

**CORPORATE GOVERNANCE PRACTICES AND ORGANISATIONAL
OPERATIONAL PERFORMANCE AMONG THE NON-GOVERNMENTAL
ORGANIZATIONS: A CASE OF WATER, SANITATION AND HYGIENE (WASH)
BASED ORGANISATIONS WITHIN KAMPALA DISTRICT**

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Declaration


I, Natukunda Sarah declare that this submission is a result of my independent effort. It has never been submitted anywhere or in any Institution of higher learning for academic purposes. Acknowledgments have been made in areas it is indebted to the works of others.

Signature:.....
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Approval

This Dissertation Proposal titled: “Corporate Governance Practices and Organisational Operational Performance Among Water, Sanitation, and Hygiene Nongovernmental Organizations within Kampala” has been under my supervision and has been submitted for examination with my approval as the supervisor.

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Abstract

This study investigates the influence of corporate governance practices—specifically stakeholder engagement, transparency and accountability, and ethical behavior—on organizational operational performance among Water, Sanitation, and Hygiene (WASH) Non-Governmental Organizations (NGOs) in Kampala, Uganda. Using a quantitative approach, the study employed a linear regression model to analyze data collected from 162 respondents within these organizations. The regression analysis yielded an R-square of 0.403, indicating that the model explained 40.3% of the variance in organizational performance, with a standardized error of estimate at 0.60188.

The findings revealed a strong positive correlation ($R = 0.635$) between the variables studied, signifying a significant relationship between corporate governance practices and operational performance. Specifically, transparency and accountability ($\beta = 0.454$, $t = 5.247$, $p = 0.000$) and ethical behavior ($\beta = 0.311$, $t = 3.770$, $p = 0.000$) were significant predictors of organizational performance. However, stakeholder engagement ($\beta = 0.023$, $t = 0.292$, $p = 0.771$) was found to be statistically insignificant, underscoring the need for improved stakeholder involvement in the operational frameworks of these NGOs.

The ANOVA results further supported the regression findings, with a significant F-statistic ($F = 26.465$, $p = 0.000$), indicating that the mean scores on corporate governance practices and operational performance significantly differed among the WASH NGOs. The study concludes that while transparency, accountability, and ethical behaviour are critical to enhancing operational performance, the impact of stakeholder engagement remains underutilized. Recommendations include the adoption of more inclusive stakeholder engagement strategies to maximize the operational effectiveness of WASH NGOs.

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The study intends to examine the effect of corporate governance on organizational operational performance among Major Water, Sanitation and Hygiene (WASH) Nongovernmental organisations within Kampala. The justification for this study arose from a question asked by stakeholders to know why most WASH non-governmental entities or parastatal bodies do not implement corporate governance practices to achieve the desired organizational operational performance, especially in developing countries. The term “corporate governance” originates from the Greek word, kyberman meaning to steer, guide, or govern, and from Latin, gubernare which means to govern. Corporate governance could thus mean the mode of governing or directing a corporation to attain the set objectives (Haslinda & Benedict, 2009).

It should be noted that the relationship between corporate governance and organizational performance has been a widely debated and well-researched topic in the developed countries context. However, in the past few years, this issue has also been discussed in the context of emerging economies like Brazil with little evidence from developing countries. In Uganda, the effect of corporate governance practices on organizational performance has been conducted on firms, Small and Medium Enterprises, financial institutions, and Commercial State-Owned Enterprises. For instance, Asiimwe, (2017) examines the extent to which SMEs in Uganda implement corporate governance, its influence on their performance, and the challenges faced in using corporate governance practices thus giving clear evidence that profit-making entities have received some attention that it deserves when it comes to corporate governance practices and firm performance.

This study therefore seeks to examine the influence of corporate governance practices on organizational operational performance with the intent to identify organizational, legal factors as well as communication gaps’ influence on organizational performance. This chapter entails the background to the study, statement of problem, the purpose of research, research questions, hypotheses, significance, justification, the scope, and conceptual framework.

1.2 Background

Organizational performance is a critical determinant of success and sustainability in both the corporate and public sectors. It encompasses the ability of an organization to achieve its objectives efficiently and effectively, reflecting its competitiveness, productivity, and impact on stakeholders. Organizational performance can also be defined as the totality work by an organization achieving the organizational goals; meaning organizational performance can be seen from the extent to which the organization can achieve goals based on pre-determined goals. Organizational performance manifests in various forms, including financial performance, operational efficiency, customer satisfaction, and innovation capability, among others (Ali & Mahmood, 2024; Soluk & Kammerlander, 2021; Gao & Sarwar, 2022; Cenamor et al., 2019)

An empirical argument has been advanced repeatedly that the governance structure of any corporate entity affects the firm's ability to respond to external factors that have some bearing on its performance (Aguilera, Judge, & Terjesen, 2018). It is upon this background that researchers for instance (Larcker, Tayan, & Watts, 2020; Chhaochharia & Grinstein, 2020; Tang, Qian, Chen, & Shen, 2021; and Nguyen, Rahman, & Tong, 2020) have noted that well-governed corporations largely perform better and that good corporate governance is of essence to organizations today. On a global scale, organizations grapple with a myriad of performance metrics spanning financial, operational, and strategic dimensions. Financial performance, including profitability, revenue growth, and cost-effectiveness, remains a cornerstone of organizational success in recent years. (Ittner, Larcker, & Rajan, 2019; Tian, Haleblan, & Rajagopalan, 2020; Cheng, & Shiu, 2020).

In Africa, the concept has gradually warmed itself to the top of the policy agenda in countries like Ghana and South Africa. It is also believed that the Asian crisis and the seemingly poor performance of the corporate sector in Africa made the concept of corporate governance a catch phrase in the development debate (Mahmood & Ani, 2018; Yermack, 2018; Amodu, 2020). According to a report by McKinsey & Company (2018), there is a growing recognition of the importance of performance management in driving organizational success, with companies increasingly adopting performance-based strategies to enhance their competitive advantage. Similarly, in the public sector, organizations such as the World Bank have emphasized the need for performance-oriented approaches to improve service delivery and accountability (OECD, 2020).

Despite concerted efforts to enhance performance, organizations face persistent challenges. For instance, a report by Deloitte (2020) indicates widespread concerns among executives about their organizations' ability to drive and sustain performance. However, global trends reveal a widening performance gap

between top-performing organizations and their peers (PwC, 2021), underscoring the need for continuous improvement and innovation. Corporate governance practices play an important role in shaping organizational performance outcomes and effective governance mechanisms, encompassing structures, processes, and policies, are instrumental in fostering transparency, accountability, and ethical conduct within organizations (Tricker, 2015). Governance failures, as evidenced by high-profile scandals like Enron and WorldCom, not only tarnish organizational reputations but also lead to significant performance deterioration (Monks & Minow, 2008). The case study of the Major WASH NGOs within Kampala, provides a compelling context to examine the nexus between corporate governance practices and organizational performance in the public sector. As NGOs engaged in providing and promoting safe water, sanitation and hygiene, WASH's performance directly impacts public welfare, economic development, and environmental sustainability in Uganda.

Corporate governance, as conceptualized by the OECD (2015) and Tricker (2015), embodies principles of accountability, fairness, transparency, and responsibility. This framework involves the allocation of rights and duties among stakeholders, including shareholders, management, regulators, and employees. Key components, such as board composition, executive compensation, and stakeholder engagement mechanisms, ensure effective governance (OECD, 2015). In the context of the WASH which is responsible for promoting safe water and hygiene, and climate change adaptation, the WASH operates within a complex regulatory environment with diverse stakeholders. Key principles like Accountability and Transparency, Ethical Conduct, and Stakeholder Engagement form the conceptual framework of corporate governance, guiding governance structures and organisational performance (Aguilera & Cuervo-Cazurra, 2009). The corporate governance mechanisms such as board oversight and executive compensation are pivotal (Monks & Minow, 2011) which also consists of legal systems, cultural norms, societal expectations and governmental regulations, shapes governance practices and their impact on organizational performance (Aguilera & Cuervo-Cazurra, 2009). Operating within a socio-political context with institutional challenges, resource constraints, and environmental concerns, WASH NGOs face diverse stakeholder expectations, necessitating effective governance practices (Andrews & Pollitt, 2012; Nabwire & Ntayi, 2019).

Theoretical perspectives such as agency theory (Donaldson & Davis, 1991; Jensen & Meckling, 1976), stewardship theory (Donaldson & Davis, 1991), and stakeholder theory (Freeman, 1984) provide frameworks for understanding the dynamics of corporate governance and its impact on organizational behaviour and performance. Agency theory underscores the principal-agent relationship between shareholders and managers, advocating for mechanisms to align their interests and mitigate conflicts. Stewardship theory contrasts this by proposing that managers act as stewards prioritizing the long-term

interests of the organization and its stakeholders. Meanwhile, stakeholder theory emphasizes the significance of considering the interests of all stakeholders in decision-making processes. However, there other theoretical foundations such as institutional theory (Scott, 2014), resource dependence theory (Pfeffer & Salancik, 1978), and transaction cost economics (Williamson, 1985) inform the study of corporate governance, particularly in the public sector context, shedding light on the influences of external pressures, resource management, and transactional dynamics on governance practices and organizational performance. Thus, the contributions by authors such as Ouchi (2016) in stewardship theory and Mitchell et al. (2017) in stakeholder theory further enrich our understanding of corporate governance dynamics.

1.3 Statement of the Problem

Improved Organizational Operational Performance increases stakeholder satisfaction, beneficiary, donor, and staff satisfaction by ensuring optimal use of resources, improving service quality, and meeting expectations. However, many WASH initiatives fail to fully meet their targets due to operational inefficiencies and poor resource management (Ministry of Water and Environment, 2019; WaterAid Uganda strategic plan ,2016 - 2030)

Despite the recognition of the importance of corporate governance in ensuring transparency, accountability, and fairness, the NGOs within Kampala supplying water face challenges in effectively implementing governance practices to meet stakeholder expectations and achieve sustainable organizational performance (Miles & Gould, 2015; Wellens & Jegers, 2014). These NGOs operate within a complex regulatory environment with diverse stakeholders, where principles of Stakeholder Engagement, Transparency and Accountability, and Ethical Governance guide governance structures (Awio, Northcott, & Lawrence, 2014).

Addressing these governance deficiencies is critical, as failure to do so could perpetuate inefficiencies, increase resource mismanagement, and erode stakeholder trust in the said Ngo's. This, in turn, could undermine its ability to fulfil its mandate, increase environmental challenges, and impede progress towards sustainable development goals in Uganda (OECD, 2015). Thus, to bridge this gap, research is needed to examine the contextual factors influencing governance practices within WASH NGOs, identify key challenges, and propose actionable recommendations for improvement. This includes enhancing stakeholder engagement, strengthening oversight mechanisms, and aligning governance practices with the socio-political and environmental context. Failure to address these governance deficiencies could result in continued mismanagement of resources, diminished stakeholder trust, and ultimately, hindered progress towards sustainable development goals.

1.4 Purpose of the study

The Purpose of the study is to examine the influence of corporate governance practices on the organizational operational performance among major water, Sanitation, and Hygiene (WASH) non-governmental organizations supplying water with in Kampala.

1.5 Objectives of the study

The objectives of the study were to;

- i. Examine the influence of Stakeholder Engagement on organizational operational performance.
- ii. Examine the influence of Transparency and Accountability on organizational operational performance.
- iii. Examine the influence of Ethical behaviour on organizational operational performance.

1.6 Research Hypothesis

H₁: Higher levels of stakeholder engagement are positively associated with improved operational performance of NGOs in water supply.

H₂: Increased transparency and accountability in governance practices positively influence the efficiency of water supply services provided by NGOs.

H₃: Strong ethical behaviour practices enhance the sustainability and impact of water supply projects carried out by NGOs.

1.7 Scope of the study

The study was conducted among the major water, Sanitation, and Hygiene (WASH) NGOs Operating and headquartered in Kampala. These are, Netherlands Development Organisation (NDO), Plan International Uganda (PIU), Welthungerhilfe (WHH); Living Water International (LWI); Water for People (WFP); African Medical and Research Foundation (AMREF) Health Africa; Action Against Hunger (ACF); all of which are registered with Uganda Water and Sanitation NGO Network (UWASNET). The decision to conduct the study among the major WASH NGOs headquartered in Kampala is driven by the high concentration of relevant organizations, logistical advantages, representativeness of key stakeholders, registration with UWASNET, and the city's unique policy and regulatory environment. This focused geographical scope ensures that the study captures a comprehensive and practical understanding of the influence of corporate governance practices on the operational performance of NGOs within a significant and impactful urban setting

The study examined Stakeholder Engagement (SHE), Transparency and Accountability (TAC), and

Ethical Governance (EG) as Corporate Governance Practices. Organisational Operational Performance was measured using Beneficiary satisfaction, Donor satisfaction, Employee satisfaction, Quality of water services, Coverage and reach, Timeliness and efficiency, financial efficiency, Resource allocation, and Sustainability of operations.

The period for the study is 2015 – 2024. This period marks the early stages of the implementation of the current sustainable development goals that were adopted in 2015 by the United Nations (UN) member states with goal six aiming at ensuring the availability and sustainable management of water and sanitation for all (United Nations, 2015).

1.8 Justification

Although there is little evidence from developing countries supporting the relationship between corporate governance and firm performance, prior research in Uganda has mostly focused on profit-making entities like SMEs and financial institutions. This study aims to fill the knowledge gap by investigating the impact of corporate governance on the performance of not-for-profit NGOs. The area under study is topical and addresses stakeholders' concerns about why entities in developing countries, particularly Uganda, fail to implement corporate governance practices to achieve desired organizational performance.

1.9 Significance

It is hoped that the policy and practice recommendations arising from the study findings may be useful to the Ministry of Water and Environment, cabinet, and Parliament of Uganda in decision-making regarding coming up with better policy options regarding water supply and sustainability.

It is anticipated that the findings may also be helpful to the Respective NGOs operating in the area of water supply within Kampala to come up with better operating practices regarding Corporate Governance Practices and Organisational Operational Performance.

The study findings may provide literature to fellow scholars and researchers wishing to conduct research in the area of Corporate Governance Practices and Organisational Operational Performance.

1.10 Conceptual Framework

This section lays out the conceptual framework to explain how corporate governance practices (IV) influences organizational operations performance (DV)

Figure 1 documents the relationship among the study variables IV & DV:

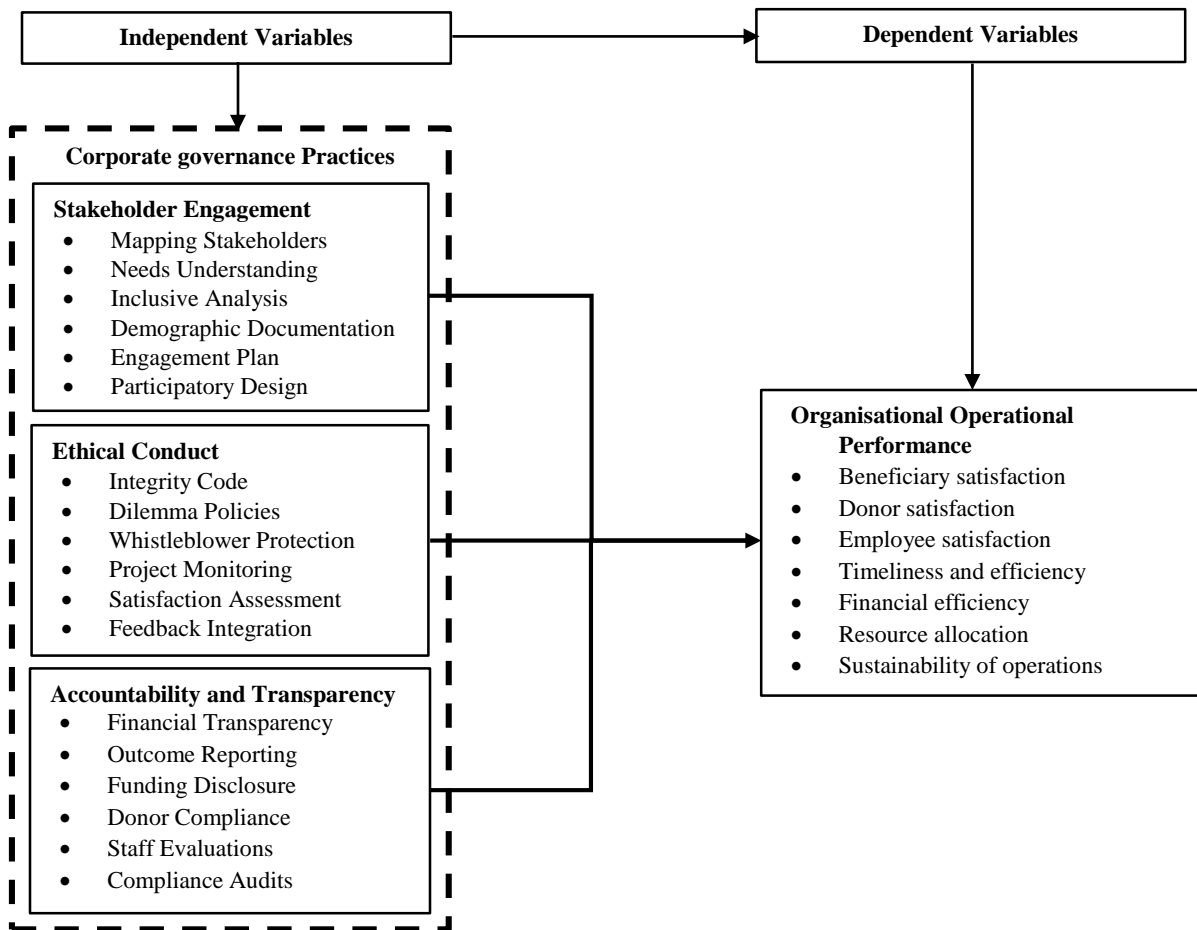


Fig. 1 Conceptual framework depicting SHE, EC, and TAAC as determinants of Organizational Operational Performance.

Source: Researcher's conceptualization based on Freeman's (1984) Stakeholder Theory

The framework shows that organizational operational performance is determined by SHE, TAAC, and EC. Thus, it was anticipated that favourable conditions of SHE, TAC, and EC directly lead to better organizational operational performance manifesting in form of beneficiary satisfaction, donor satisfaction, employee satisfaction, better water quality services, expansive coverage and reach, timely service delivery and efficiency, financial efficiency, better resource allocation, and sustainability of operations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical review, the conceptual framework and the review of related literature objective by objective.

2.2 Theoretical Review

Several other frameworks or models have been developed to underpin studies on cooperate governance Practices and organizational operational performance for instance, Institutional Theory by Meyer and Rowan (1970), Agency Theory by Jensen and Meckling (1976), Resource Dependence Theory by Pfeffer and Salancik (1978), Stakeholder Theory by Freeman (1984), Balanced Scorecard by Kaplan and Norton (1992), Stewardship Theory by Davis et al (1997), and Governance Performance Frameworks by UNDP (1997), among others. Even when these theories are informative, they fall short in explaining the particular dynamics of WASH NGOs. Principal-agent conflicts are the main focus of agency theory, which ignores the multi-stakeholder context. The various interests of stakeholders are ignored by stewardship theory. A more comprehensive viewpoint on stakeholder participation is absent from Resource Dependence Theory. Stakeholder balance is not prioritized by institutional theory; rather, it is norm compliance. The Logic Model Framework is more suited for program evaluation, while Governance Performance Frameworks are not designed with NGO dynamics in mind. Hence the choice of Stakeholder Theory, which offers a comprehensive strategy for managing and balancing the interests of various stakeholders, which is in line with the mission-driven character of WASH NGOs.

2.2.1 Stakeholder Theory.

This study applied the Stakeholder theory advanced by Freeman (1984) to examine the role of Corporate Governance Practices on Organisational Operational Performance Among the major WASH NGOs within Kampala. The model theorizes that organizations should create value for all stakeholders, not just shareholders. Accordingly, organizational operational performance depends on Stakeholder Engagement (SHE), Transparency and Accountability (TAA), and Ethical Conduct (EC). SHE includes Mapping Stakeholders, Needs Understanding, Influence Assessments, Inclusive Analysis, Demographic Documentation, Engagement Plan, Community Feedback, Advisory Committees, Participatory Design, and Feedback Mechanisms. Thus, Mapping of Stakeholders, understanding their Needs, Influence Assessments, Inclusive Analysis, Demographic Documentation, Engagement Plan, Community Feedback, Advisory Committees, Participatory Design, and Feedback Mechanisms is key for effective

Organizational Operational performance. Freeman observes that companies should take into account the interests and welfare of all stakeholders, including workers, clients, suppliers, communities, and other parties that may be impacted by or influenced by the operations of the company, in addition to shareholders.

Integrity Code, Ethical Training, Dilemma Policies, Compliance Audits, Whistleblower Protection, Impact Indicators, Project Monitoring, Satisfaction Assessment, Feedback Integration, and Best Practices are key components of the Ethical conduct. Thus, there is need for careful exploration and implementation of ethical conduct.

Accountability and Transparency on the other hand, entails Financial Transparency, Outcome Reporting, Document Accessibility, Funding Disclosure, Donor Compliance, Role Clarity, Oversight Committees, Staff Evaluations, Compliance Audits, and Grievance Mechanisms.

In the context of WASH, where governance structures play a crucial role in decision-making, stakeholder theory is highly applicable. WASH's managements, ensuring water supply, sanitation and hygiene, must align their actions with the interests of stakeholders and the public. By examining how governance mechanisms such as board oversight and executive compensation are designed to mitigate agency problems, this research can provide insights into optimizing governance practices to enhance organizational performance (Donaldson & Davis, 1991). Therefore, by examining how these governance mechanisms affect managerial behaviour and firm outcomes, researchers can gain insights into the effectiveness of corporate governance practices in enhancing shareholder value and overall firm performance.

However, Davis et al (1997) developed a Stewardship theory as a counterpoint for stakeholder theory. The theory posits that managers are inherently motivated to act in the best interests of the firm and its stakeholders, rather than pursuing self-interest as suggested by agency theory. Still the theory emphasizes the importance of trust, collaboration, and shared goals between managers and shareholders in driving organizational success. In the context of corporate governance and firm performance, stakeholder theory suggests that governance mechanisms such as board leadership structures, long-term incentives, and relational contracting can foster a culture of stewardship among managers, leading to improved firm performance (Arosa et al, 2019). Therefore, by exploring how these mechanisms influence managerial behaviour and decision-making, researchers can assess the extent to which stewardship principles contribute to sustainable value creation and organizational resilience.

2.3 Empirical framework

2.3.1 Organizational Operational Performance

Organizational operational performance is a critical aspect of corporate governance, affecting efficiency, effectiveness, and overall sustainability. Globally, operational performance encompasses various dimensions such as financial performance, service delivery, and stakeholder satisfaction (Kaplan & Norton, 2016). Effective corporate governance practices, including accountability, transparency, and ethical conduct, are instrumental in enhancing operational performance. Studies have shown that organizations with robust governance frameworks tend to achieve better operational outcomes, as they can manage resources efficiently, mitigate risks, and adapt to changing environments (Tricker, 2019). For instance, improved operational performance is often associated with higher levels of employee engagement, customer satisfaction, and innovation (Healy & Palepu, 2020).

In Africa, the operational performance of organizations is influenced by unique socio-economic and political factors. Effective corporate governance practices are crucial for enhancing the operational performance of organizations across various sectors. Research indicates that African organizations that implement strong governance mechanisms experience improved financial performance, service delivery, and stakeholder engagement (Adegbite & Nakajima, 2018). The integration of accountability and transparency into corporate governance frameworks has been shown to reduce corruption, increase public trust, and enhance operational efficiency (Kyere & Ausloos, 2020). For example, public sector organizations that adhere to good governance principles often achieve better service delivery and higher levels of operational performance (Amoako & Goh, 2020).

In Uganda, organizational operational performance is a critical concern, particularly for NGOs that play a vital role in development and service delivery. Effective corporate governance practices are essential for improving the operational performance of NGOs, enabling them to achieve their mission and objectives (Nkundabanyanga, Ahiauzu, Sejjaaka, & Ntayi, 2017). Empirical evidence suggests that Ugandan NGOs that prioritize governance principles such as accountability, transparency, and ethical conduct are more likely to experience improved operational performance (Muhumuza, 2019). These practices help NGOs manage resources effectively, build stakeholder trust, and enhance their impact on beneficiaries (Turyakira, 2018). For instance, NGOs with strong governance frameworks are better equipped to secure funding, engage with communities, and deliver sustainable services (Mwije, 2020).

In Kampala, the capital city of Uganda, the operational performance of Water, Sanitation, and Hygiene (WASH) NGOs is of particular importance. The city faces significant challenges related to urbanization,

including inadequate WASH services, which necessitate effective corporate governance practices to address (Nabunnya, 2021). Studies have shown that WASH NGOs in Kampala that implement strong governance frameworks, focusing on accountability, transparency, and stakeholder engagement, achieve better operational performance (Mukwaya, 2020). These organizations are more likely to deliver efficient and sustainable WASH services, enhance beneficiary satisfaction, and build robust partnerships with stakeholders (Ainebyona & Nduhura, 2022). Effective governance practices also help WASH NGOs in Kampala to mitigate risks, manage resources efficiently, and ensure compliance with regulatory requirements (Kiggundu, 2018).

The WASH sector globally highlights the importance of organizational operational performance in achieving sustainable development goals. Effective governance practices in the WASH sector are essential for ensuring the efficient use of resources, equitable service delivery, and long-term sustainability (UNICEF, 2020). In Uganda, and specifically in Kampala, the operational performance of WASH NGOs is critical for addressing the pressing needs of communities (WHO, 2018). Research indicates that WASH NGOs with strong governance frameworks are better positioned to deliver high-quality services, secure funding, and engage effectively with stakeholders (Nabunnya, 2021). These organizations are more likely to achieve their operational objectives, enhance beneficiary satisfaction, and contribute to sustainable development (Mukwaya, 2020).

Despite the recognition of the importance of corporate governance practices in enhancing organizational operational performance, there is a lack of focused research on how these practices specifically affect the operational performance of WASH NGOs in Kampala, Uganda. Most existing studies concentrate on broader governance issues or other sectors. This study aims to address this gap by investigating the relationship between corporate governance practices and the operational performance of WASH NGOs in Kampala, thereby providing insights that can enhance governance practices and service delivery in this critical sector.

2.3.2 Effect of Stakeholder Engagement on Organizational Operational Performance

Stakeholder engagement has emerged as a critical component of corporate governance, particularly in enhancing organizational operational performance. Globally, engaging stakeholders effectively can lead to improved trust, better decision-making, and increased organizational resilience (Freeman, Harrison, & Wicks, 2017). The importance of stakeholder engagement is underscored by the Stakeholder Theory, which posits that organizations that actively engage their stakeholders are more likely to achieve sustainable success (Freeman, 1984; Harrison & Wicks, 2016). Studies have shown that organizations

with robust stakeholder engagement strategies tend to perform better operationally due to the alignment of stakeholder interests and organizational goals (Greenwood, 2018).

In the African context, stakeholder engagement is increasingly recognized as pivotal to the success of organizations, particularly in the context of NGOs and public sector entities. The unique socio-economic landscape in Africa, characterized by diverse stakeholder groups and complex development challenges, necessitates proactive engagement strategies (Mugisha, 2017). Research indicates that African organizations that prioritize stakeholder engagement often experience enhanced transparency, accountability, and overall operational efficiency (Amoako & Goh, 2020). For instance, stakeholder engagement in corporate governance has been linked to improved service delivery and operational performance in various sectors, including health, education, and infrastructure (Kakwezi & Nyeko, 2019).

In Uganda, stakeholder engagement is increasingly becoming integral to corporate governance practices, especially within the NGO sector. The Ugandan government and various development partners have emphasized the need for effective stakeholder engagement to ensure the successful implementation of development projects (Muhumuza, 2019). Empirical evidence suggests that NGOs in Uganda that actively engage their stakeholders, including beneficiaries, donors, and community leaders, are more likely to achieve their operational goals and enhance their performance (Mwije, 2020). Stakeholder engagement fosters transparency, builds trust, and facilitates better resource allocation, thereby improving organizational outcomes (Kiggundu, 2018).

Focusing on Kampala, the capital city of Uganda, the importance of stakeholder engagement in enhancing the operational performance of Water, Sanitation, and Hygiene (WASH) NGOs cannot be overstated. Kampala's diverse and densely populated urban environment presents unique challenges that require effective stakeholder collaboration (Nabunnya, 2021). Studies have shown that WASH NGOs in Kampala that engage stakeholders such as local communities, government agencies, and international donors are better positioned to deliver their services efficiently and sustainably (Mukwaya, 2020). Effective stakeholder engagement leads to improved project implementation, higher beneficiary satisfaction, and greater accountability (Ainebyona & Nduhura, 2022).

In the WASH sector, stakeholder engagement is crucial for the successful implementation and sustainability of projects. Globally, WASH projects that involve stakeholders at every stage, from planning to execution and evaluation, tend to achieve better outcomes (UNICEF, 2020). Engaging stakeholders in the WASH sector helps to ensure that projects are aligned with community needs, enhance ownership, and foster sustainability (WHO, 2018). In Uganda, and specifically in Kampala, effective

stakeholder engagement in the WASH sector has been linked to improved access to clean water, better sanitation facilities, and enhanced hygiene practices among communities (Nabunnya, 2021).

While there is extensive research on the effect of stakeholder engagement on organizational performance globally and within Africa, there is a notable gap in literature specifically addressing the relationship between stakeholder engagement and operational performance among Water, Sanitation, and Hygiene (WASH) non-governmental organizations (NGOs) in Kampala, Uganda. Existing studies predominantly focus on broader corporate governance practices or other sectors, leaving a significant gap in understanding how stakeholder engagement specifically influences the operational effectiveness and efficiency of WASH NGOs in this unique urban context. This study aims to fill this gap by providing empirical evidence and insights into the role of stakeholder engagement in enhancing the operational performance of WASH NGOs within Kampala

2.3.3 Effect of Ethical Conduct on Organizational Operational Performance

Ethical conduct within organizations is a cornerstone of effective corporate governance and has a profound impact on operational performance. Globally, ethical behaviour is crucial for building trust with stakeholders, ensuring compliance with regulations, and fostering a positive organizational culture (Treviño & Nelson, 2017). Ethical conduct is linked to reduced risks of fraud and corruption, which in turn enhances operational efficiency and financial performance (Kaptein, 2017). For instance, organizations that implement strong ethical guidelines and training programs often experience improved employee morale, customer satisfaction, and overall performance (Ferrell, Fraedrich, & Ferrell, 2020).

In Africa, the importance of ethical conduct in corporate governance has been increasingly recognized, particularly in light of high-profile scandals and governance failures (Adegbite, Amaeshi, & Nakajima, 2020). Ethical conduct is seen as vital for ensuring the integrity of organizations and for attracting both local and international investment (Nkundabanyanga, Ahiauzu, Sejjaaka, & Ntayi, 2017). Studies have shown that African organizations that prioritize ethical behavior tend to have better operational performance due to increased trust and cooperation among stakeholders (Eweje & Iweka, 2018).

In Uganda, ethical conduct is essential for the operational performance of organizations, particularly in the NGO sector. NGOs play a critical role in development and service delivery, and their effectiveness often hinges on their ethical standards (Mwesigwa, 2019). Ethical conduct in Ugandan organizations has been associated with improved accountability, transparency, and operational efficiency (Nkundabanyanga et al., 2017). For instance, adherence to ethical principles helps NGOs gain the trust of

beneficiaries, donors, and other stakeholders, thereby enhancing their ability to achieve their operational goals (Turyakira, 2018).

Focusing on Kampala, the capital city of Uganda, the effect of ethical conduct on the operational performance of Water, Sanitation, and Hygiene (WASH) NGOs is particularly pertinent. Kampala faces numerous challenges related to urbanization, including inadequate WASH services, which necessitate high standards of ethical conduct for effective service delivery (Nabunnya, 2021). WASH NGOs in Kampala that uphold ethical principles are more likely to secure donor funding, engage effectively with stakeholders, and implement sustainable projects (Mukwaya, 2020). Ethical conduct in these organizations leads to better resource management, reduced corruption, and enhanced project outcomes (Ainebyona & Nduhura, 2022).

The WASH sector globally highlights the critical role of ethical conduct in achieving operational success. Ethical behaviour in WASH organizations is crucial for ensuring the fair distribution of resources, transparency in operations, and accountability to beneficiaries (UNICEF, 2020). In Uganda, ethical conduct in the WASH sector is essential for addressing the pressing needs of communities and for ensuring the sustainability of interventions (WHO, 2018). Ethical WASH organizations are better positioned to build partnerships, secure funding, and deliver impactful services (Nabunnya, 2021).

Despite the recognition of the importance of ethical conduct in corporate governance and operational performance, there is a lack of focused research on how ethical conduct specifically affects the operational performance of WASH NGOs in Kampala, Uganda. Most existing studies concentrate on broader corporate governance practices or on different sectors. This study aims to address this gap by investigating the relationship between ethical conduct and the operational performance of WASH NGOs in Kampala, thereby providing insights that can enhance governance practices and service delivery in this critical sector.

2.3.4 Effect of Accountability and Transparency on Organizational Operational Performance

Accountability and transparency are fundamental principles of corporate governance that significantly impact organizational operational performance. Globally, accountability and transparency are essential for building trust with stakeholders, enhancing decision-making processes, and ensuring compliance with legal and regulatory requirements (OECD, 2016). Transparent practices involve clear communication of organizational policies, procedures, and performance metrics, which in turn foster accountability by holding individuals and teams responsible for their actions (Healy & Palepu, 2020). Research indicates that organizations with high levels of transparency and accountability tend to have better operational

performance due to improved stakeholder trust, reduced corruption, and enhanced strategic planning (Bushman, Chen, Engel, & Smith, 2016).

In Africa, accountability and transparency are critical for improving organizational performance, especially given the region's diverse and often challenging socio-economic environment. African organizations that prioritize these principles are better equipped to manage resources effectively, attract investment, and deliver services efficiently (AfDB, 2017). Studies have shown that increased accountability and transparency lead to improved operational outcomes, such as enhanced service delivery and financial performance (Kakwezi & Nyeko, 2019). For instance, the adoption of transparency and accountability frameworks in public sector organizations has been linked to reduced corruption and increased public trust (Amoako & Goh, 2020).

In Uganda, accountability and transparency are crucial for the operational performance of organizations, particularly in the NGO sector. NGOs in Uganda play a significant role in development and service delivery, and their effectiveness often hinges on their ability to be transparent and accountable to their stakeholders (Nkundabanyanga, Ahiauzu, Sejjaaka, & Ntayi, 2017). Empirical evidence suggests that Ugandan NGOs that embrace these principles experience better operational performance, including more efficient use of resources, improved stakeholder engagement, and greater impact on beneficiaries (Mwesigwa, 2019). Transparent reporting and accountability mechanisms help NGOs build trust with donors, beneficiaries, and the government, thereby enhancing their operational capacity (Turyakira, 2018).

In Kampala, the capital city of Uganda, the effect of accountability and transparency on the operational performance of Water, Sanitation, and Hygiene (WASH) NGOs is particularly significant. Kampala's urban environment presents unique challenges that require high levels of accountability and transparency to address effectively (Nabunnya, 2021). WASH NGOs in Kampala that prioritize these principles are more likely to secure funding, engage effectively with stakeholders, and deliver sustainable services (Mukwaya, 2020). Accountability and transparency in these organizations lead to better project implementation, higher beneficiary satisfaction, and reduced opportunities for corruption (Ainebyona & Nduhura, 2022).

The WASH sector globally highlights the critical role of accountability and transparency in achieving operational success. Organizations in the WASH sector that are transparent and accountable are better positioned to meet the needs of communities, ensure the fair distribution of resources, and maintain stakeholder trust (UNICEF, 2020). In Uganda, and specifically in Kampala, accountability and

transparency are essential for addressing the pressing needs of communities and for ensuring the sustainability of WASH interventions (WHO, 2018). Ethical WASH organizations are better positioned to build partnerships, secure funding, and deliver impactful services (Nabunnya, 2021).

Despite the recognition of the importance of accountability and transparency in corporate governance and operational performance, there is a lack of focused research on how these principles specifically affect the operational performance of WASH NGOs in Kampala, Uganda. Most existing studies concentrate on broader corporate governance practices or on different sectors. This study aims to address this gap by investigating the relationship between accountability and transparency and the operational performance of WASH NGOs in Kampala, thereby providing insights that can enhance governance practices and service delivery in this critical sector.

2.3.5 Summary of the Literature Review

While there is extensive recognition of the importance of corporate governance practices such as accountability, transparency, ethical conduct, and stakeholder engagement in enhancing organizational operational performance, specific research gaps persist. Globally, most studies focus broadly on corporate governance across various sectors, leaving a significant gap in understanding how these principles specifically affect Water, Sanitation, and Hygiene (WASH) NGOs in urban settings like Kampala, Uganda.

In Africa, the influence of unique socio-economic and political factors on organizational performance is acknowledged, but there is a need for targeted research on the impact of corporate governance practices in the context of WASH NGOs. Existing studies predominantly address broader governance issues or other sectors, thus overlooking the nuanced effects within the WASH sector.

In Uganda, while empirical evidence suggests the positive impact of governance principles on NGO performance, focused research on how these principles specifically enhance the operational performance of WASH NGOs in Kampala is lacking. The urban challenges and specific needs of WASH services in Kampala necessitate a detailed examination of how accountability, transparency, ethical conduct, and stakeholder engagement contribute to operational success.

For stakeholder engagement, the literature highlights its critical role in organizational success globally and within Africa, yet there is limited research on its specific effects on the operational performance of WASH NGOs in Kampala. Understanding this relationship can provide valuable insights into improving service delivery and stakeholder trust in this sector.

Regarding ethical conduct, while its importance in corporate governance and operational performance is recognized, focused studies on its impact on WASH NGOs in Kampala are sparse. Exploring this relationship can reveal how ethical practices contribute to better resource management, reduced corruption, and enhanced project outcomes.

Similarly, the principles of accountability and transparency are well-documented as essential for organizational success, but their specific effects on the operational performance of WASH NGOs in Kampala remain under-researched. Investigating this gap can offer insights into how these principles improve project implementation, beneficiary satisfaction, and overall organizational efficiency in the WASH sector.

This study aims to address these research gaps by examining the relationship between corporate governance practices and the operational performance of WASH NGOs in Kampala, providing empirical evidence and insights to enhance governance practices and service delivery in this critical sector.

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter presents the research design, study population, sample size, sampling techniques, data collection methods, data collection instruments, validity and reliability, data collection procedures, data management and analysis.

3.2 Research Design

The study adopted a cross-sectional survey design. Cross-sectional survey involves collection of data across large samples at a given point in time (Kesmodel, 2018; Kothari, 2009). Thus, the use of cross-sectional survey is purposed to obtain data from multiple sources at one point in time. The study largely started quantitatively and end qualitatively. The qualitative data helped to fill up the gaps left behind by the quantitative abstractness.

3.3 Sources of information

The study used primary data collection as a source of information to be used in analysis. Primary data is always original data and provides first-hand information that has not been interpreted or analysed by any individuals or organization/company. Therefore, the study primarily relied on primary data that was collected from targeted respondents. Findings from the collected and analysed data was interpreted in relation to literature review conducted, theoretical and conceptual foundation.

3.4 Study Population

The target population for the study are all employees of the of the respective WASH NGOs working at their respective headquarters. The NGOs are NDO, PIU, WHH; LWI, WFP, AMREF and ACF Thus, the study targets 101 staff as reflected in the table below.

Table 1: Major WASH Staff at their respective Headquarters

SN	Name of Organization	Number of employees
1	Netherlands Development Organisation	10
2	Plan International Uganda	26
3	Welthungerhilfe	15
4	Living Water International	17
5	Water for People	12
6	African Medical and Research Foundation	14
7	Action Against Hunger	17
Total		111

Source: Researchers compilation based on respective NGOs' websites, June,2023

3.5 Sample Size Determination

The study selected up to 86.9≈87 respondents based on Yamane (1967)'s formula of sample

Size determination:

$$n = \frac{N}{1 + N(e)^2}$$

Where by

n = Sample size

N = Study population

e = Error term

1 = As scientifically given

Therefore, taking Yamane (1967)'s formula, and a confidence interval (CI) of 95%:

$$n = \frac{N}{1+N(e)^2} = n = \frac{111}{1+111(0.05)^2} = \frac{111}{1+111(0.0025)} = \frac{111}{1.2775} = 86.9 \approx 87$$

Table 2: Population category and sample size

Population Category	Study Population (N)	Sample size determination	Sample Size (n)	Sampling Techniques
1. Netherlands Development Organisation	10	$\frac{10}{111} * 87$	8	Simple Random Sampling
2. Plan International Uganda	26	$\frac{26}{111} * 87$	20	Simple Random Sampling
3. Welthungerhilfe	15	$\frac{15}{111} * 87$	12	Simple Random Sampling
4. Living Water International	17	$\frac{17}{111} * 87$	13	Simple Random Sampling
5. Water for People	12	$\frac{12}{111} * 87$	9	Simple Random Sampling
6. African Medical and Research Foundation	14	$\frac{14}{111} * 87$	11	Simple Random Sampling
7. Action Against Hunger	17	$\frac{17}{111} * 87$	13	Simple Random Sampling
	111		86	

Source: Researcher's own compilation, June, 2024

For the qualitative study population, the sample size was determined at 7 participants and determination was based on senior personnel's availability. These included one respondent from each WASH NGO at the senior level of management. However, the final sample was determined based on the theory of saturation (Glaser & Strauss, 2017)

3.6 Sampling methods

3.6.1 Stratified Proportionate and Simple Random

For the quantitative data, the study used stratified proportionate and simple random sampling techniques.

The major WASH NGOs, that is, NDO, PIU, WHH; LWI, WFP, AMREF and ACF formed the strata into which the study population was divided. Samples were then selected proportionately from the strata through simple random sampling to ensure equal proportionate representation. In using simple random sampling, the lottery approach was used where names in each category were written on tags and one picked at a time until the required number was obtained.

3.6.2 Purposive sampling

For the qualitative component of the study, key informants were selected using purposive sampling. Purposive sampling is a scientific sampling technique which involves the selection of cases with a bias to particular criteria (Creswell, 2017). In this study, consideration was put to representing the key persons expected to be more knowledgeable and experienced on corporate governance practices and operational performance of WASH.

3.7 Data Management and Analysis

The data collected was prepared, processed and later analysed. Data preparation involved sorting while data processing involved data coding and entry into the computer. Frequency tables were generated especially for the background variables. Data was then edited of some errors made during coding and entry. The data were analysed using descriptive and inferential analysis. Descriptive data analysis involved computing frequencies, percentages, and measures of central tendency. Strongly agree and agree were combined to indicate agree while strongly disagree and disagree were combined to indicate disagree. This involved computation of relative frequencies and descriptive statistics such as means and medians on the numerical variables. At this stage, analyses was univariate; that is analysing one variable at a time. Predictive data analysis using

simple Linear regression analysis (using ANOVA statistics of adjusted R^2 values, beta, t values and significance values) was used to establish the Organisational Operational Performance Among WASH NGOs within Kampala to determine the magnitude of the influence of the independent variables on the dependent variable (Kothari, 2009).

3.6 Data collection methods

3.6.1 Questionnaire survey

This method was used to gather quantitative data from the main respondents of the study within the shortest time possible (Bougie Roger, 2019). The reason for using a questionnaire survey was to allow the collection of quantitative data that was analysed using quantitative techniques to test and validate study hypotheses. The data collection tools (questionnaires) were administered to respondents by the researcher to ensure data quality.

3.6.2 Interviewing

For the qualitative approach, the study made use of interviews that were conducted with the help of Research Assistants; Interviews were chosen because they allowed the collection of in-depth information to provide a comprehensive understanding of the study phenomena (Maxwell, 2013). The interviews allowed the probing of respondents to obtain an in-depth understanding of corporate governance and organizational operational performance.

3.7 Data Collection instruments

A structured questionnaire and interview guides were adopted instruments for purposes of this study:

3.7.1 Questionnaire

A questionnaire is an inquiry to individuals seeking to obtain statistically useful information about a given phenomenon (Roopa & Rani, 2017). The questionnaire was structured with close-ended questions in line with the study variables of influence of corporate governance and organizational operational performance. The reason behind the use of the questionnaire was to collect primary data that were used to test the hypothesis (Leech, 2010).

3.7.2 Interview guide

The interview guide was used to collect data from the purposively selected key informants. The guide was designed with open-ended questions which according to Creswell (2018) provide in-depth information.

The interview guide was structured with few guiding questions to open into discussions on the three aspects of the study. The interview guide had questions testing organizational operational performance.

3.8 Quality Control:

Data quality control was ensured through use of validity and reliability control measures. These two instruments were essential components in evaluating study instruments for a scientific research study.

3.8.1 Validity

Content validity was applied to test whether the questionnaire measures what is intended to measure as recommended by Creswell (2017). The subject matter specialists who checked for ambiguity, clarity and how relevant the question were for the study rated the questionnaire. In this aspect, Content Validity Ratio (CVR) was used to test for content validity. The following formula was used. $CVR = (n_e - N/2) / (N/2)$ where CVR = content validity ratio, n_e = number of raters who consider the questions as relevant while N = total number of subject matter panellists. The CVI was compared with the benchmark of 0.6 recommended by Nunnally (1967), cited by Malunda and Atwebembeire (2021). Since the CVI scored above the 0.6, the instrument was considered valid implying that subject matter experts considered the questions as essential and therefore valid for measuring the effect of corporate governance on organizational operation performance.

3.8.2 Reliability

This refers to the degree to which a data capturing instruments can accurately calculate a phenomenon and understand the same effect. A test-retest method recommended by Creswell (2020) was used to test whether the questions in the questionnaire measures what is intended to be measured consistently. A sample of seven (7) respondents was administered a questionnaire and after one week, the same respondents were re-administered the questionnaire. The data from the first test and the re-test were entered in SPSS and a Cronbach's alpha statistic estimated. since the Cronbach alpha coefficients for corporate governance as well as its dimensions scored beyond 0.7, the minimum acceptable level of reliability according to Creswell (2017), the instrument was considered reliable. In other words, the questionnaire was relatively free from measurement errors.

Qualitative data was tested for interpretive validity hence enhancing the trustfulness of the data with interpretations reflecting the perspectives participants had and not the researchers. This was realized through exposing the analysed data to the expert reviewer deemed knowledgeable about the subject matter and context. The trustfulness of the data and findings were enhanced by safeguarding "a clear and precise presentation" of the approaches with sufficient justifications. Biasness among participants that would potentially hinder the trustfulness in the study. Furthermore, the interviews were conducted within the

participant's offices in order to give them comfort convenience and a good ambiance.

3.8.4 Data collection protocols

A letter for fieldwork was obtained from UCU following a successful proposal defence. The to whom it may concern letter was used to introduce the researcher to respective chief executive officers of the respective WASH NGOs operating within Kampala and authorization to conduct the study was sought. After authorization, a list of respondents from the target population was compiled with guidance of officials in the organizations familiar with the categories of the targeted respondents. The research assistants were recruited and trained to distribute the questionnaires. Before administering the questionnaire, a respondent was introduced to the study and consent sought. The Researcher arranged with the respondents on when to collect the filled questionnaire or when to conduct the interview.

3.9 Strategy for data processing and analysis.

In line with the gathering of both quantitative and qualitative data, and in accordance with the mixed methods approach, the process of data analysis was similarly done using both quantitative and qualitative approaches.

3.9.1 Quantitative data analysis

The analysis started with descriptive statistics to describe the variables. This was important to determine representation or distribution of the different response categories to guide the decision on the kind of inferential analysis techniques. The choice for regression analysis leveraged on its ability to estimate the significance of the effect as well as the magnitude of effect of the independent on the dependent variable as observed by Creswell (2020).

3.9.2 Qualitative data analysis

For qualitative data, interview were recorded, transcribed and notes were entered in NVivo qualitative data software. Thematic analysis was applied to analyse the transcribed notes. The data were coded for both the themes and the categories. Verbatim patterns were generated in line with the study objectives based on the major themes and expressions in the contents and were sufficiently used to develop arguments. Notably, this process was iterative and reflective as the emerging issues paved way for further collection and analysis of data. This procedure derives from works of Creswell (2017).

3.10 Ethical considerations

Because the study involved human subjects, ethical concerns were addressed, as well as participant protection. The issues included potential invasion of privacy and potential harm from exposure of personal

information about individual responders, which could be critical and judgemental. These issues were supported by the literature on research ethics such as Fouka and Marianna (2020).

Authorisation

This research was conducted after attaining authorization by the supervisor and the School Research Board to set out to the field to collect data. A letter from UCU was given to the researcher to present to WASH staff and authorities for consent to collect data from the sampled employees (Malunda & Atwebembeire, 2021).

Confidentiality

The study made every effort to maintain confidentiality during data collecting and reporting. To do this, the names of respondents were anonymised on the data collection tools or interview notes, and instead each respondent was allocated a unique identification number.

Privacy and Anonymity

Questionnaires had no provision for identity exposure in terms of participants' names to ensure confidence on privacy of the respondents (Malunda & Atwebembeire, 2021). The interview guide also had no provision for the names of interviewees, but instead the researcher gave symbols to the participants. Collected data were put to safe custody of the researcher and as required, the supervisor was given access to confirm that the researcher actually went to the field.

Study Limitations.

Study limitations are potential constraints or shortcomings that may affect the validity or generalizability of research findings. These included sample size limitations, data collection challenges, or biases inherent in the study design. Identifying and acknowledging these limitations was essential for interpreting results accurately and providing context for future research.

Chapter Four

Data Presentation, Analysis and Discussion of Findings

Introduction

This chapter presents, analyses and interprets the study findings. It specifically presents the response rate, background of the respondents, description of variables and findings of the study objective by objective.

Response Rate

A total of 86 questionnaires were issued and 75 were returned as shown in table 4.1 below.

Table 4.1: Response Rate

Category	Questionnaires		Response Rate (%)
	Issued	Received Back	
1. Netherlands Development Organisation	08	05	63
2. Plan International, Uganda	20	18	90
3. Welthungerhilfe	12	10	83
4. Living Water International	13	10	77
5. Water for People	09	09	100
6. African Medical and Research Foundation	11	10	91
7. Action Against Hunger	13	13	100
Overall response rate			86

Source: Primary data

Table 4.1 above shows an overall response rate of 86%, which was high and suggesting that the survey results were representative. Fincham, (2008) contends that a response rate of 50% is representative enough and acceptable for a survey.

4.2 Background of the Respondents

This section reflects the distribution of respondents by sex, age, WASH organization, Position, Education level, and Period of Service in the organization as shown in Table 4.2.

Table 4.2: Background Information of the Respondents

SN	Item	Details	Frequency	Percentage
01	My Sex	Male	40	53
		Female	35	47
		Total	75	100
02	My age in years	Between 18 - 25	04	05
		Between 26 - 30	19	25
		Between 31 - 40	30	40
		Between 40 - 45	16	21
		46 and above	06	08
		Total	75	100
03	WASH organization of the respondent	NDO	05	07
		PIU	18	24
		WHH	10	13
		LWI	10	13
		WFP	09	12
		AMREF	10	13
		ACF	13	17
		Total	75	100
04	My Position in the organization	Engineer	05	07
		Field Officer/Community Mobilizer	14	19
		Sanitation Specialist	12	16
		Monitoring and Evaluation officer	07	09
		Finance and Administration Officer	07	09
		Communications Officer	05	07
		Water Technician	25	33
		Total	75	100
05	Level of Education	Certificate	25	33
		Diploma	20	27
		Bachelor's Degree	20	27
		Master's Degree	10	13
		PhD	00	00
		Total	75	100
06	Period of Service in the organization	Less than a year	07	09
		1 - 3 years	15	20
		4 - 6 years	38	51
		7 years and above	15	20
		Total	75	100

Source: Source: Primary Data 2024

According to Table 4.2, males contributed more to the sample with 53% of the respondents compared to the females who contributed 47% of the respondents. This suggests that majority of the staff within the WASH Major NGOs supplying water within Kampala are male.

Table 4.2 also shows that the category of 31 – 40 years dominated the sample by contributing 40% of the respondents. This was followed by the category of 26 – 30 that contributed 25% of the respondents. This was further followed by the categories between 40 – 45 whose contribution to the study was 21%. These were followed by the category of between 46 and above, contributing 8% of the respondents, yet the category of between 18 - 25 years had the least

contribution of 5%. This suggests that majority of the staff within the WASH organisations were aged between 31 – 40 years.

According to Table 4.2, PIU dominated the sample by contributing 24% of the respondents. This was followed by ACF contributing 17%. AMREF, LWI, WHH, followed by contributing 13% each category, these were followed by WFP with a contribution of 12%, and NDO had the least contribution of 7% of the respondents. This suggests that among WASH organisations within Kampala district, PIU employees more employees overall, followed by ACF, then AMREF, LWI, and WHH. WFP, and NDO has the least number of employees. In other words, the findings reflected the relative number of employees across the WASH NGOs within the Kampala area of operation.

Table 4.2 further reveals that Water Technicians as dominated the study sample by contributing 33% of the respondents. Field Officers /Community Mobilizers by contributing 19% of the respondents, followed by Sanitation Specialists contributing 16%. While Finance and Administration Officers, and Monitoring and Evaluation officers followed by each contributing 9% of the respondents, while, Communications Officers and Engineers had the least contribution of 7% each.

Regarding level of education, the study findings as reflected in table 4.2 above reveal that majority of the respondents were certificate holders contributing 33% of the respondents, followed by those of Bachelors, and Diplomas both tied at 27% of the respondents. Respondents with Master's Degree were 13%, while none of the respondents a Ph.D.

Regarding the period of service in the organization, the study findings reveal that majority of the respondents had been in their respective organizations for a period of 4 - 6 years contributing 51% of the respondents, followed by those of 1 - 3 years with 20% contribution of the respondents. Those of 7 years and above contributed 20% of the respondents, while those of less than a year contributed only 9% of the respondents.

Description of the Dependent Variable: Operational Performance

The dependent variable, was conceptualized as Organizational Operational Performance. It comprised 8 quantitative items. These were measured using a five-point Likert scale ranging from 1 – 5. Where (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree and (5) = strongly agree as shown in Table 4.3.

Table 4.3: Statistics for Respondents' Self-Rating on operational performance

<i>Operational Performance</i>	Agree F (%)		Disagree F (%)		Mean	STD
	SA	A	DA	SDA		
1. Beneficiaries are satisfied with the services provided by our organization.	8 (10.7)	17 (22.7)	20 (26.7)	21 (28.0)	2.6221	1.39010
2. Donors are satisfied with the transparency and accountability of our organization.	29 (38.7)	11 (14.7)	14 (18.7)	11 (14.7)	3.1919	1.06276
3. Employees feel valued and appreciated for their contributions.	7 (9.3)	29 (38.7)	9 (12.0)	20 (26.7)	3.0588	1.18024
4. Our organization delivers services in a timely and efficient manner.	9 (12.0)	31 (41.3)	22 (29.3)	14 (18.7)	2.9883	1.23664
5. Financial resources are allocated appropriately to maximize impact.	5 (6.7)	32 (42.7)	25 (33.3)	8 (10.7)	3.0174	1.13155
6. Resources are used efficiently to achieve project goals.	10 (13.3)	24 (32.0)	12 (16.0)	22 (29.3)	2.8663	1.33317
7. Our organization ensures that resources are used where they are needed most.	3 (4.0)	13 (17.3)	24 (32.0)	28 (37.3)	2.2471	1.18077
8. Our operations are sustainable and have long-term viability.	13 (17.3)	40 (53.3)	8 (10.7)	6 (8.0)	3.5233	1.07852

Source: Primary Data August, 2024

Table 4.3 reveals that, donors are satisfied with the transparency and accountability of WASH organizations (Mean=3.1919; STD= 1.06276), and operations are sustainable and have long-term viability. (Mean = 3.5233; STD = 1.07852). Table 4.3 also reveals that employees feel valued and appreciated for their contributions (Mean = 3.0588; STD = 1.18024), and that financial resources are allocated appropriately to maximize impact (Mean = 3.0174; STD = 1.13155). These emerged as the key indicators of organizational operational performance among major WASH NGOs supplying water within Kampala district. These scored the highest means and relatively low standard deviation.

These quantitative findings highlighted two extreme indicators of organizational operational performance within WASH NGOs in Kampala. These were the relatively high satisfaction of donors with the transparency and accountability of the organizations, and the significant challenges in ensuring that resources are used where they are most needed. The qualitative data gathered from interviews provided deeper insights into these extremes. The interviews with management personnel of WASH NGOs revealed a strong commitment to maintaining transparency and accountability, particularly in financial reporting and project management.

The findings from Table 4.3 align with the literature emphasizing the critical role of transparency, accountability, and ethical conduct in enhancing the operational performance of organizations, particularly in challenging environments like Kampala. The satisfaction of donors with these governance practices and the perceived sustainability of operations corroborates studies that highlight the importance of strong governance frameworks in achieving better organizational outcomes (Nkundabanyanga et al.,

2017; Kyere & Ausloos, 2020). Additionally, the sense of value among employees and effective resource allocation are consistent with research indicating that such governance practices lead to improved employee engagement, stakeholder satisfaction, and operational efficiency in NGOs (Muhumuza, 2019; Turyakira, 2018). These findings further reinforce the view that WASH NGOs in Kampala, which prioritize robust governance mechanisms, are better positioned to deliver sustainable and impactful services, ultimately contributing to the sector's long-term viability (Mukwaya, 2020; Nabunnya, 2021).

In an interview, a finance director from one of the organizations noted:

“We understand that donor trust is paramount to our operations. We have implemented rigorous financial management systems and regular audits to ensure that all funds are accounted for and used according to the donors’ specifications. We also provide detailed reports that are not just a requirement but a tool to communicate our impact and stewardship.”

Another respondent highlighted the role of open communication in building donor confidence:

“We keep our donors informed at every stage of the project. Whether it’s a success or a challenge, we ensure they are in the loop. This transparency has been key in maintaining long-term partnerships and securing future funding.”

These comments reinforce the quantitative finding, where donor satisfaction with transparency and accountability scored a mean of 3.1919, one of the highest among the operational performance indicators. The qualitative insights suggest that these organizations have effectively established practices that ensure donors are satisfied with how their contributions are managed and reported.

In contrast, the qualitative data underscored significant difficulties in the efficient allocation and use of resources, particularly in ensuring that resources are directed to areas of greatest need. A program manager described the situation as follows:

“One of our biggest challenges is the dynamic nature of the communities we serve. Needs can change rapidly, and sometimes, despite our best efforts, resources are allocated based on outdated assessments. This leads to inefficiencies and can hinder our ability to achieve our project goals effectively.”

Another respondent elaborated on the operational difficulties:

“Our resource allocation process is thorough, but the unpredictable nature of fieldwork means that we sometimes face mismatches between resource distribution and actual needs. This is frustrating because it directly impacts our ability to deliver the intended outcomes.”

This qualitative finding suggests that while there is a clear recognition of the importance of efficient resource allocation, external factors such as changing community needs and logistical challenges make it difficult to ensure that resources are always used where they are most needed.

The qualitative findings highlight the extremes in organizational operational performance among WASH NGOs in Kampala. On one hand, the organizations excel in maintaining donor satisfaction through robust transparency and accountability practices. On the other hand, they struggle with the efficient allocation and use of resources, a challenge that is exacerbated by the unpredictable nature of their work. These extremes provide valuable insights into the operational dynamics of these organizations, indicating both areas of strength and critical challenges that need to be addressed.

4.4 Stakeholder Engagement and Organizational Operational Performance in WASH NGOs in Kampala

The first objective of the study was to examine the influence of stakeholder engagement on organizational operational performance among major WASH NGOs supplying water within Kampala district. Stakeholder Engagement construct was measured using 6 items scored on a five-point Likert scale ranging from 5= Strongly Agreed, 4= Agree, 3 = Not Sure, 2=Disagree, 1 = Strongly Disagree and the findings are presented in Table 4.4

Table 4.4: Descriptive Results for Stakeholder Engagement

<i>Stakeholder Engagement</i>	Agree F (%)		Disagree F (%)		Mean	STD
	SA	A	DA	SDA		
1. The organization conducts comprehensive mapping of beneficiaries, donors, local communities, and government agencies.	11 (14.7)	28 (37.3)	27 (36.0)	4 (5.3)	3.1802	1.17332
2. Our organization understands stakeholders' WASH needs and priorities.	15 (20.0)	30 (40.0)	16 (21.3)	6 (8.0)	3.3895	1.19184
3. Marginalized or vulnerable groups are included in our stakeholder analysis.	21 (28.0)	34 (45.3)	8 (10.7)	3 (4.0)	3.8198	1.05800
4. Stakeholder demographics and geographical distribution are well documented.	8 (10.7)	38 (50.7)	13 (17.3)	5 (6.7)	3.2849	0.93359
5. We have a formalized stakeholder engagement plan that includes all relevant stakeholders.	7 (9.3)	38 (50.7)	16 (21.3)	7 (9.3)	3.1919	0.97534
6. Participatory approaches are used in program design.	2 (2.7)	30 (40.0)	11 (14.7)	23 (30.7)	2.7719	1.12225

Source: Primary Data 2024

Table 4.4 above reveals that the marginalized or vulnerable groups are included in stakeholder analysis (Mean=3.8198; STD=1.05800), and that WASH organizations understand stakeholders' needs and priorities. (Mean = 3.3895; STD = 1.19184). Table 4.4 also reveals that stakeholder demographics and geographical distribution are well documented (Mean = 3.2849; STD = 0.93359). These emerged as the key stake holder engagement indicators among major WASH NGOs supplying

water within Kampala district. These scored the highest means and relatively low standard deviation.

The quantitative data in Section 4.4 highlighted two extreme indicators of stakeholder engagement within WASH NGOs in Kampala: the inclusion of marginalized or vulnerable groups in stakeholder analysis, and the understanding of stakeholders' WASH needs and priorities. The qualitative data gathered from interviews provided deeper insights into these aspects of stakeholder engagement.

The findings from Table 4.4 align with the literature emphasizing the importance of inclusive stakeholder engagement in enhancing the operational performance of organizations, particularly within the WASH sector in Kampala. The inclusion of marginalized or vulnerable groups in stakeholder analysis and the understanding of stakeholders' needs and priorities support studies that highlight the role of effective stakeholder engagement in improving service delivery and fostering sustainable development (Adegbite & Nakajima, 2018; Nabunnya, 2021). Additionally, the well-documented stakeholder demographics and geographical distribution underscore the significance of comprehensive stakeholder analysis, which is essential for addressing the diverse needs of communities and ensuring equitable service provision (Mukwaya, 2020). These findings suggest that WASH NGOs in Kampala that prioritize inclusive and well-informed stakeholder engagement are better positioned to enhance their operational performance and contribute to the broader development goals of the sector.

Interviews with management personnel of WASH NGOs revealed a strong emphasis on the inclusion of marginalized and vulnerable groups in their stakeholder engagement processes. A program coordinator shared:

“Our commitment to inclusivity is at the core of our operations. We make deliberate efforts to ensure that the voices of marginalized communities are heard, especially those who are often overlooked, such as women, children, and persons with disabilities. This is not just a checkbox for us—it’s a fundamental part of our mission to provide equitable access to WASH services.”

Another respondent explained the methodologies employed to include these groups:

“We use participatory rural appraisal (PRA) techniques to engage marginalized groups. By going into the communities and facilitating discussions in their local languages, we gather firsthand information about their specific needs and challenges. This helps us to tailor our programs to address those issues effectively.”

These qualitative insights align with the quantitative finding, where the inclusion of marginalized

groups in stakeholder analysis scored a mean of 3.8198, the highest among the stakeholder engagement indicators. The qualitative data suggests that these organizations have developed robust practices to ensure that marginalized groups are not only included but actively engaged in the decision-making process.

The interviews also highlighted the organizations' efforts to understand the WASH needs and priorities of their stakeholders. A senior project manager noted:

“Understanding the needs of our stakeholders is a continuous process. We conduct needs assessments and hold regular consultations with community leaders, local government representatives, and other stakeholders to stay informed about their evolving needs. This helps us to design and implement programs that are relevant and impactful.”

Another respondent emphasized the role of ongoing communication:

“We don't just collect data once and move on. We have established feedback loops that allow us to continually update our understanding of stakeholder needs. This is crucial because the needs of the communities we serve can change rapidly due to factors like population growth, climate change, and economic shifts.”

These findings support the quantitative data, where the understanding of stakeholders' WASH needs and priorities had a mean score of 3.3895. The qualitative insights reveal that WASH NGOs are deeply invested in maintaining an up-to-date and accurate understanding of stakeholder needs, which in turn informs their program design and implementation.

The qualitative findings underscore the importance of inclusivity and continuous engagement in the stakeholder engagement practices of WASH NGOs in Kampala. The organizations excel in ensuring that marginalized groups are actively involved in their processes and that they maintain a deep understanding of the WASH needs and priorities of their stakeholders. These practices are not only crucial for the operational performance of these NGOs but also for their broader mission of providing equitable access to essential services in Kampala's diverse communities.

4.5 Accountability and Transparency and Organizational Operational Performance Among WASH NGOs supplying water within Kampala District

The second objective of the study was to examine the influence of Accountability and Transparency on organizational operational performance of Major WASH NGOs supplying water in Kampala district. Accountability and Transparency construct was measured using 6 items scored on a five-point Likert scale

ranging from 5= Strongly Agreed, 4= Agree, 3= Not Sure, 2= Disagree, 1= Strongly Disagree and the findings are presented in Table 4.5.

Table 4.5: Accountability and Transparency

<i>Accountability and Transparency</i>	Agree F (%)		Disagree F (%)		Mean	STD
	SA	A	DA	SDA		
1. The organization transparently reports on project finances, including budget allocations and expenditure.	21 (28.0)	45 (60.0)	2 (2.7)	1 (1.3)	4.1279	1.03920
2. Annual reports detailing WASH project outcomes and community benefits are published.	22 (29.3)	46 (61.3)	2 (2.7)	1 (1.3)	4.0930	0.85798
3. Funding sources and partnerships involved in WASH initiatives are disclosed.	26 (34.7)	40 (53.3)	3 (4.0)	1 (1.3)	4.1686	0.84798
4. We comply with donor requirements and reporting obligations.	13 (17.3)	46 (61.3)	8 (10.7)	2 (2.7)	3.6977	0.90152
5. Regular performance evaluations are conducted for staff involved in WASH project implementation.	13 (17.3)	39 (52.0)	13 (17.3)	3 (4.0)	3.5407	0.96251
6. Compliance audits are conducted to ensure adherence to regulatory standards and organizational policies.	24 (32.0)	40 (53.3)	3 (4.0)	1 (1.3)	3.9766	0.86060

Source: Primary Data 2024

Table 4.5 above reveals that funding sources and partnerships involved in WASH initiatives are disclosed. (Mean = 4.1686; STD = 0.84798), and that the annual reports detailing WASH project outcomes and community benefits are published (Mean=4.0930; STD = 0.85798), as well as compliance audits are conducted to ensure adherence to regulatory standards and organizational policies (Mean = 3.9766; STD = 0.86060). Since these scored the highest means and relatively low standard deviation, they emerged as the key Accountability and Transparency indicators for the major WASH NGOs supplying water within Kampala district.

The quantitative data in Section 4.5 identified three key indicators of accountability and transparency within WASH NGOs in Kampala: the disclosure of funding sources and partnerships, the publication of annual reports detailing WASH project outcomes and community benefits, and the conduct of compliance audits to ensure adherence to regulatory standards and organizational policies. The qualitative findings gathered from interviews provide deeper insights into these aspects of accountability and transparency.

The findings from Table 4.5 are consistent with the literature that underscores the critical role of accountability and transparency in enhancing the operational performance of organizations, particularly within the WASH sector in Kampala. The disclosure of funding sources and partnerships, as well as the publication of annual reports detailing project outcomes, aligns with the emphasis on transparency as a cornerstone of good corporate governance, which is vital for building stakeholder trust and ensuring effective resource management (Nkundabanyanga et al., 2017; Turyakira, 2018). Additionally, the

regular compliance audits that ensure adherence to regulatory standards and organizational policies reflect the importance of accountability in mitigating risks and enhancing operational efficiency (Kyere & Ausloos, 2020; Mukwaya, 2020). These practices contribute to the improved operational performance of WASH NGOs by fostering a culture of transparency and accountability, which are essential for sustaining donor confidence and achieving long-term viability in service delivery (Muhumuza, 2019; Nabunnya, 2021).

Interviews with senior management and finance officers within the WASH NGOs revealed a strong commitment to transparency, particularly in disclosing funding sources and partnerships. A finance manager elaborated:

“We believe that transparency is critical for maintaining trust with our stakeholders, especially the communities we serve and our donors. We openly share information about where our funding comes from, who our partners are, and how the funds are being utilized. This is not just a compliance measure—it’s about fostering a culture of openness and accountability within our organization.”

Another respondent highlighted the impact of this practice on donor relations:

“By clearly disclosing our funding sources and partnerships, we have been able to build stronger relationships with our donors. They appreciate the transparency and are more inclined to continue their support, knowing that their contributions are being used effectively and ethically.”

These qualitative insights align with the quantitative finding that the disclosure of funding sources and partnerships scored the highest mean (4.1686) among the accountability and transparency indicators. The interviews suggest that this practice is not only a matter of policy but also a strategic approach to building and maintaining trust with both donors and the communities served.

The interviews further underscored the importance of publishing detailed annual reports. A program director noted:

“Our annual reports are a comprehensive reflection of our work throughout the year. They include not only financial statements but also detailed accounts of our project outcomes, challenges faced, and the benefits realized by the communities. This level of detail is essential for demonstrating the impact of our work and holding ourselves accountable to our stakeholders.”

A communications officer added:

“We ensure that these reports are accessible to all stakeholders, including community members who may not have internet access. We distribute printed copies in local languages and hold community

meetings where the findings are presented and discussed. This way, we ensure that everyone is informed and has the opportunity to provide feedback.”

These practices are consistent with the quantitative data, where the publication of annual reports detailing WASH project outcomes and community benefits had a mean score of 4.0930. The qualitative findings reveal that these reports are not just formalities but are actively used as tools for accountability and engagement with the communities and donors.

The conduct of compliance audits emerged as another key practice within WASH NGOs. A compliance officer shared:

“Regular compliance audits are critical for ensuring that we adhere to both regulatory standards and our internal policies. These audits help us identify any gaps in our operations and take corrective actions promptly. They also serve as an assurance to our donors and partners that we are operating with integrity and accountability.”

Another respondent explained the broader significance of these audits:

“Compliance audits are more than just a checkbox. They are part of our continuous improvement process. By regularly reviewing our operations through these audits, we can maintain high standards and improve our practices over time. This is essential for sustaining the trust and support of our stakeholders.”

The qualitative data supports the quantitative finding that compliance audits are a significant aspect of accountability and transparency within these organizations, as reflected in the mean score of 3.9766. The interviews suggest that these audits play a vital role in maintaining operational integrity and ensuring that the NGOs remain accountable to both their internal and external stakeholders.

The qualitative findings emphasize the integral role of transparency and accountability in the operations of WASH NGOs in Kampala. The organizations are deeply committed to disclosing funding sources and partnerships, publishing detailed annual reports, and conducting regular compliance audits. These practices are not only vital for maintaining trust with donors and the communities they serve but also for ensuring that the organizations continue to operate with the highest standards of integrity and accountability. These qualitative insights provide a deeper understanding of the practices behind the quantitative data, highlighting the organizations' proactive approach to accountability and transparency.

4.6 Ethical behaviour and Organizational Operational Performance Among WASH NGOs supplying water within Kampala District.

The third objective of the study was to examine the influence of Ethical behaviour on organizational

operational performance among Major WASH organizations supplying water within Kampala District. Ethical behaviour construct was measured using 6 items scored on a five-point Likert scale ranging from 5= Strongly Agreed, 4= Agree, 3= Not Sure, 2= Disagree, 1= Strongly Disagree and the findings are presented in Table 4.6

Table 4.6: Descriptive Results for Ethical Conduct

<i>Ethical Conduct</i>	Agree F (%)		Disagree F (%)		Mean	STD
	SA	A	DA	SDA		
1. Our organization has a written code of conduct that emphasizes integrity, transparency, and respect for local customs.	9 (12.0)	41 (54.7)	13 (17.3)	7 (9.3)	3.3605	1.09130
2. We have policies and procedures for handling ethical dilemmas and conflicts of interest.	19 (25.3)	41 (54.7)	6 (8.0)	3 (4.0)	3.7515	0.98670
3. Whistleblower protection mechanisms are in place for reporting ethical violations.	13 (17.3)	38 (50.7)	12 (16.0)	5 (6.7)	3.4535	1.05583
4. We regularly monitor and evaluate the effectiveness of WASH projects in meeting stakeholder needs.	9 (12.0)	33 (44.0)	19 (25.3)	6 (8.0)	3.2093	1.04983
5. Participatory methods are used to assess community satisfaction with WASH services.	12 (16.0)	28 (37.3)	21 (28.0)	7 (9.3)	3.1570	1.06173
6. Stakeholder feedback is integrated into program adjustments and improvements.	25 (33.3)	37 (49.3)	5 (6.7)	1 (1.3)	3.9591	0.94157

Source: Primary Data 2024

Table 4.6 above reveals that Stakeholder feedback is integrated into program adjustments and improvements (Mean = 3.9591; STD = 0.94157), and that there are policies and procedures for handling ethical dilemmas and conflicts of interest (Mean = 4.0930; STD = 0.85798), as well as whistleblower protection mechanisms are in place for reporting ethical violations. (Mean = 3.4535; STD = 1.05583). Since these scored the highest means and relatively low standard deviation, they emerged as the key ethical behaviour indicators for the major WASH NGOs supplying water within Kampala district.

In an interview with a senior manager of a prominent WASH NGO, they emphasized, "*We consistently seek input from our stakeholders to guide our program adjustments. Their feedback is invaluable in ensuring our initiatives are both effective and responsive to the community's needs.*" Another key informant highlighted the organization's commitment to ethical governance, noting, "*Our policies on ethical dilemmas and conflicts of interest are not just documents—they are living practices. We conduct regular training to ensure every team member understands and adheres to these guidelines.*" Additionally, an operations director shared, "*We take whistleblower protection very seriously. We've established secure channels that empower our staff to report any unethical behavior without fear of retaliation, reinforcing our culture of transparency and accountability.*"

The findings from Table 4.6 highlight the importance of ethical behaviour in the operational performance of WASH NGOs, which is strongly supported by the literature. The integration of stakeholder feedback into program adjustments underscores the commitment to stakeholder engagement and ethical conduct, aligning with

the emphasis on ethical governance practices as essential for improving service delivery and organizational sustainability (Healy & Palepu, 2020; Mukwaya, 2020). The presence of policies and procedures for handling ethical dilemmas and conflicts of interest, as well as whistleblower protection mechanisms, reflects the importance of maintaining high ethical standards, which are crucial for building trust and ensuring accountability within organizations (Turyakira, 2018; Kyere & Ausloos, 2020). These ethical behavior indicators contribute to the overall effectiveness and credibility of WASH NGOs, enabling them to navigate complex ethical challenges and maintain transparency in their operations, which is critical for securing funding and achieving long-term impact (Nkundabanyanga et al., 2017; Muhumuza, 2019).

4.7 Linear Regression Results and Hypotheses Testing

Multiple regression analysis was carried out to establish the overall causal effect of Stakeholder Engagement, Accountability and Transparency, and Ethical behaviour factors on performance of WASH NGOs using adjusted R² statistics. The linear regression analysis was conducted to establish which among the dimensions of the independent variable was the most significant in determining the performance of WASH NGOs supplying water within Kampala district. The linear regression results were also used to make a decision on the study hypotheses and are presented in Table 4.7.

Table4.7: Linear Regression Analysis Results

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.635 ^a	.403	.388	.60188		
ANOVA ^a						
Model	Sum of squares	df	Mean Square	F	Sig.	
1 Regression	38.349	4	9.587	26.465	0.000 ^b	
Residual	56.876	157	0.362			
Total	95.225	161				
Coefficients ^a						
Model		Un standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.170	.348		0.488	.626
	StakeH_Engage	.026	.088	.023	.292	.771
	Acc._Transp	.511	.097	.454	5.247	.000
	Ethical_Behave	.433	.115	.311	3.770	.000

a. Dependent Variable: Operational_Perform

b. Predictors: (constant) StakeH_Engage, Acc._Transp, Ethical_Behave.

P<0.05

Source: Primary data, 2024

Table 4.7 shows a coefficient of determination (R-square) of 0.403 at a significance level of 0.000

suggesting that Organizational operational performance was 40.3% at a standardized error of estimate of 0.60188. The correlation coefficient ($R = 0.635$ or 64%) indicated the strength of the association between stakeholder engagement, accountability and transparency, and ethical behaviour taking into considerations all interactions among the study variables. The adjusted R^2 of 0.338 or 34% was the variance in the level of organisational performance explained by stakeholder engagement, accountability and transparency, and ethical behaviour putting into consideration all the variables and the sample size of the study. The remaining variance of 66% is explained by other factors other than stakeholder engagement, accountability and transparency, and ethical behaviour.

The standardized coefficient statistics revealed that, accountability and transparency, ($\beta = 0.454$, $t = 5.247$, $p = 0.000$), and ethical behaviour ($\beta = 0.311$, $t = 3.770$, $p = 0.000$) are the only two significant factors determining WASH organizational performance among the factors considered in this study. Stakeholder engagement ($\beta = 0.023$, $t = 0.292$, $p = 0.771$) was statistically insignificant in determining organisational performance among WASH NGOs supplying water within Kampala district as its P values ($p = 0.771$) was greater than 0.05 ($P > 0.05$).

Table 4.7 also presents the analysis of variance (ANOVA). The findings reveal that on average, the mean score on the corporate governance practices and organisational operational performance among the WASH NGOs tended to differ significantly. With the computed F-statistic ($F = 26.465$) large enough as its accompanying P-value = $0.000 < 0.05$. Thus, since the significance or p-value, 0.000 is less than $\alpha = 0.05$, then at 5% level of significance, it is deduced that the computed or observed F is large enough to infer that the responses differed significantly. This means that even when the WASH NGOs operating within Kampala District, practice accountability and transparency, and observe and implement ethical behaviour in their duty executions, this alone is not good enough to foster meaningful organisational operational performance. The findings reveal that in adequate stakeholder engagement in terms of failure to conduct comprehensive mapping of beneficiaries, donors, local communities, and government agencies; lack of a formalized stakeholder engagement plan that includes all relevant stakeholders; and lack of participatory approaches used in program design. The strategies, vision, goals and Plan of the respective WASH NGOs seem not to be supportive enough to aid effective performance, improving technology originality and enhancement of product development for knowledge intensive services upon successful completion of projects.

The quantitative data in Section 4.6 highlighted key indicators of ethical behaviour within WASH NGOs, such as the integration of stakeholder feedback into program adjustments, the establishment of policies and procedures for handling ethical dilemmas, and the presence of whistleblower protection mechanisms. The qualitative findings from the interviews offer deeper insights into how these ethical practices influence organizational operational performance among WASH NGOs in Kampala.

4.8.1 Integration of Stakeholder Feedback into Program Adjustments

Interviews with program managers and community liaison officers revealed a strong emphasis on integrating stakeholder feedback into program adjustments and improvements. A program manager explained:

“One of our core values is to remain responsive to the communities we serve. We actively seek feedback from stakeholders, particularly the local communities, and use it to refine our programs. This not only helps us address immediate concerns but also ensures that our services remain relevant and effective.”

A community liaison officer added:

“We have established formal channels for collecting feedback, such as community meetings, surveys, and suggestion boxes. This feedback is then discussed in our project review meetings, and necessary adjustments are made to better meet the needs of the stakeholders. This approach has significantly improved our relationship with the communities and has enhanced the overall effectiveness of our projects.”

These qualitative insights align with the quantitative finding that the integration of stakeholder feedback into program adjustments had a relatively high mean score (3.9591). The interviews suggest that this practice is central to the ethical conduct of WASH NGOs and plays a crucial role in ensuring that their services are continuously improved to meet stakeholder needs effectively.

4.8.2 Policies and Procedures for Handling Ethical Dilemmas

The existence of policies and procedures for handling ethical dilemmas and conflicts of interest was another significant indicator of ethical behaviour. During interviews, senior management and legal officers highlighted the importance of having clear guidelines to navigate ethical challenges. A senior manager noted:

“We recognize that ethical dilemmas are inevitable in our line of work, especially when dealing with diverse communities and complex projects. To address this, we have developed comprehensive policies and procedures that provide clear guidance on how to handle such situations. This ensures that our staff can make informed decisions that are in line with our ethical standards.”

A legal officer elaborated:

“Our policies are designed to prevent conflicts of interest and ensure that all actions taken by our staff are in the best interest of the organization and the communities we serve. We also provide regular training to our staff on these policies to ensure they are well-equipped to handle any ethical challenges that may arise.”

These findings support the quantitative data, where the presence of policies and procedures for handling ethical dilemmas had a mean score of 3.7515. The qualitative data indicates that these policies are not just

theoretical but are actively implemented and reinforced through training, contributing to the ethical governance of the organizations.

The interviews also revealed insights into the implementation and effectiveness of whistleblower protection mechanisms within the WASH NGOs. A human resources officer shared:

“We have established robust whistleblower protection mechanisms to ensure that any ethical violations are reported without fear of retaliation. These mechanisms are crucial for maintaining transparency and accountability within the organization. We encourage all employees to report any unethical behaviour they encounter, and we take all reports seriously.”

Another respondent, a program director, highlighted the impact of these mechanisms on organizational culture:

“Having whistleblower protection in place has fostered a culture of openness and accountability. Staff feel empowered to speak up if they witness any unethical behaviour, knowing that their concerns will be addressed and that they will be protected from any negative repercussions. This has helped us identify and address issues more effectively, ultimately improving our operational performance.”

These qualitative insights corroborate the quantitative finding that whistleblower protection mechanisms are an important aspect of ethical behaviour within WASH NGOs, with a mean score of 3.4535. The interviews suggest that these mechanisms are essential for promoting a culture of ethical conduct and transparency, which in turn enhances organizational performance.

The qualitative findings reinforce the importance of ethical behaviour in the operational performance of WASH NGOs in Kampala. The integration of stakeholder feedback into program adjustments, the establishment of policies and procedures for handling ethical dilemmas, and the implementation of whistleblower protection mechanisms are key practices that contribute to the ethical governance of these organizations. These practices not only ensure compliance with ethical standards but also foster a culture of accountability, transparency, and continuous improvement, which are crucial for the effective and sustainable operation of WASH NGOs. The qualitative insights provide a deeper understanding of the ethical practices highlighted in the quantitative data, emphasizing their role in enhancing the overall performance of the organizations.

Testing of hypotheses

The first study hypothesis was “Higher levels of stakeholder engagement are positively associated with improved operational performance of NGOs in water supply.” According to Table 4.7, stake holder engagement yielded a β value of 0.023, t value of 0.292 with a significance of 0.771 suggesting that stake holder engagement was insignificant in determining organizational performance. The study does not

uphold the hypothesis that higher levels of stakeholder engagement are positively associated with improved operational performance of WASH NGOs in water supply.

The second study hypothesis was “Increased accountability and transparency in governance practices positively influence the efficiency of water supply services provided by NGOs.” According to Table 4.7, accountability and transparency yielded a β value of 0.454 and t value of 5.247 with a significance of $p=0.000$ suggesting that accountability and transparency are a significant determinant of organizational operational performance. The study therefore upholds the hypothesis that Increased transparency and accountability in governance practices positively influence the efficiency of water supply services provided by WASH NGOs.

The third study hypothesis was “Strong ethical behaviour practices enhance the sustainability and impact of water supply projects carried out by NGOs.” According to table 4.7, Framework factors yielded a β value of 0.311 and t value of 3.770 with a significance of $p=0.000$ suggesting that ethical behaviour is a significant determinant of organizational performance. The study therefore upholds the hypothesis that strong ethical behaviour practices enhance the sustainability and impact of water supply projects carried out by WASH NGOs.

The quantitative findings provided a clear picture of the relationships between stakeholder engagement, accountability and transparency, ethical behaviour, and the operational performance of WASH NGOs. To complement these findings, qualitative data from interviews with key stakeholders within these organizations were analysed to gain deeper insights into the reasons behind the statistical outcomes.

Despite the quantitative analysis revealing that stakeholder engagement was statistically insignificant in determining organizational performance, interviews with NGO staff and community leaders offered nuanced perspectives. Several respondents highlighted challenges in the stakeholder engagement process that may explain the weak statistical association.

A project coordinator from one of the major WASH NGOs remarked:

“While we strive to engage stakeholders at various stages of our projects, the reality is that our engagement is often more procedural than substantive. We conduct meetings and surveys, but the feedback we receive is not always integrated into our decision-making processes in a meaningful way.”

This sentiment was echoed by a community leader who observed:

“We are often consulted, but it feels like a formality. Our input doesn’t seem to carry much weight in the final decisions. This has led to some frustration among the community members, who feel that their voices are not truly heard.”

These qualitative insights suggest that the lack of meaningful stakeholder engagement could be a

reason why it did not significantly impact operational performance in the quantitative analysis. The interviews revealed that while engagement activities are conducted, they may not be sufficiently robust or inclusive to drive substantial improvements in organizational performance.

The qualitative data strongly supported the quantitative finding that accountability and transparency are significant determinants of organizational performance. Interviews with senior management and external partners highlighted the critical role these practices play in the efficient delivery of water supply services.

A senior manager explained:

“Our commitment to transparency and accountability is not just about meeting donor requirements; it’s about ensuring that every penny is spent wisely and that our projects have the intended impact. We have rigorous financial reporting systems in place, and we regularly publish reports on our activities and expenditures.”

An external partner from a donor agency added:

“One of the reasons we continue to fund this organization is their transparency. We know where the money is going, and we can see the results on the ground. This level of accountability gives us confidence that the resources are being used effectively.”

These interviews underscore the importance of transparency and accountability in building trust with donors and ensuring the efficient use of resources, which in turn enhances organizational performance. The qualitative findings reinforce the quantitative conclusion that increased accountability and transparency positively influence the efficiency of water supply services provided by WASH NGOs.

The qualitative findings also supported the hypothesis that strong ethical behaviour practices enhance the sustainability and impact of water supply projects. Respondents emphasized the importance of ethics in maintaining long-term relationships with stakeholders and ensuring the lasting impact of projects.

A program director shared:

“Ethical behaviour is at the core of everything we do. It’s about more than just following the rules; it’s about doing what’s right for the communities we serve. This includes being honest about what we can and cannot achieve, and making sure that our actions align with our values.”

A local government official noted:

“The NGOs that adhere to strong ethical standards are the ones that have the most lasting impact. They gain the trust of the communities, and this trust translates into better cooperation and more sustainable outcomes.”

These insights highlight how ethical behaviour fosters trust and cooperation, which are essential for the sustainability of water supply projects. The qualitative data corroborate the quantitative finding

that ethical behaviour is a significant factor in enhancing the sustainability and impact of WASH NGOs' projects.

The qualitative findings provide valuable context to the quantitative results, offering a deeper understanding of the dynamics at play within WASH NGOs in Kampala. While stakeholder engagement did not emerge as a significant determinant of organizational performance in the quantitative analysis, the qualitative data suggest that this may be due to the procedural rather than substantive nature of the engagement. In contrast, the strong emphasis on accountability, transparency, and ethical behaviour was consistently highlighted in both the quantitative and qualitative data as key drivers of organizational performance, sustainability, and impact. These findings underscore the importance of not only implementing but also meaningfully integrating these practices into the core operations of WASH NGOs to enhance their effectiveness in delivering water supply services.

Chapter Five

Summary of the findings, Conclusions and Recommendations

Introduction

This chapter presents the Summary, Conclusions and Recommendations of findings.

Summary of Findings

Stakeholder engagement and operational performance of WASH NGOs

The findings indicated that while stakeholder engagement was positively correlated with organizational performance, it did not significantly influence the operational performance of WASH NGOs in Kampala. Engagement practices were robust but did not translate into measurable operational outcomes.

Transparency and accountability in governance practices of WASH NGOs.

The study found that transparency and accountability had a significant positive impact on organizational performance. NGOs that practiced higher levels of transparency, particularly in financial disclosures and reporting, saw improved operational efficiency and stakeholder trust.

Ethical behaviour practices and sustainability of WASH NGOs.

Ethical behaviour was found to significantly influence organizational performance. The integration of stakeholder feedback, adherence to ethical policies, and protection of whistleblowers contributed to higher operational standards and organizational integrity.

Conclusion

Based on the study findings, the following conclusions are drawn:

- i) Although considered important, stakeholder engagement alone does not directly drive operational performance in WASH NGOs. Its impact might be more pronounced in combination with other factors.
- ii) Transparency and Accountability are critical drivers of operational performance. Ensuring transparent operations and holding the organization accountable leads to improved trust and efficiency, ultimately boosting performance.
- iii) Upholding ethical standards is essential for the sustainable operation of NGOs. Ethical practices not only enhance performance but also contribute to the organization's reputation and stakeholder trust.

5.3 Recommendations for Policy and Practice

In this section, recommendations are given according to the respective conclusions on what to do in the quest to enhance organizational operational performance among major WASH NGOs supplying water with in Kampala.

- i) WASH NGOs should develop more structured and impactful stakeholder engagement strategies that align with organizational goals to potentially enhance operational performance.
- ii) Continuous improvement of transparency and accountability mechanisms is recommended. This includes regular financial disclosures, thorough annual reports, and strict adherence to compliance audits.
- iii) NGOs should prioritize the integration of ethical practices into their operations by adopting clear policies, fostering a culture of integrity, and ensuring mechanisms like whistleblower protection are robust and effective.

Recommendations for Further Research

This study was carried out among WASH major NGOs supplying water within Kampala. Future studies could explore the impact of stakeholder engagement on specific operational outcomes, such as project success rates, in different NGO sectors beyond WASH.

Additionally, research could be expanded to include other types of NGOs in different geographical areas to compare and contrast the influence of governance practices on performance across various contexts.

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Appendices

Appendix I: Questionnaire for Respective NGOs WASH Staff

Dear respondent, my name is Natukunda Sarah I am carrying out a study to examine the influence of corporate governance practices on the organizational operational performance among major water, Sanitation, and Hygiene (WASH) non-governmental organizations supplying water with in Kampala in partial fulfilment of the requirements for the ward of the degree of Master of Business Administration of Uganda Christian University. Your knowledgeable regarding the issue is the basis for your selection to participate in this study as a respondent. Kindly provide the most appropriate information as indicated in the questionnaire based on your experiences. The information provided shall be used for academic purpose only and will be treated with utmost confidentiality.

If you agree please tick the box and proceed to section I

If you decline, do nothing and return the questionnaire to the researcher.

Thank you in

advance. Yours

truly,

Signed
NATUKUNDA Sarah (Researcher)

Section I: Background Information

01	My Sex	Male	1
		Female	2
02	My age in years	Between18-25	1
		Between26-30	2
		Between31-40	3
		Between40-45	4
		45and above	5
03	WASH organization of the respondent	NDO	1
		PIU	2
		WHH	3
		LWI	4
		WFP	5
		AMREF	6
		ACF	7
04	My Position in the organization		

05	Level of Education	Certificate	1
		Diploma	2
		Bachelor's Degree	3
		Master's Degree	4
		PhD	5
06	Period of Service in the organization	Less than a year	1
		1 - 3 years	2
		4 - 6 years	3
		7 years and above	4

Section II: Organizational Operational Performance (circle as Appropriate)

Indicate the extent to which you agree with the following observations on the level of Organizational Operational Performance within your organization on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

Scale	5	4	3	2	1
<i>Organizational Operational Performance</i>					
9. Beneficiaries are satisfied with the services provided by our organization.	5	4	3	2	1
10. Donors are satisfied with the transparency and accountability of our organization.	5	4	3	2	1
11. Employees feel valued and appreciated for their contributions.	5	4	3	2	1
12. Our organization delivers services in a timely and efficient manner.	5	4	3	2	1
13. Financial resources are allocated appropriately to maximize impact.	5	4	3	2	1
14. Resources are used efficiently to achieve project goals.	5	4	3	2	1
15. Our organization ensures that resources are used where they are needed most.	5	4	3	2	1
16. Our operations are sustainable and have long-term viability.	5	4	3	2	1

Section III: Stakeholder Engagement (circle as Appropriate)

Indicate the extent to which you agree with the following observations on Stakeholder Engagement and Organizational Operational Performance in your organization on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

Scale	5	4	3	2	1
<i>Stakeholder Engagement</i>					
1. The organization conducts comprehensive mapping of beneficiaries, donors, local communities, and government agencies.	5	4	3	2	1
2. Our organization understands stakeholders' water, sanitation, and hygiene (WASH) needs and priorities.	5	4	3	2	1
3. Marginalized or vulnerable groups are included in our stakeholder analysis.	5	4	3	2	1
4. Stakeholder demographics and geographical distribution are well documented.	5	4	3	2	1
5. We have a formalized stakeholder engagement plan that includes all relevant stakeholders.					
6. Participatory approaches are used in program design.	5	4	3	2	1

Section IV: Ethical Conduct (circle as Appropriate)

Indicate the extent to which you agree with the following observations on Ethical Conduct and Organizational Operational Performance in your organization on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

Scale	5	4	3	2	1
<i>Ethical Conduct</i>					
1. Our organization has a written code of conduct that emphasizes integrity, transparency, and respect for local customs.	5	4	3	2	1

2. We have policies and procedures for handling ethical dilemmas and conflicts of interest.	5	4	3	2	1
3. Whistleblower protection mechanisms are in place for reporting ethical violations.	5	4	3	2	1
4. We regularly monitor and evaluate the effectiveness of WASH projects in meeting stakeholder needs.	5	4	3	2	1
5. Participatory methods are used to assess community satisfaction with WASH services.	5	4	3	2	1
6. Stakeholder feedback is integrated into program adjustments and improvements.	5	4	3	2	1

Section V: Accountability and Transparency (circle as Appropriate)

Indicate the extent to which you agree with the following observations on Accountability and Transparency on a scale of (1) = strongly disagree, (2) = disagree, (3) = not sure (4) = agree (5) = strongly agree

	5	4	3	2	1
Accountability and Transparency					
1. The organization transparently reports on project finances, including budget allocations and expenditure.	5	4	3	2	1
2. Annual reports detailing WASH project outcomes and community benefits are published.	5	4	3	2	1
3. Funding sources and partnerships involved in WASH initiatives are disclosed.	5	4	3	2	1
4. We comply with donor requirements and reporting obligations.	5	4	3	2	1
5. Regular performance evaluations are conducted for staff involved in WASH project implementation.	5	4	3	2	1
6. Compliance audits are conducted to ensure adherence to regulatory standards and organizational policies.	5	4	3	2	1

Thank you

Appendix II: Interview Guide for WASH NGOs Management

Thank you for the time to talk to me today. Our discussion is on the study of corporate governance methods in Kampala's Water, Sanitation, and Hygiene (WASH) NGOs and how they affect stakeholder involvement, organizational performance, moral behaviour, accountability, and transparency. As we talk over these, I value your honesty and thoughts.

1. Before we begin our discussion, could you please tell me a little about yourself, including your role within the organization and your experience in the Water, Sanitation, and Hygiene (WASH) sector?
2. **Organizational Operational Performance**
 - a) How does your organization ensure that beneficiaries are satisfied with the services provided?
 - b) **In case not fully elaborative in 2 a) above, Probe further for:**
 - Can you describe specific services that beneficiaries find most satisfactory?
 - How does the organization gather and respond to beneficiary feedback?
 - What improvements have been made based on beneficiary satisfaction surveys?
 - What challenges does the organization face in maintaining high beneficiary satisfaction?
3. **Stakeholder Engagement**
 - a) How effectively does your organization engage with stakeholders, including beneficiaries, donors, and local communities?
 - b) **In case not fully elaborative in 3 a) above, Probe further for:**
 - Can you describe the methods used to engage with different stakeholders?
 - How does the organization ensure that marginalized groups are included in stakeholder engagement?
 - What feedback mechanisms are in place for stakeholders to voice their opinions and concerns?
 - How has stakeholder feedback influenced the organization's decision-making and project design?
4. **Ethical Conduct**
 - a) How does your organization ensure adherence to ethical standards and cultural sensitivity among staff and volunteers?
 - b) **In case not fully elaborative in 4 a) above, Probe further for:**
 - What training programs are in place to promote ethical behavior and cultural sensitivity?
 - How does the organization handle ethical dilemmas and conflicts of interest?
 - What mechanisms exist for reporting and addressing ethical violations?
 - How does the organization monitor and evaluate compliance with ethical standards?
5. **Accountability and Transparency**
 - a) How does your organization ensure transparency and accountability in its financial reporting and project outcomes?
 - b) **In case not fully elaborative in 5 a) above, Probe further for:**
 - What processes are in place for transparent financial reporting?
 - How are annual reports and project documentation made available to the public?
 - What measures ensure compliance with donor requirements and regulatory standards?
 - How does the organization address and resolve grievances and complaints from stakeholders?

Thank you

Appendix III: Letter of Introduction for Data collection



**UGANDA CHRISTIAN
UNIVERSITY**

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29th July 2024

To Whom It May Concern;

RE: MASTER OF MASTER OF BUSINESS ADMINISTRATION (MBA)

Ms. Natukunda Sarah, Access No. A98430 and REG. S22M15/002 is a student at Uganda Christian University, pursuing a degree of Master of Business Administration.

In partial fulfillment of the requirements for the award of the Masters degree, she is conducting a research study titled: **“Corporate Governance Practices and Organisational Operational Performance among the Non-Governmental Organisations .Case of water, Sanitation and Hygiene (WASH) based Organisations within Kampala District.**

This communication therefore serves to formally request you to allow her access any information in your custody/organization, which is relevant to her research.

Thank you for your cooperation on this matter

Yours Sincerely,

for 

Dr. Henry Mugisha
Head of Department, Postgraduate Studies



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