

Corporate Communication and Governance in Public enterprises in Africa, A case of Uganda in the 21st Century: A Case study of a Public University and a Health Center IV

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Abstract

This paper gives an exploration and examination of corporate communication, Governance and leadership challenges of public enterprises in Africa, looking at Uganda as a case study in the 21st century. The study adopted a simple survey design taking cross sectional case studies of two public enterprises with a sample of 85 respondents in total. These included one public university and one public health center IV. In many countries in Africa, Uganda inclusive, corporate communication is meant to facilitate governance and leadership cultures which can be thought of, as the voice of an organization. It speaks internally, to employees, as well as externally, to suppliers, vendors, media, investors and other stakeholders.

However, this has remained as one of the major challenges in many African countries. Corporate communication and governance in leadership vary from country to country, from small public enterprises, to larger enterprises and multinationals whose number is increasing.
Uganda has the basic infrastructure required for leadership and governance in the health sector but has weak and under resourced structures. One of the major causes of weakness includes lack of proper coordination of donor aid and poor leadership among leaders at district level. Other weaknesses include poor governance in public institutions, government and regional bodies. This has subsequently crippled the culture of corporate governance in many countries.
Corporate governance and leadership are meant to promote and portray transparency, accountability and disclosure as a governance tool. This to a number of public institutions and organizations, has remained a challenge despite the different technological and institutional advocates, changes and reforms, support from the international communities, regional governments and institutional synergies. This is explained by the ways institutions, leaders and governing bodies have facilitated leadership. This can be observed through management and governance styles as well as end results of performances of institutions and organizations as far as total quality management indicators reveal.

Key words: *Corporate communication, Governance, Public Enterprises or State-owned enterprises (SOE), Leadership*

Introduction and Background

This paper gives an exploration and examination of Corporate Communication, Governance and leadership in Public enterprises of Uganda in the 21st Century, looking at one public university and one health center. The main reasons for choosing these two institutions is that, in Uganda, education and health services are among the prioritized basic services consumed by Ugandans.
Public enterprises comprise of Public education institutions like universities, secondary schools, medical institutions which include Hospitals, dispensaries and also other organizations like Security forces and farms.
The study adopted a simple survey design taking cross sectional case studies of two public enterprises with a sample of 85 respondents in total. The approaches for data collection and analysis were both qualitative and quantitative.

Corporate communication is the voice of an organization/institution. This voice speaks to employees internally and also to the outside communities and institutions (Johnson, 2016, p.1).
On the other hand, Corporate Governance, provides a system of structures, rights, duties and obligations through which institutions are directed and controlled. It is also a legal and regulatory requirement (Benjamin, 2010).

For the Public University, the voice internally goes to students, academic staff and non-academic staff and externally to the people and institutions outside the university.
On the other hand, for the Health center, the voice internally goes to staff (Medical and support staff), and externally to the public including potential and previous patients. The two institutions referred to in this paper, have voices and governances in place through appointed leadership and management. Corporate communication can be thought of, as the voice of an organization. It speaks internally, to employees, as well as externally, to suppliers, vendors, media, investors and other stakeholders (Johnson, 2016, p. 1)
It is common knowledge that, communication may be considered also as a way of passing on information from a sender to the recipient through a number of means that include wireless, paper, radio, and or any electronic means.

Corporate governance on the other hand provides a system of structures, rights, duties, and obligations through which corporations are directed and controlled. It is also a legal and regulatory requirement under multiple pieces of legislation (Benjamin, 2010).

Uganda's Economic Overview

Since the late 1980s, the Uganda government has pursued a series of stabilization and pro-market structural reforms. The resultant macroeconomic stability, post-conflict rebound, and investment response generated a sustained period of high growth during 1987-2010. Real gross domestic product (GDP) growth averaged 7% per year in the 1990 and 2000, placing Uganda among the 15 fastest growing economies in the World.

However, over the past decade, Uganda witnessed more economic volatility and the growth in gross domestic product (GDP) slowed to an average of just about 5%. With the population increasing at a rate of at least 3% per annum through these decades, per capita income growth decelerated from a rate of 3.6% recorded in the decades of 1990s and 2002, to about 2%.
Going forward, takeoff of a huge public investment program and resumption of private sector economic activity in the post-election era is expected to drive growth. This notwithstanding, the effects of a volatile global economy on demand for Uganda's exports and timing of key infrastructure projects in the country's oil sector, could offset any benefits of improved terms of trade due to low oil prices.
Under these circumstances, the Ugandan economy is forecast to grow at a rate of approximately 5.9%

in FY16/17. Growth will increase to 6.8% in FY17/18, and thereafter stay on an upward trajectory into the medium term, if major infrastructure projects are implemented as planned, and private investment intensifies with oil-related activities.

Uganda's Political Context

President Yoweri Kaguta Museveni was re-elected for another five-year term defeating seven challengers in elections held on February 18, 2016. For about 20 years of Museveni's rule, the country faced an insurgency in the north and earlier sporadic skirmishes in the eastern part of the country. Today, the whole country has been pacified and is largely peaceful, however, numerous challenges are keeping the country from attaining full democratic progress, including corruption, underdeveloped democratic institutions, and human rights related abuses. In 2017, Uganda experienced rapid and anonymous killings of key public figures. One of the major cases includes the killing of the late Assistant Inspector General of Police (AIGP), Mr Felix Andrew Kaweesi (New Vision, March 18, 2017)

Uganda's Development Challenges

Uganda surpassed the Millennium Development Goals (MDGs) target on halving poverty by 2015, and made significant progress in reducing the population that suffers from hunger by promoting gender equality and empowering women. However a large proportion of its population is highly vulnerable and at risk of falling back into poverty, making achievements of the goals a challenge. With almost half of its people under the age of 15 years (one of the world's youngest populations) and a fertility rate estimated at 5.7 children per woman (2015), Uganda has a very high dependency ration and population growth that generates 700,000 new labor market entrants every year.

Statement of the problem

Communication, Corporate governance and leadership are necessities and constants in life. Issues arising from the African Peer Review Mechanism (APRM) 2009 indicate that, there are low levels of awareness on Corporate Governance in Uganda, shareholders are not aware of their rights and the adoption of corporate governance standards and codes in national laws is still at its infancy (Musaali, 2010, p. 12)

Leadership and Governance failures in Africa have come about largely as a result of frequent leadership changes through peaceful means, lack of ideology, policy reversal and weak institutional patterns (Afegbua, 2012, p. 23). At the international scene, Uganda has consistently ranked high on the World Corruption Index (Ssebbaale & Kibukamusoke, 2016, p. 10). This has impacted on the flow of direct foreign investments into the country. Concerns about corruption, poor governance, fraud, bribery, adverse labor practices and bid rigging are among the practices commonly cited.

According to (DeRosia, 2010), the five core values of public administration include transparency, accountability, ethics, Professionalism and good leadership. In view of the researcher, many of these are still a problem, in the governance and leadership styles in Africa especially in the 21st Century.

It was urged that understanding of corporate governance issues in Uganda is still problematic and it is being degenerated by corruption habit

Purpose of the study

This paper is intended to explore and examine the levels and quality of cooperate communication, governance and leadership challenges in public enterprises in Africa, taking Uganda as a case study in the 21st century

S**pecific Objectives**

- To assess the corporate communication and governance processes in public enterprises in Africa and Uganda in particular in the 21st Century
- To analyze the relationships between corporate Communication, governance and leadership in public enterprises.

Scope of the study

This paper looks at corporate communication, corporate governance and leadership in public enterprises in Africa, taking Uganda as a case study in the 21stCentury. This study in geographical terms looks at public enterprises in Uganda as a nation. The period considered ranges from 2016 to 2017. This period was chosen because there has been consecutive strikes in some of the public universities over the period under study.

Review of Literature

Theoretical Frame work

The study was guided by two theories.

The Stakeholders Theory in Corporate Governance:

The theory ensures classification of the stakeholders in an institution where stakeholders are classified as, consubstantial, Contractual and contextual (Rodriguez et. al., 2002). This theory links to several other theories. There are five core values of public administration; Transparency, Accountability, Ethics, Professionalism and Leadership (DeRosia 2010).

Corporate governance hinges on five golden rules and these are: importance of business ethics, common goal or aligning goals, strategic management, organizational effectiveness and corporate communication (Muhumuza, 2017)

The Theory of Mary Munter's Corporate Communication Framework (2007):

Mary Munter's corporate communication theory starts with an action-based communication loop. A communicator identifies an objective to achieve, the channel, the choice and cultural context to the communication loop, especially in a multicultural workplace environment. This is quite applicable to scope of the study.

All interpersonal communication is based on a few basic skills, which include the ability to listen, to use of feedback, ask questions, and the use of appropriate communication style (2009, p.13).

According to P. Henslowe (2005), communicating with the use of public relations applies to all sectors of the economy, it exists, inter alia, in sectors such as industry, agriculture, services, and government and public institutions.

Leaders are perceived as persons who can single handedly create order out of chaos, navigate organizations through unthinkable environmental turbulence, bring mightiness out of mediocrity, and thrive where lesser mortals will quickly fade away (Kinsambwe, 2016, p. 3).

The importance of promoting corporate governance is primarily founded on the need to equip business executives with the knowledge and skills required to fulfill their leadership responsibilities in order to contribute to Uganda's economic growth (ICGU, 2015)

The study was based on (John Bosco Kakooza, 2015, pp. 22-29) who states that good management is determined by better performance of institutions in Uganda. According to the study, it was noted that policy makers need to strengthen human and capital resources for hospitals in addition to mobilizing finances. The study extended the debate on application of the management theory with practice in the health sector in the Ugandan context. *Uganda has the basic infrastructure required for leadership and governance in the health sector. However, the structures are weak and under resourced. One of the weaknesses is in donor aid coordination and another weakness is in leadership at the district level (WHO, 2007, p. 67)*

Methodology

Study Design and Approaches

The study adopted a simple survey design taking cross sectional case studies of the two public institutions. This design was adopted with a purpose of establishing similarities and differences in the two sectors (Education and Health), because these sectors provide the services most consumed and enjoyed by

Ugandans as a basic need. The study further adopted a mixed approach where both qualitative and quantitative data was collected.

Sample Size determination

Because the total population was not fully known, the sample size was determined using proportions formula: $n = (D^*Z^2pq)/E^2$

Where error term (E = 10% = 0.1), the value of Z = 1.645 as per the table, p is the indicator value. As from 2016, Feb 18, presidential elections the voter turn up was 63.5%, so p = 0.635, D is the Design effect representing the variations from SRS method (1.45), q = (1-p), implying 1-0.635 = 0.365:

The number of the respondents in total were 85 people (n = 85)

Table 1: The sample size of the respondents and the sampling methods

Public University	Number	Sampling Method	Health Center	No	Sampling method
H/ Departments	4	Purposive	H/Departments	2	Purposive
Lecturers	20	Random	Medical staff	5	Random
Non Academic	10	Random	Support	8	Random
Student/Leaders	7	Purposive	Patients	15	Random
Other Students	14	Random			
Total	55			30	

Source: Primary data (June 2017)

Research Questions

The study answered the following research questions

- What is the level of corporate communication and governance processes in public enterprises in Africa and Uganda in particular in the 21st Century?
- What is the relationships between corporate Communication, governance and leadership in public enterprises?

Methods of data collection, Tools and Techniques

Data was collected through interviews and the survey method.

Interview Method

The Heads of departments for the two institutions were interviewed with intentions of getting in-depth data and information from the respondents. Interviews were also used based on the assumption that heads of departments hold positions of responsibilities and they have a lot of information to share with the researcher. This category of respondents also included the students' leaders for the public university, and the heads of departments for the health center.

Survey Method

A one spot survey was used to collect the relevant data from the respondents. The categories of respondents to whom surveys were conducted included the lecturers, the non-academic staff and the students who were not leaders for the public university. For the case of the health center, the support staff and the patients provided their responses through questionnaires.

Data Collection Tools

Interview Guides

Interview guides were the tools used to collect data from the heads of departments in the two institutions. Interviews were administered and free and fair responses were collected from the targeted categories of respondents.

Questionnaires

Questionnaires with mainly closed ended questions were administered with a view of collecting specified responses in an easy way. The questionnaires were administered by the researchers and responses recorded as required.

The two tools were pretested for reliability and checked for consistency.

Data Analysis

Data was analyzed using SPSS, and Ms excel especially for quantitative data. Atlas.ti 8 was used to analyze the qualitative data.

Study findings

Levels of Corporate communication and governance (1-5)

Table 1, Figure 1 and Figure 2 below show the different clusters that the respondents were categorized into to enable data be collected. Ratings for both the university and the health center were clustered under corporate communication and corporate governance as shown below.

Table 2: Categories of respondents

Institution	Cluster	Ratings (1 – 5)	
		C/Communication	Corporate Governance
Public University	Heads of Departments	3	3
	Lecturers	1	1
	Non-Academic Staff	2	1
	Students leaders	2	1
	Other Students	1	1
Average Rating		1.8 (Fair)	1.6 (Fair)
Health Center	Medical Staff	2	1
	Support Staff	2	1
	Patients	1	1
Average Rating		1.67 (Fair)	1 (Poor)

Figure 1: Ratings for corporate communication and governance in the public University

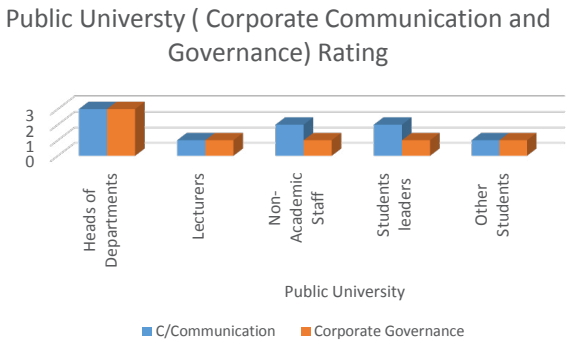
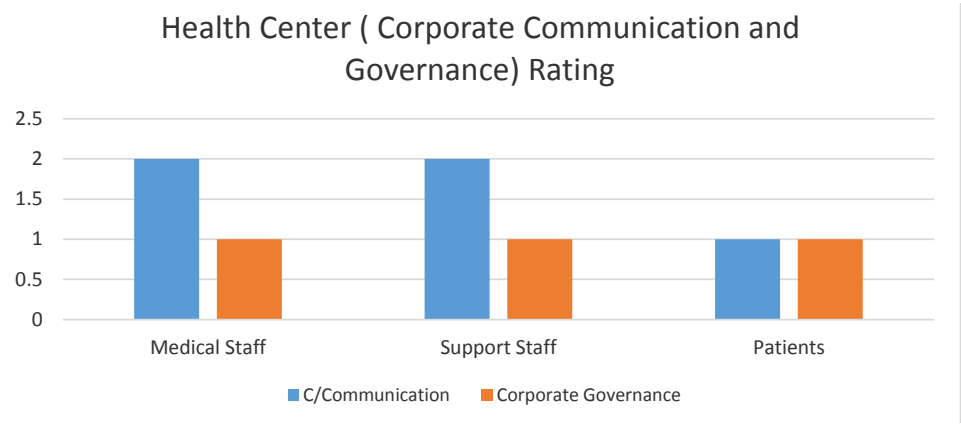


Figure 2: Ratings for corporate communication and governance at the health center



The overall ratings for the two institutions were fair for corporate communication and poor for corporate governance.

From the public university, a number of reasons were given for the lack of corporate communication and governance as follows;

Notice boards are the common modes of communication, loss of marks is common, accountability and ethics are elements of non-professionalism, poor working environment.
There is a lack of a common platform for top management and subordinates.
There is poor and late payments of salaries and arrears and there are no opportunities for staff to air out their views and get solutions to their problems through management.

For the medical center, the reasons were almost similar to those of the public university and are as follows

The notice boards showed a lack of accountability and an element of lack of ethical behavior.
There is a lot of non-professionalism among staff and a poor environment especially for the mothers and their children before and after delivery.
Antenatal services are not easy to access and even if they are accessed, the patients are always referred to drug stores and pharmacies to buy medication because the health center does not have any.

The data above confirms that for the two institutions visited, the university and health center, corporate communication and corporate governance are not exercised well. This calls for the community members to urge their representatives to urge the government to ensure there is proper communication and governance systems across the board and at all levels of governance to ensure proper service delivery.

The Relationship between Corporate Communication and Governance
The realtionship between corporate communication and corporate governance was measured using a correlation coeffient of pearsons product moment correlation. The causal relationship was measured using the simple regression analysis and hypothesis was tested to establish the significance of the relationship as shown in figure 3 below.

Figure 3

	Corporate Communication	
Column 1	1	
Governance	0.714285714	1

Regression Statistics	
Multiple R	0.714285714
R Square	0.510204082
Adjusted R Square	0.428571429
Standard Error	0.534522484
Observations	8

ANOVA

	df	*SS*	*MS*	*F*	Significance F
	1	1.785714	1.785714	6.25	0.04652823
Residual	6	1.714286	0.285714		
Total	7	3.5			

	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	-8.88178E-16	0.534522	-1.7E-15	1	-1.3079294	1.3079294	-1.307929	1.3079294
X Variable 1	0.714285714	0.285714	2.5	0.046528	0.01516804	1.41340339	0.015168	1.4134034

The relationship measurements were ($r = 0.71$, $p = 0.046$ $\alpha = 0.05$). It was realized that, there was a significant relationship because the value of $p = 0.046 < \alpha = 0.05$.

Also $R^2 = 0.51$ (51%) under governance is explained by Corporate Communication, implying that there are other factors (49%) responsible for the existing governance styles with in the public enterprises or institutions in the country. It was further noted that one of the main reasons for poor governance was the limited resources. These resources include human and financial resources and are controlled by the supreme power under the institutions. This means that corporate governance and communication can be improved through the combined efforts of all stakeholders who can lobby and push the decision makers to cause change through policy formulation

Conclusions

In the researchers' opinions Uganda today is faced with the challenges of, elucidating the roles and responsibilities of the State as an SOE owner (not a manager). Instituting SOE Boards that are independent and qualified is a serious challenge. Like private companies, many SOEs have boards, through which the government as an owner is represented. Creating an organizational culture of integrity in SOEs is not easy. This may require integrating Corporate Governance as "part of companies' DNA", in internal controls and risk management systems. Integrity in this context further takes in issues of gender equality and social inclusion-- for example, setting target quotas for women's representation on organization boards and finally securing a political commitment for genuine reforms.

Another key challenge to instituting broad corporate governance lays in the inability for a smooth interface with the country's decentralized administrative structure as the channel to enable outreach into business communities beyond the metropolitan areas.

At the same time a number of directors of public enterprises, are political appointees often with low regard for the benefits of corporate governance. This negates the performance of those very boards in overseeing those very corporations.

There is need to instill and popularize corporate responsibility and ethical values if Uganda's business sector is to successfully confront the competitive challenges and fears arising from both regional integration and membership to various international and regional trading blocs.

Achieving good livelihood would entail overcoming challenges, such as low levels of productivity of both agricultural and non-agricultural sectors; inappropriate urban development; the slow development of infrastructure; and the limited availability of credit. Moreover, the persistently high rates of poverty pose a challenge reducing regional inequality.

Recommendations

There is need for systems that have the following characteristics:

- The systems should be in position to serve all the significant stakeholder groups who include:
    - customers
    - owners
    - employees
    - suppliers and other trading partners
    - local communities
- Those who communicate the intention to run the company under systems of good corporate governance have very specific objectives in relation to each target group. Following the methodology, they will thus include the four elements of:
    - Ethics: projecting the ethos which permits the company, and thus communicating to all stakeholders an image of the ethicality which the board is striving to create and operate
    - Goal: reporting on the progress made by the company towards the agreed corporate goals, and fulfilling the specific interests of the particular stakeholders addressed in the actual communications received by them
    - Organization: this implies that the company is organized effectively to achieve the goals that have been communicated to all the stakeholders, and to look after their individual interests
    - Reporting: demonstrate through the high quality of the communications that the accountability and transparency rule of good corporate governance is both understood and being adhered to
- In their execution, high standards are in place to ensure that the communications are easy to understand and do indeed provide the information required by the recipients. The information should be in line with their expectations referred to above. The systems should provide regular communications to all stakeholder groups and at the same time as have an appropriate weighting between the needs of the various groups. This means no group is neglected, for instance through permitting outdated address lists.

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