to provide her with all the necessary support as far as her research is concerned.

Yours sincerely,

24 MAY 2017

EKATAN JOSEPH
DISTRIBUTION MANAGER

UGANDA • KENYA • SOUTH SUDAN • MALAWI