

BOARD ATTRIBUTES AND FINANCIAL PERFORMANCE OF LISTED COMPANIES  
IN UGANDA

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## **ABSTRACT**

The purpose of this study was to examine the relationship between board attributes and financial performance of listed companies in Uganda. Three selected board attributes of board size, board independence and directors' shareholding were examined while controlling for firm size and leverage. The study used a cross sectional research design; employing panel data of 14 listed companies in Uganda for a period of four years, 2013 to 2016. Information on board attributes and financial information was primarily collected from annual reports of each company. Descriptive statistics, correlations and regression analysis were used to analyze and make relevant conclusions about the data. ROA (Return on Assets) and ROE (Return on Equity) were used as financial performance indicators. The study found maximum board independence of 100%; a minimum of 40% and on average, the board independence was 82%. The average board size of this study was 10 members with a maximum of 16 members and minimum of 5 members. Directors' shareholding was low with a minimum of 0%, average of 6% and maximum of 52.5%. The results show an average financial performance of ROA of 5.58% and ROE of 12.18%, maximum ROA 22.1% and ROE of 31.8% and minimum ROA of -14.1% and ROE of -26.2%. The study found a significant negative relationship between board independence and firm financial performance. Furthermore, the study also established a significant positive relationship between board size and ROA. Overall, the results show the importance of directors' attributes on firm's financial performance and give several insights on how firms can improve on how well their boards are constituted in order to improve on their financial performance.