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Corporate Governance and Performance of Listed Firms on the Uganda Securities Exchange

Theory presupposes that corporate governance is positively related to firm performance. However, empirical findings on this reveal mixed results. Yet, corporate failures have been witnessed in Uganda despite the existence of corporate governance guidelines. So, the major objective of this study was to investigate the relationship between corporate governance (using board size, board independence, board activity and CEO duality) and performance of listed firms on the Uganda Securities Exchange. Using non-probability sampling methods, eight listed firms were conveniently selected for this study. Panel data (cross-sectional and time series) were collected using a self-administered questionnaire and review of the firms' audited annual reports and analysed using descriptive, correlation and regression techniques. The findings showed that the relationship between board size and corporate governance was positive and significant; the relationship between board independence and firm performance was positive and significant; the relationship between board activity and performance was positive but insignificant; and the relationship between CEO duality and performance was positive and significant. Therefore, if listed firms have to improve firm performance, then they will have to address specific board factors including board size, board independence and CEO duality.

Key words: Governance, Firm, Securities, Corporate