

**CORPORATE GOVERNANCE PRACTICES AND PERFORMANCE OF  
KAMPALA CAPITAL CITY AUTHORITY (UGANDA)  
AND CITY OF KIGALI (RWANDA):  
A CORRELATIONAL COMPARATIVE STUDY**

**By**

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**Approval**

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**Table I: Incorporated reviewers and panel comments**

<b>Aspect</b>	<b>Reviewer 1</b>	<b>Reviewer 2</b>	<b>Reviewer 3</b>	<b>Panel</b>
<b>Prelim issues</b>	<ul style="list-style-type: none"> <li>Title was not rephrased as recommended by one reviewer because it captured all research variables and was well articulated</li> </ul>	<ul style="list-style-type: none"> <li>Title page formatted following UTAMU's format</li> </ul>	<ul style="list-style-type: none"> <li>Title page formatted following UTAMU's format</li> </ul>	
<b>Intro</b>	<ul style="list-style-type: none"> <li>Discussion started from governance and corporate governance perspective</li> <li>Corporate governance theories that highlight implications of effective governance for city performance discussed</li> <li>Complimentary and conflicting assumptions of theories indicated</li> <li>Differences in rates of development, ranking and performance given as reasons for studying KCCA and Kigali City</li> <li>Problem statement shows that differences in the performance of the two cities, despite similar governance structures, may be due to lack of knowledge about the implications of different corporate governance practices</li> <li>Purpose, objectives, questions, hypotheses rephrased to show comparison of two cities</li> </ul>	<ul style="list-style-type: none"> <li>Problem statement revised to one page</li> </ul>	<ul style="list-style-type: none"> <li>Differences in the performance of the two cities given under contextual background</li> <li>Theoretical orientation more pointed and number of theories reduced to 4 that more clearly bring out the IV and DV</li> <li>Differences in rates of development, ranking and performance given as reasons for studying KCCA and Kigali City</li> <li>Comparison of two cities on IV and DV indicated purpose</li> <li>Purpose, objectives, questions, hypotheses rephrased to show comparison of two cities</li> <li>Conceptual framework simplified</li> <li>Arrows made clearer</li> </ul>	<ul style="list-style-type: none"> <li>Problem statement breaks down governance and performance</li> <li>Variation in rates of development, ranking and performance given as reasons for studying KCCA and Kigali City</li> <li>Purpose, objectives, questions, hypotheses rephrased to show comparison of two cities</li> </ul>
<b>Lit</b>				<ul style="list-style-type: none"> <li>Philosophical underpinning of the study brought out</li> <li>Governance of other renowned African cities reviewed</li> </ul>

				<ul style="list-style-type: none"> <li>Relationship between different variables captured</li> </ul>
<b>Methods</b>	<ul style="list-style-type: none"> <li>Robust statistical analyses, regression, ANOVA, t-test adopted to enable scientific conclusion</li> <li>Sample separated into random and non-random</li> <li>Instruments improved based on earlier comments</li> </ul>		<ul style="list-style-type: none"> <li>Comparative design adopted</li> <li>City politicians changed to city council members</li> <li>Population and sample figures given and appropriate sampling methods</li> <li>Language for all instruments simplified</li> <li>Opinion on stakeholders' participation in the cities included in Instrument for Citizens</li> </ul>	<ul style="list-style-type: none"> <li>Criteria were used to select all categories of sample size explained</li> <li>Questions in all instruments simplified</li> </ul>

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This study seeks to explore the role and implications of corporate governance practices in the performance of public sector institutions in developing countries, taking two capital cities in the East Africa region – Kampala and Kigali – as case studies. This study is motivated by the need to examine how corporate governance practices can be used to explain the performance of cities that have adopted similar governance practices. Moreover, the existence differences in stability and performance of the two cities (Kanyehamba, 2012; Kanyamanza, 2005) make it imperative for an empirical study, especially in comparative terms. The emergence of the New Public Management (NPM) doctrines of the 1980s necessitated public institutions such as cities to adopt, in their running, corporate governance practices from the private sector. While several applications of NPM doctrines have been applied in city governance, empirical studies attempting to examine the contribution of corporate governance practices to city performance are rather limited. This has often left a knowledge gap and yet it is such information that policy makers and managers need to fix the urgent performance and service delivery challenges of cities.

Given the fact that corporate governance encompasses the separation of powers, accountability of management, leadership collaboration and stakeholder participation in the process of managing institutions, a number of African cities, including Kampala and Kigali, have adopted it (Blanco, 2013). However, studies (DiGaetano & Strom, 2003, p. 37-51) indicate a variation in the adoption of governance practices that has often affected

accountability, collaboration and stakeholder participation. This has subsequently slowed the pace of urban development, performance and service delivery (Colley *et al.*, 2005).

The heavy responsibilities placed on cities in Africa require them to have very efficient governments. In order to conform to international performance standards, cities are required to define and detail administration and management procedures that support infrastructure development, e.g. public-private-partnerships, service provision and the overall economic sustainability of cities (Kanyehamba, 2012). This requires city governments to have innovative, effective ways of planning, governing and regulation derived from modern governance practices (Cameron, 2005). Furthermore, city governments need coherent and more effective strategies to deal with urban issues (Blanco, 2013). Subsequently, cities in Uganda and Rwanda have adopted governance structures adapted from localised principles of corporate governance (Judge, 2010). There is need to establish the differences in the performance of cities that are caused by adopting different corporate governance practices.

This first introductory chapter presents the context and insight into the research problem; the statement of the problem; the purpose of the study; research objectives; research questions; scope of the study; significance of the study; and justification of the study. Therefore, the starting point is to provide a detailed background and rationale for the study and operational definition of key terms and concepts.

## **1.2 Background to the Study**

### **1.2.1 Historical background**

The concern among stakeholders for cities to provide more efficient services has enhanced the need for more effective urban governance. In addition, global pressure for African cities to meet international city performance has motivated cities to try governance structures that will improve their service delivery. Traditionally, cities in East Africa were under the total management of the central government. Central governments made policies and recruited bureaucrats to manage departments that delivered services to the city (Goodfellow, 2011, p. 8). This top-down approach prompted an idealised way of managing cities by seeking a covering-law-like comprehensive rationality to make plans for urban development. In this governance structure, the central government was the major stakeholder and cities strove to meet performance standards that were set by government. City governments endeavoured to make capital cities decent political seats of the central government (Kanyeihamba, 2012, p. 2). In this, other stakeholders and differences among them were ignored since the central government made and imposed rules governing service delivery and urban development (Swyngedouw, 2005).

In the 1990s, East African countries started adopting decentralisation and most cities became local government units. Therefore, the role of the central government in the management of cities changed. The central government became a mere stakeholder needing to take into account the idiosyncratic characters of other stakeholders. The rules on which cities were governed were now made by multiple stakeholders. A complex, bottom-up and inclusive approach to city governance became operative. Blanco (2013, p. 145) argues that in a decentralised environment, cities have both private and common pool (public) resources. The central government's role in city governance becomes that of ensuring that collective choices

and actions are made regarding the use of public resources. Therefore, the central government operates through policies, a government ministry or a city management body to ensure commitment from the participating parties on the effective distribution and use of collective goods (Vinten, 2001).

The performance of municipal levels of government is receiving renewed emphasis, especially in developing countries, owing to recent moves to promote efficiency and the redistribution of resources in urban areas. According to Grusky (1963, p. 68), interest in the performance of cities began in the 1950s, when central governments began funding large proportions of city budgets. The goals for local governments were then perceived as providing the best and safest services at the most efficient cost, with clear accountability on behalf of taxpayers. Performance measurement was then introduced as a way to ensure that cities achieved their goals. This made city governments more accountable to stakeholders. Most cities in the world are now performance-oriented since their major service goal is to be efficient and deliver value for local services. The mission statements of Kampala and Kigali (Kampala City Development Plan, 2015; Kigali City Development Plan, 2013) also show that the two cities are performance-oriented. The two cities aim at providing the best services possible to taxpayers, and have mechanisms for letting them know how their tax is spent and how the services of the two cities compare year-to-year.

In Africa, the high rate of growth of cities has attracted interest in city performance. Pierre (2005) indicates that large metropolises have sprouted in Africa and are getting even more complex. More and more people in Africa prefer to reside in cities rather than rural areas owing to the qualitative changes in the physical and non-physical settings in cities. This scenario has increased the need for city governments to make improvements in the services offered in public facilities and job opportunities.

In order to have more inclusive and collaborative city governance structures and meet the demands of stakeholders more fully, a number of cities in Africa adopted principles of corporate governance by the year 2000. Currently, corporate governance is an established institutional governance mechanism in most African countries (Scott, 2009).

The roots of corporate governance can be traced from Adam Smith (1776), when he advised that the objectives of the owners of business organisations can be diluted than ideally fulfilled when organisations are controlled by a person or group of persons other than the owners. Smith advocated for business organisations having governance structures that separate ownership from management. Berle and Means (1932), however, initiated a discussion on the separation of ownership and control in large corporations. Berle and Means (1932, p.64) argued that as ownership of business organisations got increasingly held by different individuals, the industry became consolidated and hence the checks to limit the use of power tended to disappear. Jensen and Meckling (1976) developed the concern of ownership-control separation into a fully fledged agency problem. Jensen and Meckling (1976, p. 67) identified managers as the agents who are employed to work to maximise the returns to the shareholders. The shareholders were the principals. Jensen and Meckling (1976, p.78) assumed that as agents do not own the corporation's resources, they could commit 'moral hazards' (such as shirking duties to enjoy leisure and hiding inefficiency to avoid the loss of rewards) merely to enhance their own personal wealth at the cost of their principals. They called this an agency problem. To reduce the potential for such agency problems, Jensen (1983, p.45) advised organisations to have efficient governance structures that enable the principal to transfer some rights to the agent who, in turn, must accept to carry out the duties enshrined in the rights.

In Africa, corporate governance, however, became widely used in public organisations, beginning in the year 2000, owing to the practices advocated by the NPM adherents (Okpara, 2011; Tricker, 2011). The popularity of corporate governance in public institutions resulted from a growing realisation that they need managers to run them and management boards to ensure that the institutions are run effectively and in the right direction (Adams, 2002). Hence, corporate governance has become popular in the non-profit-making institutions in Africa, because it is seen as a strategy for promoting good performance of institutions by preventing poor governance from taking root. Monks and Minow (2004, p. 59-70) argue that the worldwide concern for transparency and accountability in all types of human endeavours has solidified the popularity of corporate governance in public institutions. The concern for public institutions to have practices and procedures that enable them to achieve their objectives and meet stakeholder expectations has enabled corporate governance to find a firm grounding in city governance (Clarke, 2007).

Clarke and de la Rama (2008, p. 56) defend the need for structures through which institutions are directed, administered or controlled. This has made corporate governance relevant in the governance of public institutions. Corporate governance structures have been adopted by urban governments in different parts of the world because they encourage institutions to be more effective by providing accountability and control systems that enhance service delivery (Bain & Band, 1996). Corporate governance has enabled cities in the world to create an enabling environment through which they can explore appropriate technological and development innovations (OECD, 2004). Currently, corporate governance is looked at as an institutional governance framework that can shape the efficiency and stability of urban governance.



### **1.2.2 Theoretical background**

Several theories exist to explain, describe, understand and predict the relationship among study variables. However, in this study, four theories that directly relate to corporate governance and the performance of public institutions are explained. First is the principal-agent theory. According to Jensen and Meckling (1976 p. 125), public institutions such as cities have owners (called principals) and then managers (called agents). This theory advocates for public institutions having governance structures that separate ownership of institutions from management. The theory urges the existence of professional managers to manage institutions on behalf of owners (Kiel & Nicholson, 2003). The agency theory also advocates the setting up of governance rules and incentives to align the behaviour of managers to the desires of stakeholders (Hawley & Williams, 1996). Therefore, the agency theory calls for strong collaboration among city leaders. The theory suggests that, through participation in planning and decision-making, stakeholders of the institutions should have significant powers in the operations of the institutions in order to have an effect on their running (Mallin, 2010).

The stewardship theory supplements the agency theory by advocating a good governance relationship between city leadership and stakeholders. In this theory, city managers act as stewards of shareholders and are expected to protect and maximise the interests of the stakeholders (Lane, Cannella & Lubatkin, 1998). Abdullah and Valentine (2009) argue that stewards (city managers) should integrate their goals for the institutions to succeed. On this basis, the theory considers city councils and CEOs to be not only pro-institution but also to act in the institutions' best interests as opposed to their own selfish interests.

The stakeholder theory holds that public institutions are social entities that affect the welfare of many stakeholders (Kosnik, 1987). Therefore, leaderships of these institutions have an obligation to understand and promote the welfare of stakeholders. The performance of these institutions is subsequently judged by their ability to add value for all their stakeholders (Herman, 1981). This theory advocates participatory governance. Therefore, leaders of city governments have to consider the views and welfare of stakeholders when making decisions (White, 2009).

The institutional performance theory of Cameron (2005) argues that well-performing institutions are those that take seriously the responsibility of setting and pursuing their guiding visions and missions. Scott (2001 p. 17) adds that as social structures, institutions should have strongly held rules supported by more entrenched resources. Berger and Luckmann (1966, p. 87) advise that 'effective institutions need to have a vision and provide useful change in the institution using the available human and non-human resources'. Kampala and Kigali are urban institutions that were set up by Acts of Parliament to provide basic life services to the stakeholders. As such, they have visions, missions and governance structures that should guide their operations. However, effective operations can only be achieved if the missions and governance structures are followed by the city managers. The agency, stakeholder and institutional performance theories seem to best fit into the study and will, therefore, be explored in more detail in the theoretical review section of Chapter Two.

### **1.2.3 Conceptual background**

The key concepts of the study are corporate governance and performance of cities. Hodson, Marvin, Robinson and Swilling (2012, p.39) define governance as 'the framework in which the institution pursues its goals, objectives and policies in a coherent and coordinated manner'. This framework clarifies the means by which various stakeholders influence

decisions, management is made accountable and to whom. Based on this definition, the governance of a city refers to policies and rules that articulate the rights and responsibilities of various actors, and how they interact. In this case, city governance places emphasis on the process of setting policies and long-term goals as well as the strategies for reaching these goals. Harpham and Boateng (1997, p.68-71) contrast city management with governance when they say that city management is the implementation of a set of objectives pursued by a city on the basis of established governance structures. Management of a city is concerned with the efficiency, performance and quality of operations. Management is more action-oriented and relates to the function of the city management organ. Therefore, the quality of city authority governance does influence the quality of its management and subsequently its performance, hence calling for good collaboration between the two agencies.

The ASX Corporate Governance Council (2007, p.47) defines corporate governance as the '[f]ramework of rules, relationships, systems and processes by which organisations are directed and controlled'. Mwanzia and Wong (2011, p.79), on the other hand, define corporate governance as the 'process by which institutions are directed, controlled and held to account by major stakeholders'. Clarke (2007, p.56) indicates that in public institutions such as cities, a corporate governance framework is intended to enable them to achieve efficiency, stability and security.

Armstrong (2000, p.84) states that '[p]erformance is a multidimensional construct that relates to the outcomes of work done by an individual or institution'. On the other hand, institutional performance is the extent to which various actors contribute to the strategic goals of the institution, such as the provision of life utilities and urban infrastructure (Rogers, 1994). Murray *et al.* (2002) further clarify the concept of institutional performance when they argue that institutional performance originated in the Management by Objectives (MBO) school of

thought that emphasises key result areas (KRAs) and key tasks measured against given performance standards. According to DiGaetano and Strom (2003, p.37), city performance is the efficient and effective provision of services in the core service areas. The Ministry of Municipal Affairs and Housing, Canada (2007 p. 8) adds that efficiency and effectiveness are viewed in process, service and output terms. Though the core service areas may slightly differ from city to city, they normally include corporate governance and management, the provision of clean, safe drinking water, a healthy environment, a vibrant sustainable economy, quality city services, mobility and connectivity, quality-of-life amenities, safe community and social justice (Hodson *et al.*, 2012). The core service areas of Kampala and Kigali are related to the ones mentioned above. Kampala City Development Plan (2015, p.12) shows that the city's key service areas include economic growth an integrated city transport infrastructure; a planned and green urban environment; social development; health and education; and operational excellence and governance.

The Kigali City Development Plan (2013, p. 13) shows that the city's core service areas are: transport; water and sanitation; health; environment and natural resources; social protection; ICT; education; youth development; justice, law and order; and public sector development. Therefore, the performance of a city is measured in terms of its ability to accomplish the official aims of efficiently providing quality services and effectively managing city resources. This view of city performance and its measurement will be adopted in defining and measuring the performance of Kampala and Kigali.

#### **1.2.4 Contextual background**

In Uganda, Kampala capital city became fully decentralised in 2010 (KCCA Act, 2010 p.7 ). The 2010 KCCA Act formed Kampala Capital City Authority (KCCA) and divided the city into five political and administrative divisions, namely Nakawa, Kawempe, Makindye,

Rubaga and Kampala Central. The Act further devolved a total of 29 public service delivery functions to division local governments called urban councils. Some of the devolved services that were formerly managed by the central government include poverty eradication, health education, immunisation, primary and nursery education and environment care and protection.

The Act transferred the city administration from the Ministry of Local Government, where it was supervised like any other local government, and made it an authority supervised by the central government through the Minister responsible for Kampala in the office of the Presidency. The government was prompted by deteriorating levels of service delivery, lack of institutional accountability and poor urban governance that left the city in a deplorable state. This led to the consolidation of all the six vote functions and corresponding accounting responsibilities into one vote 122, with the Executive Director as the accounting officer in accordance with section 19 of the **KCC** Act and section 8 of the Public Finance and Accountability of the Budget Act.

**Comment [j1]:** KCCA

KCCA has elected and appointed officers (KCCA Development Plan, 2015). The authority is headed by the Lord Mayor, who is an elected officer. The Lord Mayor presides over the authority meetings. He also convenes council meetings to discuss the performance and various policy issues intended to streamline the delivery of public services. The authority has nine sub-committees that report to the authority council. At division level, each division has an elected mayor who is the political head with a town clerk as the head of the division technical team. Elected councillors from the divisions make up the authority's council. According to section 17 (2) of the KCCA 2010 Act, the Executive Director, appointed by the President, is the chief executive officer of the authority. The functions of the Executive Director are more or less the same as those of the Chief Administrative Officers (CAOs) at district level, as provided for under section 63 of the Local Government Act (Uganda Radio

Network, 2015). The mandate of KCCA is to administer the mobilisation of revenue, promote and control physical development in the city and promote socio-economic development with the basic view to promote the delivery of vital and accessible services to the citizenry on behalf of the central government.

However, Kampala still has significant governance and performance challenges. While the council is the supreme governing body and city management reports to the council, the central government still appoints city management. This practically means that city management is responsible to the central government. This has made it difficult for the council to supervise city management. Currently the Lord Mayor, who is the head of the authority, is out of office owing to technical and operations-related disagreements between him, the councillors and the Executive Director. The KCC Annual Report (2012, p. 12) reports the lack of a system of accountability manifested in inflated claims, forgery of documents and fraud in payments for undelivered services. Mismanagement of revenue collection, a procurement system fraught with legal breaches and inefficiencies as well as poor contract management still exist in KCCA (KCC Annual Report, 2012). Kashaka (2014) further mentions the existence of poor performance in terms of fraud in payments for undelivered services in KCCA. This scenario has negatively affected budgets for service delivery and policy implementation. Mismanagement of revenue collection and inefficiencies in contract management has resulted in poor service delivery by KCCA. Kampala has become difficult to manage. In most parts of the city, housing space is limited, resulting in high rents and crowded conditions. Currently, the majority of city dwellers are impoverished and live in poor health and sanitary conditions (Kashaka, 2014). Other life amenities such as water, electricity and the internet are generally expensive and must be shared among many people (Kanyamanza, 2014).

Comment [j2]: KCCA

Comment [j3]: KCCA

In Rwanda, the City of Kigali was decentralised in 2006 under Law N°10/2006 that determines the structure, organisation and functioning of the City of Kigali. The city's oversight was transferred to the Ministry of Local Government. Administratively, Rwanda is divided into four provinces and the City of Kigali. The provinces are the Southern Province, Northern Province, Eastern Province and Western Province. The provinces and City of Kigali are further divided into districts, sectors, cells and villages.

The City of Kigali is divided into three districts, i.e. Gasabo district, Kicukiro district and Nyarugenge district, which are equivalent to divisions in Kampala (Kigali City Development Plan, 2013). The City of Kigali operates as a local government province. The administrative structure consists of the Council of the City, the Executive Committee, Security Committee and Executive Secretariat. The city is run by the Council of the City of Kigali that is composed of 31 councillors. Law N°10/2006, which determines the structure, organisation and functioning of the City of Kigali, indicates that the council is responsible for the development, housing and organisation of the city as well as the provision of utility services. The council is run by a bureau composed of a chairperson, a deputy chairperson and a secretary. The members of the council elect from among themselves a bureau in accordance with the law N°10/2006 instituting the organisation of elections of leaders at the level of the local administrative entities. The City Council of Kigali has powers and responsibilities to establish regulations to be followed in the City of Kigali, and to enact bylaws governing the structures of the city. The districts, sectors, cells and villages in the city serve as constituencies and hence provide an important vehicle for the citizens' voice. Given that the city also serves as a province, it is the focus of the decentralised delivery of services. The district, sector, cell and village are the next levels of administration where people participate through their elected representatives.

Performance wise, Kigali seems to be doing better than Kampala. With regard to governance, the city has been able to re-direct and strengthen city management towards resolving city challenges. The council is effectively managing city development, re-organisation, housing as well as the provision of utility services. In Kigali power and legitimacy are distributed among different actors in the city. The city is independent financially and delivers better services. The road network, health facilities, power and water supply in Kigali are among the best in East Africa (Goodfellow, 2011). Current Kigali is the fourth best city in Africa (Arinaitwe Gashugi, 2013).

This difference in the performance of the two cities seems to be emanating from the way they promote collaborative and collective decision-making and decision-taking regarding the provision of collective goods and the allocation of common pool resources. Kampala and Kigali seem to be using different mechanisms that encourage stakeholders to participate in resources allocation. Despite using similar governance frameworks, their actual implementation seems to be producing different performance results.

### **1.3 Statement of the Problem**

Kampala and Kigali cities use governance structures adapted from principles of corporate governance (KCCA, 2010 Act; Law n°10/2006 of 03/03/2006). The two cities use the city council as the supreme governing body and a management body headed by the CEO to do the day-to-day running of the city that reports to the council. Kampala still has significant governance and service delivery challenges compared to Kigali. Kampala has an unclear separation of powers, poor accountability by management, low leadership collaboration and low stakeholder participation. Kashaka (2014) mentions uncoordinated housing and infrastructure development that often result in high rents and crowded conditions. The



majority of city dwellers are impoverished and live in poor health and sanitary conditions (KCCA Annual Report, 2012). Life amenities such as water, electricity and the internet are generally expensive and must be shared among many people (Kanyamanza, 2014).

In contrast, Kigali is more independent financially and delivers better services (Ndayisaba, 2013). The road network, health facilities, power and water supply in Kigali are among the best in East Africa (Goodfellow, 2011). Currently Kigali is the fourth best city in Africa (Gashugi, 2013). It is likely that lack of knowledge about the implications of different corporate governance practices introduced in the two cities is influencing differences in the level of performance more than anticipated. Meanwhile, a limited number of empirical studies have been done on how corporate governance could explain performance and its variations in Kampala and Kigali, yet it is that kind of information that could guide policy decision-making. This creates a knowledge gap that this study intends to fill.

#### **1.4 General Objective**

This study will explore and compare the role of corporate governance practices and their implications for the performance of Kampala and Kigali cities in East Africa.

#### **1.5 Specific Objectives**

To achieve the general objectives, the research will address the following specific objectives:

- i) To find out how the influence of governance structures on performance differs between KCCA and the City of Kigali.
- ii) To establish differences in the relationship between leadership collaboration and the performance of KCCA and the City of Kigali.

- iii) To compare how stakeholder participation influences the performance of KCCA and the City of Kigali.

### **1.6 Research Questions**

The study will seek to answer the following research questions:

- i) What differences exist in the influence of governance structures on the performance of KCCA and the City of Kigali?
- ii) How does the relationship between leadership collaboration and performance differ in KCCA and the City of Kigali?
- iii) How does stakeholder participation account for the differences in performance between KCCA and the City of Kigali?

### **1.7 Research Hypotheses**

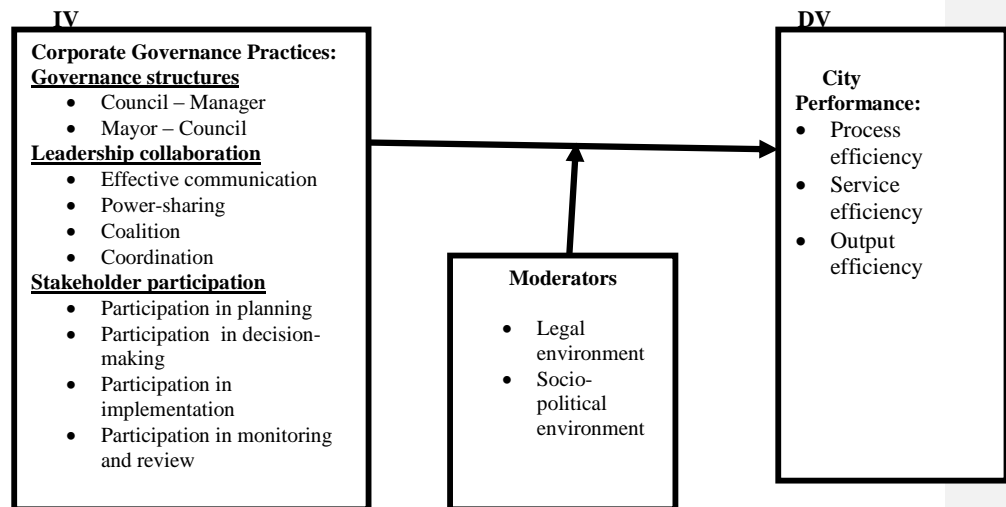
Specifically, the study will test the following hypotheses:

- a) Significant differences exist in governance structures and their influence on the performance of Kampala and Kigali.
- b) Significant differences exist in leadership collaboration and it affects the performance of Kampala and Kigali.
- c) There is a significant difference in stakeholder participation and its contribution to the performance of Kampala and Kigali.

### **1.8 Conceptual Framework**

Figure 1 below gives a graphical conceptual representation of the variables of study and how they relate to one another. The independent variable is corporate governance

practices while the dependent variable is performance of cities. The moderating variable is the legal and the socio-political environment in which the institutions operate.



**Figure 1: The Conceptual Framework: Adapted from DiGaetano & Strom (2003), Hodson *et al.* (2012) and Cameron (2005) and modified by the researcher**

According to the diagram above, governance structures, leadership collaboration and stakeholder participation have been singled out as corporate governance practices that could cause differences in the performance of cities. DiGaetano and Strom (2003, p. 167) argue that the performance of cities depends on governance structures are implemented to enhance meeting of core service goals of the city, collaboration of leaders and support for stakeholders' participation. Stoker (1998, p. 58) adds that in cities where the mayor and city chief executive collaborate effectively, there is higher service and output efficiency. Effective communication and willingness for leadership to share power enable the city to implement city development plans in a timely manner and efficiently (Swyngedouw, 2005). This

subsequently results in good urban infrastructure (networks of electricity, water). According to Hodson *et al.* (2012, p.89 ), stakeholder participation in planning, decision-making, implementation and monitoring enables better needs identification, prioritisation and accountability by city managers. This in the long run improves the quality of daily urban life (Cameron, 2005). Thus, Fischer (2006, p. 145) recommends that cities adopt governance structures that promote more stakeholder participation in decision-making and increasing accountability and transparency of city managers. This normally results in good city performance exhibited as process (policy implementation), service (quality services) and output efficiency (achievement of institutional objectives and performance goals) (Hodson et.al, 2012). Therefore, sustainable governance structures can enable cities to move towards more sustainable ways of service provision. This relationship is moderated by the legal and socio-political environment in which the city is situated.

### **1.9 Significance of the Study**

The findings of this study will shed more light on the role of governance practices in the performance of cities in decentralised environments. Thus, the findings may be used to evaluate the current governance practices in the governance of Kampala and Kigali. The findings will also highlight the strengths and weaknesses of the current governance practices in the governance of Kampala and Kigali. This will enable the responsible central government ministries to initiate programmes to amend governance guidelines.

The findings of this study will hopefully add to the existing body of knowledge and fill a gap in the corporate governance and performance of city authorities' literature through making special reference to a comparison between two prominent East African cities. The results will offer important insights to other city authorities in Africa that are decentralised.

### **1.10 Justification of the Study**

City authorities play a very important role in the lives of city dwellers. They provide services that contribute positively to the quality of life of their citizens, particularly those who work and reside in the cities. Cities also accommodate many businesses that support important sectors of the economy. Additionally, city authorities provide employment for many people and a market to many suppliers. Viewed in this perspective, it becomes evident that effective governance of city authorities benefits many stakeholders. Therefore, a study on corporate governance practices and performance of city authorities is worthwhile and merits attention.

Kampala and Kigali city authorities need empirical data that will be used to improve their effectiveness so that they become more competitive both in the East African Common Market and the world at large. This could be achieved through the effective implementation of corporate governance practices on their part, thus improving their performance.

City authorities are required to meet specific quality assurance governance practices in the global village. In addition, central governments fund more than 70 per cent of the operations of city authorities. Given that this is taxpayers' money, the authorities have an obligation to comply with the accountability and transparency requirements of public institutions. The Ugandan and Rwandan governments demand that governance be exercised in the best way possible, but there is limited available evidence to assist city authorities in facing this specific need. Therefore, it is anticipated that the proposed study will provide valuable information to the central government ministries and departments that oversee the operation of city authorities and enforce city authority governance standards.

## **1.11 Scope of the Study**

The scope of the study is presented under the content, geographical and time scopes.

### **1.11.1 Content scope**

The study will explore governance issues related to governance structure, leadership collaboration and stakeholder participation that influence city performance. In relation to governance structures, clarity of lines of authority and respect for lines of responsibility will be explored. As far as leadership collaboration is concerned, the study will establish whether cities have effective communication, power-sharing, coalition and coordination. With regard to stakeholder participation, participation in planning, decision-making and policy implementation will be explored. Three indicators of city performance will be measured. These are process, service and efficiency.

### **1.11.2 Geographical scope**

The study will be conducted in Kampala and Kigali city authorities located in the East African Common Market. A total of three of the five divisions that constitute Kampala Capital City Authority (KCCA) and three districts that form the City of Kigali will be studied. The study will explore and compare corporate governance practices and their influence on the performance of the two cities.

KCCA will be included in the study because the KCCA 2010 Act brings in direct intervention by the central government through the ministry in charge of the presidency and the Executive Director. This implies that KCCA is both a modified local government and a government department. Kigali City will be included in the study because it operates purely

as a modified local government with minimal central government intervention. Given the fact that Kigali has operated as a decentralised city authority longer (since 2006) than Kampala, and that it also reports fewer governance challenges and better performance, it will be a good case for comparison with Kampala.

### **1.11.3 Time scope**

The study will consider corporate governance in Kampala and Kigali cities from 2006 to 2015. This time period will be appropriate to capture governance issues in the two cities. KCCA came into operation in 2011 and the City of Kigali came into being in 2006 under Law n°10/2006 of 03/03/2006 as amended to-date. Therefore, within this time period, governance structures affecting the organisation and functioning of the city can be effectively explored.

### **1.12 Definition of Key Terms**

Key terms used in the research are defined operationally, i.e. the way they will be used in the study.

**Corporate governance** is the process by which institutions are directed, controlled and held to account (Cadbury, 1992).

**Best practices** are practices that have proved to be of value over time, which are more creative and effective than all other similar practices (Cortada & Woods, 1995).

**Governance structure** refers to policies and rules that articulate the rights and responsibilities of various actors in the governance of an institution, and how they interact (Cameron, 2005).

**Institutional performance** is the systematic, explicit and documented process of measuring performance against the mission in all aspects of an institution (DiGaetano & Strom, 2003).

**Participatory governance** is the extent to which different stakeholders are taken into account in the decision-making process of city authorities (Fielden, 2008).



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Introduction

This chapter reviews literature related to the research problem. It first reviews the theories on which this study will be based and the key concepts of the study. It then shows how this research relates to the existing body of knowledge and identifies the gaps existing in the current body of knowledge.

#### 2.2 Theoretical Review

##### 2.2. 1. The agency theory

The ideas of agency theory are attributed to Coase (1937), but the ideals of the theory have been applied to the management of institutions since the 1980s basing on Jensen and Meckling's (1976) principles. According to Jensen and Meckling (1976, p. 156), institutions such as cities have owners (called principals) and then managers (called agents). The theory advocates having governance structures that separate city governance from management. The theory suggests the existence of professional managers to manage cities on behalf of the owners (Kiel & Nicholson, 2003). According to Eisenhardt (1989, p. 123), through the separation of powers, the agency theory analyses and resolves problems that occur in the relationships between principals (owners or shareholders) and their agents or top management.

Therefore, the agency theory calls for clear lines of authority between city government and management. It also emphasises respect for lines of authority. The theory argues that good collaboration among city leaders has a significant influence on city performance. The theory

posits that the purpose of corporate governance is to minimise the potential for managers to act in a manner that is contrary to the interests of shareholders.

The theory suggests that stakeholders in institutions should have significant powers in the operations of the institutions in order to have an effect on the running of the institutions (Mallin, 2010). This theory applies to the governance of Kampala and Kigali. In Kampala and Kigali, the stakeholders are represented by the political head of the city authority, the mayor and the councillors. The city executives, headed by the Executive Director in the case of Kampala and the Executive Secretary in the case of Kigali, are the bureaucrats who perform the technical and management functions of the cities on behalf of the stakeholders. Bureaucrats sometimes act as representatives of the central government and they are the agents. In order for city governance to function effectively, these representatives of the people (city council) should collaborate well with the bureaucrats (city managers). The political leaders should have significant powers in the running of the city. Hunger and Wheelen (2010, p. 176) argue that governance problems are likely to arise in institutions because agents (city managers) are not willing to bear responsibility for their decisions unless they own a substantial amount of interests in the institution. The agency theory also advocates the setting up of governance rules and incentives to align the behaviour of managers to the desires of stakeholders (Hawley & Williams, 1996).

### **2.2.2 Stakeholder theory**

The stakeholder theory sheds light on who has the opportunity to participate in city government decision-making processes. This theory argues that stakeholders can be instrumental in city performance if they are given their moral and legal rights to contribute to the management of cities (Ulrich, 2008). Freeman and Reed (1983, p. 89) assert that ‘the term “stakeholder” can include public interest groups, employees, customers and

shareholders'. Stakeholders can also include key government agencies and particular financial institutions. This theory advocates participatory governance. Participatory governance is the extent to which stakeholders take part in institutional decision-making (Blair, 2000). The theory further asserts that stakeholders who have more attributes (i.e. power, legitimacy and urgency) and higher levels of the attributes would be more salient than those with fewer and lower levels of these attributes (White, 2009). City government officials face competing demands from stakeholders, and they respond to these demands with different priorities (Ulrich, 2008). Involvement decisions are based upon city government officials' response to salient stakeholders who push for participation (Yang & Callahan, 2007). In this vein, stakeholders, such as citizens, businesses and NGOs, compete to have their voices heard. In the end, the most salient stakeholders have the best chance to participate and influence the decision-making process (Mitchell *et al.*, 1997). As mentioned earlier, stakeholder's salience depends on the stakeholder's possession of one or more relationship attributes: power, legitimacy and urgency. Power refers to one's ability to bring about desired outcomes despite resistance. Legitimacy refers to the extent to which an actor's structures and behaviours are socially accepted and expected (Turnbull, 1994). Urgency relates to the dynamics of stakeholder/government interactions. Mitchell *et al.* (1997, p. 34) state to which urgency refers to the extent to which the stakeholder's claim is critical (criticality) and that government delay in attending to the claim or relationship is unacceptable to the stakeholder (time sensitivity). Therefore, leaders of city governments have to consider the views and welfare of stakeholders when making decisions (White, 2009).

### **2.2.3 Institutional performance theory**

The institutional performance theory of Cameron (2005, p. 143) argues that well-performing institutions are those that take seriously the responsibility of setting and pursuing their

guiding visions and missions. Scott (2001, p. 25) adds that '...as social structures, institutions should have strongly held rules supported by more entrenched resources in order to achieve their goals'. Berger and Luckmann (1966, p. 68 ) advise that, for public institutions to perform, they need to have a vision and provide useful change in the institutions using the available human and non-human resources. Kampala and Kigali are urban institutions that were set up by Acts of Parliament to provide basic life services to the stakeholders. Therefore, their missions and goals are very clear as they relate to the delivery of quality city services. As such, their visions, missions and governance structures should guide them towards better service delivery. This can only happen if missions and rules are followed by the city leadership.

DiGaetano and Strom (2003, p.124) define institutional performance as the '...systematic, explicit and documented process of measuring performance against the mission in all aspects of an institution'. A number of models are currently being used to define institutional performance. However, five models have been dominant and these relate to Kampala and Kigali. The first one is the *goal model*. According to Cameron (2005, p. 78), the *goal model* argues that city authorities are effective to the extent to which they accomplish their stated goals. This implies that Kampala and Kigali can be effective when they achieve service delivery goals that they publish to the public. The *resource dependence model* argues that city authorities perform well if they acquire and effectively use needed resources (Latham & Locke, 2002). Kampala and Kigali are partly funded by the central government. Also these cities collect taxes from stakeholders. In this case, they are supposed to use these resources to achieve the stated goals. By doing this, they will be good performers.

On the one hand, the *internal congruence model* by Stoker (1998, p. 132) argues that city authorities are effective when their internal functioning is consistent, efficiently organised,

and without strain. According to this model, city authorities can be effective if they have cohesion (collaboration) among employees, and do not have significant conflicts that may negatively affect policy implementation and service delivery. On the other hand, the *strategic constituency's model* posits that city authorities are effective when they satisfy their dominant stakeholders' or strategic constituencies (Fischer, 2006). The stakeholders of the city authorities are the residents, the central government and employees. The *human relations model* argues that institutional performance should be seen as the extent to which the institution engages members and provides a collaborative climate (DiGaetano & Strom, 2003). The above models place emphasis on cities having structures that enable them to achieve their core service areas. The views postulated by these models will be used to define and measure the performance of city authorities.

### **2.3. Corporate Governance and City Performance**

In order for cities to achieve their performance targets, they need effective governance. Governance is a growing topic within public administration (Morse, 2010). Stoker (1998, p.22) states that 'governance is an interactive process which involves various forms of partnership.' Governance involves multiple agencies that are interconnected to conduct business through collaboration (Lasker, Weiss & Miller, 2001). Principles of corporate governance bring into city governance the separation of powers, leadership collaboration and stakeholder participation – aspects that promote good governance. Corporate governance also emphasises accountability, transparency, direction and control in leadership aspects that promote performance. These aspects are advocated in the governance of public administration institutions in a decentralised environment. Corporate governance recognises the need for checks and balances in the process of managing institutions and it is, therefore, a more comprehensive style of institutional governance. It also highlights the core leadership and governance challenges of accountability and control affecting city performance. Given

the fact that corporate governance influences all the activities of institutions that relate to performance and service delivery, as pointed out by Colley *et al.* (2005, p. 45), it can be a more practical means of governing, directing and controlling cities.

Adopting a corporate governance framework in city governance can also enhance the performance of cities. According to Cameron (2005, p.67), corporate governance enables city leadership to take seriously the responsibility of setting and pursuing their guiding visions and missions. Scott (2001, p. 143) indicates that this practice results in useful change in the institution and effective use of human and non-human resources. Corporate governance forces city managers to strive to achieve service delivery targets by focusing on the interests of stakeholders (Solomon, 2010).

#### **2.4 Governance Structures and Performance of Cities**

City government structures across the world have been evolving into institutional arrangements that unify and strengthen city governance. This effort has resulted in a variety of dimensions of city governance. According to DiGaetano & Strom (2003, p. 89), the common dimensions include the technical, political and institutional. The technical dimension addresses issues of service provision and allocation of resources. The political dimension addresses issues of service provision and allocation of resources. The political dimension is concerned with the establishment of effective leadership, while the institutional dimension promotes collaboration between public administration and stakeholders such as residents and civil society organisations (Cameron, 2005).

Before the 1900s, city government was mainly concerned with the technical dimensions of governance. In this form of governance, the mayor was a bureaucrat who was in most cases appointed to manage the city on behalf of the central government. But from the 1960s concern for both technical and political dimensions came into force. Mayor-council

governments developed. Mayors started being elected and served as chief executive. Though cities had councils, mayors were stronger and had more powers to make policies and decisions regarding city management (Hodson *et al.*, 2012). The Executive Mayor with considerable formal power, some control over resource allocation, and extensive public recognition often became the driving force in mayor-council governments.

At the beginning of the 1990s the institutional dimension came to the forefront. According to Chester (2011, p.45), this dimension addresses the need for legal frameworks and effective mechanisms to meet issues such as corruption as well as the allocation of duties and responsibilities between leadership and managers. The institutional dimension also incorporates the principles of equity, accountability, transparency and participation in leadership. The institutional dimension has been prominent for promoting the council-manager form of government that is common in most cities, both in developing and developed countries (Wikstrom, 2009). In this form of city government, the chief executive officer of the city is the appointed manager. The city mayor is a member of the council and has no formal powers other than to preside over the council and be recognised as the ceremonial head of the city. This model has no separation of powers and was adopted from the unitary form of government. All authority is lodged in the legislative council that delegates authority to the city manager selected by and accountable to the council. The council-manager mayor is analogous to the chairman of the board in corporate governance, important but not crucial to the operation of the organisation (Billy, 2009). There are two important features of this city government that impact on city performance. First, the council and the mayor are constitutionally checking and balancing each other. Second, the mayor does not execute or directly promote the accomplishment of tasks. Thus, the mayor leads by empowering the council and manager rather than seeking power for himself. Kampala and Kigali have adopted this form of city governance.

Studies by Chester (2011, p. 19) and Sparrow (2012, p. 23) indicate that council-manager governance structures can contribute substantially to the performance of cities and the betterment of their communities. However, they caution that this can only happen when the mayor has distinctive leadership qualities. Preconditions for leadership include opportunities for coordination and policy guidance present in the form, personal resourcefulness and drive, and, at the same time, self-restraint, commitment to enhance the position of other participants in the governance process, and flexibility (Cameron, 2005). The mayor should be able to strengthen the other participants in the governing process rather than control or supplant them. Wikstrom (2009, p. 145) notes that, due to the fact that the resources and contribution of the 'chairman' mayor are more difficult to discern, the council-manager cities produce greater conflict between the council and the mayor and create ambiguities about the lines of authority between the elected officials and the manager. Non-executive mayors are also commonly perceived to be doing less than they are or are capable of doing more than they actually can.

The experience of mayor-council cities derived from the USA suggests that dependence on a single leader chosen through the electoral process to provide broad-ranging leadership can lead to poor performance as well as spectacular success (Gompers, Ishii & Metrick, 2003). The council-manager government may be less capable of resolving conflict or coalescing divergent interests, because it lacks a single leader who can forge compromises. Therefore in the council-manager form of government, the mayor's conduct in office can strongly influence how well a council-manager government performs. There is need to establish whether and how KCCA and the City of Kigali have operationalised this form of city governance and whether there is infrastructure to effectively co-ordinate activities at different spatial levels within this structure. Kampala already faces some leadership crises arising from



conflicts between the mayor and the chief executive officer. It is not yet clear whether this conflict arises from the governance structure or from the naivety of the leaders. There is also need to establish the extent to which the conflicts have affected the performance of Kampala. The contextual background of the study indicated that Kigali city has fewer conflicts within its leadership and is performing better than Kampala. It is not clear whether this is due to the differences in the implementation of the principle of separation of powers.

## **2.5 Leadership Collaboration and Performance of Cities**

Collaborative leadership is a growing topic within city governance (Morse, 2010). Salamon (2002, p.2) states that 'collaboration exists when...crucial elements of public authority are shared with nongovernmental and other-governmental actors'. According to Morse (2010 p. 69), '...we live in a world of complex interconnections in which take-charge leaders are no longer effective'. Morse (2010, p.76) defines leadership collaboration as networked relationships between two or more governmental administrative agencies to form mutual comprehension of a greater or singular goal of collaborative action. Therefore, collaboration means to cooperate to achieve common goals, working across boundaries in multi-sector relationships. Cooperation is based on the value of reciprocity.

Studies that were done in Soweto, South Africa and Dar es Salaam, Tanzania indicate that collaboration among city leaders guarantees autonomy and effective employee participation in leadership, which leads to effective service delivery by cities (Blair, 2000). A study by Pierre (2005, p. 75) shows that collaboration among city leaders reduces role conflicts and promotes cordial relationships. This promotes efficiency and effectiveness among employees and subsequently enables cities to achieve core service objectives.

With regard to city governance in Africa, often the path to successful collaboration has been riddled with the proverbial potholes (Cameron, 2005). In most cases, the intended outcomes of the actual collaboration have either underperformed or have not been realised (Morrison, 1996). In order for collaboration to positively influence city performance, it has to be done successfully.

Morrison (2007 p. 69) argues that successful collaboration between agencies should be based on effective communication, where individuals from different disciplines talk together. Morse (2010) argues that co-operation among city agencies, where there is joint working on a case-by-case basis, is crucial. Co-ordination, which involves more formalised joint working, is also needed. Salamon (2002, p.143) adds that coalition, which involves some agencies sacrificing some autonomy, is needed and integration, where agencies merge to create a new joint identity, is essential. Horwath and Morrison (2007, p. 82), however, note that collaborations developed out of political mandates tend to fail. Collaborations produced from legislated partnerships must overcome a series of hurdles to successfully function and achieve the purpose of the organisational relationship. This is due to the involuntary nature of the motivation to work collectively (Luke, 1998).

Horwath and Morrison (2007, p. 98) also advise that trust and relationship-building, intertwined with a sense of entrepreneurship, are key to having effective collaborations (Morse, 2010). Salamon (2002, p. 148) also argues that for leadership collaboration to be effective, leaders have to adopt new public management. New public management emphasises the centrality of public problem-solving and collaborative approaches instead of authority. Agranoff and McGuire (2003 p. 213) add that new public management (a trend in public administration) is centred upon collaboration, with an increased focus on the networks and partnerships through which collaborative efforts arise. City leadership has to be ready to

make a paradigm shift from strictly hierarchical leadership to greater reliance on networking and collaboration across multiple agencies (Morse, 2007).

In the case of governance of Kampala and Kigali cities, it is not clear who has the authority to influence the shaping of the collaboration agenda. The extent to which organisational structures may yield to an interactive process is not well documented. In Kampala an environment of mistrust exists among the mayor, the council and CEO. In this scenario, the information sharing between agencies may be complicated and bound by the practice of confidentiality. The status and perceived power among the city agencies is inherently different owing to the structural arrangements of the city authorities.

## **2.6 Stakeholder Participation and Performance of Cities**

Participation in policy development is an important element of democratic and open societies. Participatory governance is increasingly becoming essential to city performance. Fielden (2008, p.58) states that '[p]articipatory governance is the extent to which different stakeholders are taken into account in the planning, decision-making process and implementation process of an institution'. Stakeholder participation enables city residents and civil society organisations to have a say on how cities are governed, on the decision-making process and how this process functions (Elander, 2002). In the case of city stakeholders, they are divided into four categories: government; businesses; NGOs and CBOs; as well as households and individuals. According to UN Habitat (2002, p.183), the government category may include: central government; central government agencies such as the police; municipal government; and traditional governments such as chiefs. Businesses include: formal sector international; formal sector local; and the informal sector. NGOs and CBOs may include: internationally connected NGOs; formal civil society organisations; religious

organisations; political parties; and local, community-based organisations. The category of households includes city residents and other individual city users. According to Elander (2002, p.124), all these groups of stakeholders need to be represented in city governance.

Stakeholder participation has been widely recognised as important for improving city government planning and project implementation. Stakeholder participation increases the chance for individual voices to be heard (Blair, 2000). Participation promotes open-ended and public-minded discussions that reveal the real needs of stakeholders to city government officials. This motivates officials to put these needs in their city development agendas. In addition, stakeholder participation facilitates government officials' accountability (Handley & Howell-Moroney, 2010, p. 201), exerting either direct or indirect pressure on the officials to be accountable to participating groups. Participation through networking and information-sharing reduces the risk of groups being excluded or isolated (Small & Newman, 2001). For these reasons, participation in city government provides opportunities to influence government for the benefit of stakeholders. However, promoting substantive participation has never been an easy task (Handley & Howell-Moroney, 2010). Public officials' and citizens' diverse interests, commitments and expertise normally become obstacles to civic participation advocate citizen participation because of its potential to enhance governance or promote efficiency and redistribution. The most practical way is to give them the opportunity to have representatives on the city council. In this way city governance will be inclusive and authority would have been assigned to stakeholders. Ruble *et al.* (2005, p. 69) also advise that cities need to have structures in which representatives of stakeholder groups go and consult their members on pertinent issues and then report back to the council. A recent study by Van Dijk (2006, p. 21) done in Johannesburg in South Africa, Harare in Zimbabwe and Lilongwe in Malawi revealed that stakeholder participation in planning and monitoring city projects successfully and sustainably improved the living conditions of the urban poor.

Involving the poor in the decision making process increased the city's understanding of their needs and the ability to meet these needs. In a study done on Cairo, Sharma (2000 p. 168) noted that stakeholder participation in planning and monitoring ensured a trusting relationship between city leaders and stakeholders. This gave the stakeholders the opportunity to demand better accountability from city management. Van Dijk (2006, p. 32) adds that when stakeholders are empowered to communicate their needs more effectively to the city council, they are able to evaluate the performance of the city management in the core service areas. This increases the inclination of city management to provide better services. In Kampala and Kigali, stakeholder groups are represented on the city council. However, important questions arise with regard to their empowerment and their ability to demand accountability from city management. It is also not clear whether all groups have equal participation in city governance; what challenges are faced by various groups in participating in city government decision-making; what is the nature of stakeholder participation adopted in the two cities; and how it influences city performance.

## **2.6 Empirical Studies**

Radical political and economic reforms sweeping through developing countries are forcing them to re-think city governance and adopt structures that promote city performance. A recent study done by Thang *et al.* (2015, p. 28) in Vietnam compared the relationship between stakeholder participation and city performance across cities. The findings revealed that the contribution of stakeholder participation to city performance was better in large cities than in small cities. Owing to the fact that stakeholders in small cities were poorer and had insufficient empowerment, they participated less in planning and decision-making and city managements were not able to effectively meet their needs. On the other hand, stakeholders in larger cities were more organised and presented a unified voice and were able to demand accountability in terms of services from city management. This increased their access to basic

public services. While the study showed that stakeholder participation, especially by citizens, had major significance in the management of current cities in developing countries, it was done among cities with centralised governance. Kampala and Kigali (Kigali City Development Plan, 2015; KCCA Act, 2010) operate in decentralised settings and it is not clear how this affects the quantity and quality of stakeholder participation with regard to demands for better service delivery by city management.

Behrens (2014, p. 37) did a study on the influence of collaboration on city performance. Her findings revealed that collaboration among city leaders is relatively new and did not substantially contribute to city performance. She found that while collaboration produced harmonious integration, it resulted into negatively perceived agency capitulation. She suggests the need to clearly operationalise collaboration as a goal or as an objective for groups if it is to significantly contribute to better city performance. A recent study by Goodfellow (2011, p. 17) compared stakeholder participation in Kampala and Kigali. The study revealed that Kampala stakeholder participation is through regularly mobilised protests and riots by social and economic groups and this negatively contributed to the city's willingness to listen to stakeholders and thus meet their needs. In Kigali, by contrast, stakeholder participation involved collective mobilisation of structured activities and community self-policing, which are more silent. This enabled the stakeholders to hold city management to account and thus management was more inclined towards meeting performance targets.

## **2.7 Literature Summary and Gaps**

Literature has indicated that implementing corporate governance practices by having clear governance structures, collaboration and stakeholder participation can improve the

performance of cities. While this may be true in developed countries, it is not clear how these practices could affect the performance of Kampala and Kigali, cities that operate in decentralised environments. Kampala is currently facing leadership crises arising from conflicts between the Lord Mayor and the chief executive officer. Kigali has issues with clarity of lines of responsibility between the mayor and the city manager. It is not yet clear whether this conflict arises from the governance structure or from the naiveties of the leaders.

In Kampala and Kigali sentiments on collaboration among leaders and stakeholders are still very strong. It is not clear who has the authority to influence the shaping of the collaboration agenda. The extent to which current organisational structures may yield to an interactive process is not well documented. There is still poor understanding of roles and responsibilities and mistrust among city leaders. The level of trust and relationship development is very low, yet they are critical to successful leadership within cities. Both in Kampala and Kigali questions on stakeholder participation still exist. There are questions regarding whether all groups participate equally in city governance. The challenges are faced by various groups in participating in government decision-making and the nature of stakeholder participation adopted in the two cities needs to be established. Also, most studies on corporate governance and city performance cited above have only concentrated on one aspect of corporate governance. There is, therefore, need to explore the effect of the major aspects of corporate governance on city performance.

## CHAPTER THREE

### METHODOLOGY

#### 3.1 Introduction

This chapter focuses on the techniques that will be used to collect and analyse data. It describes the study design, sampling design, and instruments and procedures that will be used in collecting and analysing data.

#### 3.2 Research Design

The study will be a comparative quantitative survey. It will be rooted in the quantitative paradigm. According to Saunders, Lewis and Thornhill (2009 p. 157), the quantitative paradigm assumes that facts can be measured through a specific set of objective methods. It further asserts that there is a single apprehensive reality that can be known, categorised and measured. In line with these views, the research assumes that corporate governance practices and city performance are real occurrences that can be measured using specific methods. Quantitative approaches can be used to measure and analyse causal relationships and differences in phenomena that are consistent across time and context. This is the intention of the study with regard to the variables under study. The study will use a survey research strategy because of the need to have factual quantitative information from a representative sample of a study population (Zikmund, 2010, p. 176).

A comparative -survey approach will be used for this study. Ary and Razavieh (2002, p. 212) state that comparative surveys are primarily conducted with the aim of quantifying and comparing certain factual information so as to establish relationships and differences between



variables and across samples. In this study, objective measurement and quantitative analysis of corporate governance practices and city performance will be made and compared across the two cities. Beyond the quantitative paradigm, the qualitative paradigm will also be used to obtain comprehensive information (Trochim, 2006, p. 45) and interpret understanding of the variables basing on the experiences and perspectives of the respondents. The qualitative paradigm will complement the quantitative paradigm for purposes of clarification, elaboration and enhancement of the findings. Using the paradigm will also enable triangulation, thus enabling the researcher to compare findings from both paradigms (Ary & Razavieh, 2002).

### **3.3. Study Population**

The target population for this study will include city managers, city authority staff, city council members and city residents. On the quantitative aspect, the study will obtain responses representative of city authority staff (Kampala=920, Kigali=820) and city residents (Kampala=1,516,210, Kigali=1,135,388) (see Tables 1 and 2). On the qualitative aspect, the study will obtain rich contextualised understanding of the study constructs through the collection of intensive views from particular selected respondents from city management (Kampala=920, Kigali=820) and council members (Kampala=920, Kigali=820).

### **3.4. Sample Size and Selection**

The Krejcie and Morgan (1970) guide will be used to determine the random sample while the non-random sample will be determined using the saturation. The selection procedure is summarised in the tables below.

**Table 1: Sample categories from Kampala**

Category	Population	Sample	Sampling strategy
<b>Random sample</b>			
City authority staff	920**	274	Stratified random
City residents	1,516,210***	384	Stratified random
<b>Total</b>		<b>658</b>	
<b>Non-random sample</b>			
City managers	10*	Determined during data collection	Purposive
City council members	34*	Determined during data collection	Purposive

\*KCCA (2015). Strategic Plan 2014/15-2018/19

\*\*KCCA (2015). Profile of Kampala Capital City Authority

\*\*\* NPHC 2014 provisional results

**Table 2: Sample categories from Kigali**

Category	Population	Sample	Sampling strategy
<b>Random sample</b>			
City authority staff	820*	265	Stratified random
City residents	1,135,388*	384	Stratified random
<b>Total</b>		<b>649</b>	
<b>Non-random sample</b>			
City managers	7*	Determined during	Purposive

		data collection	
City council members	33*	Determined during data collection	Purposive

\*2012 Population Census Provisional Results

The tables above show that the Kampala random sample will be 658 while that of Kigali will be 649. The final sample size for the non-random samples of city managers and council members will be determined during data collection using saturation. The researcher will collect data from available respondents until no new information is being received.

### 3.5. Sampling Techniques and Procedure

Both random and non-random sampling techniques will be used to select a representative sample. Random sampling strategies give every individual in the population a chance to be part of the sample. This reduces bias and increases the representativeness of the sample. On the other hand, Amin (2005, p. 56) states that non-random sampling strategies enable the researcher to select respondents who have the information. Stratified random sampling will be used to select employees of city authorities and city residents. This method will be used in order to give more respondents in the population a chance to be part of the sample. This technique increases representativeness, which enables the collection of a cross section of data. Purposive sampling will be used to select city managers and council members. This sampling method will be used for this sub-sample in order to collect in-depth responses from respondents who are well informed about the research problem.

### 3.6 Data Collection Methods

Data will be collected from primary sources. Survey methods will be used. A structured questionnaire and key informant interviews (KIIs) will be used to collect data.

### **3.6.1 Survey questionnaire**

A structured questionnaire will be used to collect quantitative data. After being briefed, the respondents will be given a structured questionnaire to complete. As advised by Bush and Ortinau (2000), the questionnaire will have items derived from the study objectives and Likert scale responses. The respondents will tick the responses that best describe corporate governance practices and their influence on the performance of their city.

### **3.6.2 Key informant interviews**

In-depth key informant interviews will be used to collect data from city management and council members. This method is preferred because it enables the collection of reliable, in-depth information. With the use of the interview guide, the researcher will ask key informants selected from top management individually questions derived from the study objectives. The key informants' responses will be written down by a research assistant (Kvale & Brinkmann, 2009; Mugenda & Mugenda, 1999). The real opinions of the respondents on the research problem will be sought. Using appropriate probing, the researcher will seek detailed information that is relevant to the research questions (Amin, 2005).

## **3.7 Data Collection Instruments**

### **3.7.1 Structured questionnaire for city management staff**

A structured questionnaire will be used to collect quantitative data from city authority employees. The questionnaire will have structured items. Structured questions will be used

because they allow the collection of specific data. Using questionnaires will allow respondents some time to reflect on answers to avoid hasty responses (Mugenda & Mugenda, 1990). This will contribute to the accuracy of the data collected.

Section A of the questionnaire will measure the demographic variables of the respondents. The demographic variables that will be measured include employee category, gender, age, education and institutional tenure. Section B will measure the independent variable, i.e. corporate governance practices. Section C, on the other hand, will measure city performance. New scales will be constructed for these items following Saunders *et al.*'s (2003) steps. The construction of new scales will be necessitated by the non-availability of scales for measuring corporate governance practices of cities in East Africa. For all items in sections B and C the respondents will respond on a five-point Likert scale on which 1 will represent 'strongly disagree' and 5 'strongly agree'.

### **3.7.2 Interview guide for city managers and council members**

An interview guide will be used to collect in-depth information from key informants, who will be selected from among city management staff and council members. Interviews will be used because the study targets the respondents' real opinions on the research problems. The interview questions will focus on the major themes of the study (Kvale & Brinkmann, 2009).

### **3.7.3 Structured questionnaire for city residents**

A structured questionnaire will be used to collect quantitative data from city residents. The questionnaire will have structured items that will rate the perceived performance of the city in the eyes of residents. Residents will rate the performance of the city on a scale on which 1 will represent 'strongly disagree' and 5 'strongly agree'.

### **3.8 Pilot Study**

A pilot test was conducted on the instruments and procedure of data collection. The pilot testing ensured that the instruments were valid and reliable and that the participants would respond in accordance with the instructions. The pilot study also tested the best way to handle unanticipated problems, and gauged how long the respondents would take to fill in the questionnaire. The pilot sample included 34 (KCCA=18, Kigali city=16) city management employees and 26 (Kampala = 15, Kigali =11) city residents.

#### **3.8.1 Validity of Instruments**

The instruments were first pre-tested to ensure their face and content validity. To do this, item interpretation and consistency were analysed. The questions found vague were eliminated or rephrased. Any ambiguities, misunderstanding and inadequacies were eliminated (Amin, 2005). With regard to face validity, the words that were used in the instruments were simple, clear and related to the research problem. Complicated terminology was eliminated in the city employees' questionnaire. The whole section on governance structures and collaboration was rephrased to reflect what practically happens in the city. Items on stakeholder participation in monitoring and reviewing service delivery were added to the section for stakeholder participation. The section measuring city performance was rephrased and items measuring the quality of health care services, transport, education, and housing and biodiversity were added. As far as the instrument for city residents is concerned, five items on city performance were rephrased and four items were added to measure residents' participation in city management. Besides, the instrument was made easier to complete and the total time needed to complete it was reduced from 15 to seven minutes.

With regard to content validity, one expert in corporate governance in public institutions from the University of Rwanda and the principal supervisor evaluated the instruments. The items in the instruments were evaluated on a scale on which 1 = relevant, 2 = quite relevant 3 = somehow relevant and 4 = not relevant. A content validity test was used to establish the validity of the instruments. The CVI was measured using the formula: Content validity index (CVI) = Number of items declared valid/Total number of items; and the results are presented in the table below.

**Table 3: Content validity index (CVI) of instruments**

Evaluator	Content validity index		
	Questionnaire for city management employees	Interview guide for city management and council members	Questionnaire for city residents
Expert	0.84	0.79	0.74
Supervisor	0.87	0.82	0.76
<b>Average</b>	<b>0.86</b>	<b>0.81</b>	<b>0.75</b>

*Source: Pilot data*

The average content validity index for the city employees' questionnaire was 0.86, that of the interview guide for city managers and council members was 0.81, and the one for the city residents' questionnaire was 0.75. As recommended by Arya *et al.* (2002, p. 63) and Amin (2005, p. 78), the CVIs for all the instruments were above 0.7, a value recommended for research instruments. Construct validity of most adopted scales (questionnaires for employees and city residents) had been tested and operationalised in prior studies.

### 3.8.2. Reliability

Data from the pilot study was entered in the Statistical Package for Social Sciences (SPSS) and Cronbach's alpha coefficient test of reliability was calculated using the formula below:

$$\alpha = \frac{K}{K-1} \left( 1 - \frac{\sum_{i=1}^K \sigma_{Y_i}^2}{\sigma_X^2} \right)$$

where  $\sigma_X^2$  is the variance of the observed total item scores, and  $\sigma_{Y_i}^2$  is the variance of component  $i$  for the pilot sample.

Cronbach's alpha coefficient results were analysed and all scales of governance structures, ( $\alpha=.809$ ), collaboration ( $\alpha=.913$ ), stakeholder participation ( $\alpha = .947$ ), city performance- employees ( $\alpha=.898$ ) and city performance- residents ( $\alpha=.790$ ) were above Cronbach's alpha value .700 as recommended by (Ahuja, 2005) and, therefore, considered satisfactory (see Table 4).

**Table 4: Reliability coefficient (Cronbach's alpha) for each variable**

<b>Variable</b>	<b>No. of Items</b>	<b>Alphas(<math>\alpha</math>) at Pre-test</b>
Governance structures	12	.809
Collaboration	6	.913
Stakeholder participation	10	.947
City performance (city employees)	17	.898
City performance (residents )	20	.790

*Source: Pilot data*



### **3.9 Procedure of Data Collection**

The researcher first constructed the instruments and gave them to the supervisor for approval. The supervisor ascertained the face validity and clarity of the instruments. Changes were made as recommended by the supervisor. After the final approvals, the researcher will go out in the field. Using the authority letter from the university, the researcher will introduce himself to the relevant officials at each of the city authorities. He will explain the purpose of the research and its benefits. The researcher will assure the respondents of confidentiality in relation to the information they provide. He will then distribute questionnaires to the selected respondents and collect them after one week.

### **3.10 Data Analysis**

#### **3.10.1 Quantitative data analysis**

Given that statistical procedures will be used to test the study hypotheses, the researcher will first test quantitative data characteristics and clean them before they are used. The aspects that will be tested are: data normality, linearity, multicollinearity, homogeneity and heteroschedasticity. Normality will be tested using the Shapiro-Wilk test. Homogeneity of variance for all the study variables will be tested using Levene's test. In case correction of data for normality and homogeneity of variances is needed, variables will be transformed using the square root method to meet the assumption of normality and homogeneity.

Quantitative data analysis will be done at different levels, namely univariate, bivariate and multivariate. The data analysis at univariate level will be based on percentages from the frequency tables and descriptive statistics, specifically the mean. The percentage of frequency of responses and the mean response rates for governance structures, collaboration,

stakeholder participation and city performance will be calculated. At the bivariate level, using Student's *t*-test, comparisons will be made between the two cities on both the independent variable (IV) and the dependent variable (DV). Pearson correlation analysis will also be done to establish the significance of relationships between the independent and dependent variables across the two cities. In order to examine the overall effect of the independent variables on the dependent variable, the multivariate dependence analysis technique for predicting the dependent variable on the basis of two or more independent variables will be done using linear multiple regression. This will indicate the specific contribution (deterministic relationship) of the independent variable to the dependent variable.

Following the approach recommended by Zikmund (2010, p. 145), the responses given by each of the respondents in sections B and C will be summed up to convert ordinal measurements into a continuous scale to make multivariate analysis possible. Higher scores on each of the two scales will indicate higher levels of implementation of corporate and good city performance.

### **3.10.2 Qualitative data analysis**

Qualitative responses will be analysed using thematic analysis. Using the procedure recommended by Trochim (2006, p. 36), interview data will be examined and classified in terms of themes derived from the objectives. Clusters of text with similar meaning will be presented together and analysed in relation to the study. Using Madill and Gough's (2008, p. 185) suggestions, qualitative responses will be identified as R1, R2,.....R 23. The letter 'R' will stand for the word 'respondent' and the **corresponded** figure for the serial number of a particular respondent who will participate in the study.

**Comment [j4]:** correspond  
corresponding (???)

### **3.11 Measurement of Variables**

A five-point Likert scale will be used to measure governance structures, leadership collaboration, stakeholder participation and city performance. Governance structures will be measured using 12 items adapted from Wikstrom (2009, p. 34), leadership collaboration will be measured using six items adapted from Behrens (2014), and stakeholder participation will be measured using 10 items adapted from Thang *et al.* (2015, p.42). The perception of city performance by city employees will be measured using 17 items and that of city residents will be measured using 20 items. The items that will measure city performance will be adapted from the international city performance standards (2011, p. 8), and the core service areas of the two cities of Kampala and Kigali as indicated in their strategic development plans. Respondents will respond on the five-point scale on which 1 will represent 'strongly disagree' and 5 'strongly agree'.

### **3.12 Ethical Considerations**

The issue of ethics is an important consideration in research that involves human subjects (Cooper & Schindler, 2010, p. 56). Research ethics is appropriate behaviour of a researcher relative to the norms of society (Zikmund, 2010). This research will consider ethical factors in a number of ways. Participation in the research will be voluntary, and research participants will have the right to withdraw at any time of their choice. Therefore, before the study is carried out, the researcher will seek the consent of respondents by explaining the purpose of the study to them and assuring them of their confidentiality. Prospective participants will be provided with information sheets prior to the research to enable them to freely decide to participate. In addition to this, the researcher will discuss the intended data collection

period with the management of the city before questionnaire administration starts. Approval to conduct the research will be obtained through the concerned Research Ethics Review Committees.

The respondents will be adequately informed before the research commences regarding how they will be treated throughout the research, how risks will be managed and what the benefits of participating in this study are. All their questions and concerns will be answered, and requests for voluntarily consent to participate in the study will be made. The researcher will assure the subjects that anonymity and confidentiality will be maintained and guaranteed. The researcher will allow adequate time to reflect on the information provided, and minimise coercion and undue influence. The respondents will not be paid for their participation in the study and will not be required to write their names or signatures.

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## APPENDICES

### Appendix 1: Questionnaire for City management Staff

Dear respondent,

I'm Frank Asimwe, a PhD student at Mbarara University of Science and Technology (MUST). I'm conducting a study titled: "Corporate Governance Practices and Performance of Kampala Capital City Authority (Uganda) and City of Kigali (Rwanda): A Correlational Comparative Study". I am interested in exploring the differences that exist and their implications between corporate governance practices and performance of Kampala and Kigali. You have been selected to participate in this study. I kindly request you to candidly complete this questionnaire. The information you give will be treated with utmost confidentiality and it will be used for the purpose for which it was collected. The study findings are vital as it is anticipated that they will help in improving service delivery to the clients by the 2 cities.

Thank you.

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#### Section A: Demographic Data of Respondents

*. Please tick what is most appropriate to you:*

1. As an employee in KCCA/KC, specify your category Employee category

Management  technical  political

2. Write the division/district in which you are stationed

(a)Kampala divisions

Nakawa  Kampala Central  Kawempe  Makindye  Rubaga

(b) City of Kigali Districts

Nyarugenge District  Gasabo District  Kicukiro District

3. Gender

Male	Female
1	2

4. Age bracket

18-30 Years	31-45 Years	46-55 Years	55 and above
1	2	3	4

5. Number of years you have worked in the City C/Authority

Less than 5 years	6-10 years	Over 10 years
1	2	3

6. Indicate your marital status

a) Single  b) Married  c) Divorced  d) Widowed

7. Indicate your highest academic qualifications attained

a) Diploma  b) Bachelor's Degree  c) Master's Degree

d) Others specify.....

8. Specify membership in a professional body (e.g local government association)

.....

**Section B: Corporate Governance Practices**

*9. Please circle the number on the scale that best indicates the extent to which corporate governance is practised in the governance of your city.*

1 = Strongly disagree (SD) 2 = Disagree (D)

3 = Not sure (NS) 4 = Agree (A) 5 = Strongly agree (SA)

<b>1. Governance Structures</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
The council is the supreme governing body of our city	1	2	3	4	5
The CEO of the city is hired by the city council	1	2	3	4	5
The CEO of the city reports to the city council	1	2	3	4	5
The city mayor reports to the city council	1	2	3	4	5
The city leadership has clear lines of responsibility at all levels	1	2	3	4	5
The city council holds city management accountable for the use of city resources	1	2	3	4	5
The operations of city management are regularly monitored by the city council to ensure that all its operations meet stakeholder expectations	1	2	3	4	5
The Council and the mayor continually balance each other's authority	1	2	3	4	5
The mayor does not directly promote the accomplishment of tasks	1	2	3	4	5
In our city, no conflict between the council and the mayor exists owing to clear lines of authority	1	2	3	4	5
Our mayor's conduct in office has strongly influenced the	1	2	3	4	5



performance of the city					
Our mayor leads by empowering the council and the CEO rather than seeking power for himself	1	2	3	4	5
<b>2. Leadership Collaboration</b>	1	2	3	4	5
Leaders in our city have maintained effective communication to promote city performance	1	2	3	4	5
There is free power-sharing among leaders in our city to promote city performance	1	2	3	4	5
There is joint working on a case-by-case basis on all city management issues	1	2	3	4	5
Formalised joint working among various categories of leaders in our exists	1	2	3	4	5
Some city agencies even sacrifice some autonomy in order to have a well managed city	1	2	3	4	5
Some city agencies have even merged to create new joint working operations	1	2	3	4	5
<b>3. Stakeholder Participation</b>					
All stakeholders in the city are represented on the city council	1	2	3	4	5
City leadership fully implements relevant views of stakeholders on city development	1	2	3	4	5
Stakeholders actively participate in making decisions concerning the running of the city	1	2	3	4	5
City management has empowered stakeholder groups to identify their needs	1	2	3	4	5
City management has empowered stakeholder groups to suggest the	1	2	3	4	5

best way to meet their needs					
City management has put in place avenues for stakeholder groups to freely consult group members on their needs	1	2	3	4	5
City management has put in place avenues for stakeholder groups to freely report to the council group members' needs	1	2	3	4	5
Stakeholders supervise the administrative and managerial roles of city authority officers	1	2	3	4	5
Stakeholders participate in monitoring service delivery by the city	1	2	3	4	5
Stakeholders participate in reviewing the performance of city management	1	2	3	4	5

**Section C: Performance of the City**

*10. In this section, please circle the number on the scale that best indicates the level of the city authority/council performance in the aspects below.*

<b>The Performance of Your City</b>	1	2	3	4	5
The city has significantly contributed to the development of job opportunities	1	2	3	4	5
The city maintains accountability among its employees	1	2	3	4	5
The city employs transparent management	1	2	3	4	5
The city has maintained sustainable natural resources					
The city provides clean, safe drinking water	1	2	3	4	5
The city maintains a healthy and green physical environment	1	2	3	4	5
The city maintains a vibrant sustainable economy	1	2	3	4	5
The city provides quality health care services	1	2	3	4	5

We receive quality education services from the city	1	2	3	4	5
The city maintains good and green transport	1	2	3	4	5
The city maintains good internet connectivity	1	2	3	4	5
The quality-of-life amenities provided by the city are good	1	2	3	4	5
The city provides a safe community	1	2	3	4	5
The city provides modern and affordable housing	1	2	3	4	5
The city provides social justice	1	2	3	4	5
The city provides good market (business centre) infrastructure	1	2	3	4	5
The city provides good youth development facilities	1	2	3	4	5

**Give suggestions for improving the performance of your city**

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**Thank you for your kind co-operation.**

## **Appendix 2: Interview Guide for City Managers and Council Members**

1. What structure of city governance is being used by your city?
2. What challenges are being faced in the governance of the city?
3. What do you think are the root causes of these challenges?
4. How do you ensure leadership collaboration in the governance of the city?
5. What collaboration challenges exist in the governance of this city?
6. How have these affected the performance of the city?
7. Who are the major stakeholders that participate in the governance of your city?
8. To what extent do stakeholders participate in the governance of the city?
9. What structures are available to encourage more stakeholder participation?
10. What stakeholder's participation challenges are faced in the governance of your city?
11. How has stakeholder participation affected the performance of the city?
12. What general performance challenges are being faced by the city?
13. To what extent do they originate from the governance structures?
14. What improvements are needed in the governance of the city so as to further increase its performance?

### Appendix 3: Questionnaire for Citizens

Dear respondent,

I'm Frank Asimwe, a PhD student at Mbarara University of Science and Technology (MUST). I'm conducting a study titled: "Corporate Governance Practices and Performance of Kampala Capital City Authority (Uganda) and City of Kigali (Rwanda): A Correlational Comparative Study". I am interested in exploring differences and implications of corporate governance practices and performance of Kampala and Kigali. You have been selected to participate in this study. I kindly request you to candidly complete this questionnaire. The information you give will be treated with utmost confidentiality and it will be used for the purpose for which it was collected. The study findings are vital as it is anticipated that they will help in improving service delivery to the clients by the two cities.

Thank you.

#### Part 1: Demographic information of respondents

This part of the questionnaire is designed to obtain some background information from you. Kindly respond to all items. Please tick (✓) in the box or fill in the blank spaces provided as appropriate.

1. indicate your gender

a) Male  b) Female

2. Indicate your category

a) I do business in the city  b) Employed in the city  c) Reside in the city

**Part 2: Performance of the city**

*In this section, please circle the number on the scale that best indicates your view of the city’s performance in the aspects below.*

<b>The performance of your city</b>	1	2	3	4	5
The city has significantly contributed to the development of job opportunities	1	2	3	4	5
The city maintains accountability among its employees	1	2	3	4	5
The city employs transparent management	1	2	3	4	5
The city management involves citizens in determining service priorities	1	2	3	4	5
The citizens participate in monitoring service delivery by the city	1	2	3	4	5
The citizens participate in reviewing the performance of city management	1	2	3	4	5
The city has maintained sustainable natural resources	1	2	3	4	5
The city provides clean, safe drinking water	1	2	3	4	5
The city maintains a healthy and green physical environment	1	2	3	4	5
The city maintains a vibrant sustainable economy	1	2	3	4	5
The city provides quality health care services	1	2	3	4	5
We receive quality education services from the city	1	2	3	4	5
The city maintains good and green transport	1	2	3	4	5
The city maintains good internet connectivity	1	2	3	4	5
The quality-of-life amenities provided by the city are good	1	2	3	4	5
The city provides a safe community	1	2	3	4	5
The city provides modern and affordable housing	1	2	3	4	5
The city provides social justice	1	2	3	4	5
The city provides good market (business centre) infrastructure	1	2	3	4	5
The city provides good youth development facilities	1	2	3	4	5

**Give suggestions for improving the performance of the city**

.....  
 .....

**Appendix 4: Cronbach Alpha reliability SPSS Raw data**

**1. Governance structures**

**Case Processing Summary**

		N	%
Cases	Valid	34	100.0
	Excluded <sup>a</sup>	0	.0
	Total	34	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

<i>Cronbach's Alpha</i>	<i>N of Items</i>
.809	12

**2. Collaboration**

**Case Processing Summary**

		N	%
Cases	Valid	34	100.0
	Excluded	0	.0
	Total	34	100.0

a. Listwise, deletion based on all variables in the procedure.

**Reliability Statistics**

<i>Cronbach's Alpha</i>	<i>N of Items</i>
.913	6

**3. Stakeholder participation**

**Case Processing Summary**

		N	%
Cases	Valid	34	100.0
	Excluded <sup>a</sup>	0	.0
	Total	34	100.0

a. Listwise, deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.947	10

**4. City Performance (employees)**

**Case Processing Summary**

		N	%
Cases	Valid	34	100.0
	Excluded <sup>a</sup>	0	.0
	Total	34	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.898	17

**5. City Performance ( residents)**

**Case Processing Summary**

		N	%
Cases	Valid	26	100.0
	Excluded <sup>a</sup>	0	.0
	Total	26	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.790	20