Agency relations and managed performance in public universities in Uganda

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Orientation: This article focused on the need for improved employer-employee relationships in order for public universities in Uganda to achieve their intended objectives.

Research purpose: The purpose of this article was to review the need for appropriate employer-employee relationships that will ensure quality services and service delivery in public universities in Uganda.

Motivation for the study: The researchers set out to examine why managers of public universities in Uganda were continuously paying less attention to the needs of the employees.

Research design, approach and method: A descriptive research design was employed and 12 respondents, purposively selected from 4 public universities, were interviewed. Data were recorded, transcribed and analysed using Nvivo software. This article is based on the perspective of agency theory, and discussed the contractual relationship between management and employees. The agency theory was deemed necessary because of its contribution to organisational literature.

Main findings: There is a need to create and nurture a collegial working climate that promotes quality interactions through information sharing. This results in creating and retaining motivated and committed employees, and also helps to overcome the paradox of balancing the high demand for university education whilst offering quality services.

Practical/managerial implications: Managers have to continuously monitor and accommodate employee needs and demands.

Contribution/value-add: The potential value of the paper is its function as a guide for public universities to have visionary managers that will introduce new approaches to managing public universities in a competitive global environment.

Introduction

Public universities and other tertiary institutions in Uganda have faced significant challenges during recent years. These institutions have found themselves in an increasingly competitive environment where there are fewer traditional students available to attend them (Ford, 1990). At the same time, government assistance to students, through grants, has been sharply reduced (Oslon, 2000). Furthermore, there are other environmental changes such as the need to provide costly technological support for the education of the students. These public universities also have to operate as profit making organisations for sustainability, making them both public and private institutions simultaneously (Mamdani, 2007). This results in the commercialisation of academic programmes focussed on mass education as opposed to elite education. The National Council of Higher Education (NCHE) Report (2011) showed that between 2006 and 2010, the number of universities increased from 26 to 29, a percentage of 14%. Of these 29 universities, 5 were public whilst 24 were private. The government owned and funded the public universities whilst the private universities were the property of individuals or organisations.

According to Kitamirike (2008), the shift to mass education has eroded the main goal of universities, which was to increase the institutional flexibility and build productive and adaptive capacity in terms of quality services and service delivery, particularly regarding teaching and research. Consequently, student demonstrations against poor quality services have become common events at public university campuses (Businge, 2009).

There is a need for managers to focus not only on the economic activity of producing goods and services but also to realise that the true nature of a university is, like other organisations, a community of humans (De Geus, 1997, as cited in Cutting & Kouzmin, 2000). Managers of these universities (agents) are appointed by the Ministry of Education (principal) to run the institutions

on behalf of the government, but in many instances they have failed to deliver results as expected. According to Jensen and Meckling (1976), managers of organisations act on their own behalf rather than that of the owners. Jassim, Dexter and Sindhu (1988) also indicated that managers substitute their own interests in place of the owners. This occurs because managers possess more information about the firm and control the election procedure of the board members. This is a phenomenon called an agency problem. An 'agency problem' exists when managers own less than 100% of the firm (Jensen & Meckling, 1976). This observation is contrary to what happens in public universities, where managers have no ownership and, thus, can shift part of the cost associated with decisions made in their own interest. Yet, universities require large amounts of capital for research, development, and production facilities for survival (Jassim *et al.*, 1988). The main objective of universities is to conduct research and to create and disseminate knowledge.

However, according to the National Council of Higher Education Report (2011), donors fund most of the research that is undertaken in public universities. The report further indicates that in 2010–2011 a sum of USh 93 200 000.00 Uganda shillings was released out of the USh 135 899 000.00, which was voted by Parliament in that year.

This amount could only fund 3 research proposals out of the 57 which were presented to the National Council for Higher Education for funding. Unless the problem of funding is adequately addressed by the state and other stakeholders, the delivery of quality services in public universities in Uganda will be untenable. This article argues for an employer-employee relationship vested in the agency relations that should facilitate client-oriented quality service delivery. Such a relationship is either lacking or remains in early stages in public universities, for most developing countries and Uganda in particular.

Agency theory view, organisational climate and managed performance

Agency relations are derived from the agency theory perspective, which exist when one party (the principal) depends on the actions of another (the agent) to achieve the aims of the firm (Jensen & Meckling, 1976). In such a relationship, the doer is known as the agent, whereas the affected party is called the principal. The agent is a utility maximiser, who is granted decision making authority (Fama, 1980). There are asymmetric levels of information between the two parties (Eisenhardt, 1989). Thus, there is reason to believe that the agent will not always act in the best interests of the principal (Berle & Means, 1932). Under the agency perspective, the owners put up the capital necessary to fund the organisation. In return, they receive the residual claims, or profits, that remain after all other claimants are paid. However, in public universities, there are no residual claims to be paid out and no owners expecting to earn a profit. Within these universities, any conceivable agency relations between employers and employees are clouded (Olson,

2000). Without residual claims or stock, there is no need for management to worry about the organisation being bought or sold in the market place.

These conditions suggest that managers in public universities have an increased opportunity to pursue self-interest (Dyl, Frant & Stephenson, 1996). This situation has particular implications for the attainment of managed performance in organisations, and for how performance is reported upon (Myners, 1998). Managed performance in this study is vested in quality services and service delivery. There is need for the Ministry of Education in Uganda to select competent personnel to manage these public universities.

Consequently, employees, as human capital, are recognised as the most important asset of any firm, and, hence, there are compelling analytical as well as policy reasons to care about how boardroom decisions affect employees (Young & Thyil, 2009). However, the role of employees has mostly been treated as a labour issue and not as a central concern of the management of organisations (Blair & Roe, 1999). Blair and Roe (1999) argued that the relationship between a firm and its employees should be the central defining feature of the firm itself. For instance, with the integration of employees into decision-making in a firm, Japanese firms have been viewed as a unified body of employees and the stake of employees is seen to be important enough to be considered as a *de facto* controlling group of the firm (Nam, 2003, as cited in Young & Thyil, 2009). Nam additionally pointed out that, as major stakeholders, employees need to be given opportunities, through decision-making, to voice their concerns on the issues such as job design, work organisation, technology choices and compensation, which are usually regarded as managerial prerogatives (2003, as cited in Young & Thyil, 2009).

This article, through a review of literature, explores the importance of the employee-employer relationship with agency relations, in a climate that should provide additional knowledge on the successful management of public universities in Uganda.

According to the agency theory, Kangis and Kareklis (2001) found that managers in private rather than in public banks showed greater alignment of interests with those of the bank, as their pay related to performance outcomes and they were more mobile in their jobs. Private banks, which are a better option than public banks, used more control mechanisms, such as information systems, to align the interests of their managers with those of the bank and displayed a different working climate. Schneider (1973) established that it was the atmosphere in a bank, whether or not it was warm or friendly, that best predicted customer-switching intentions. These are some of the aspects of managing institutions that should be adopted and adapted in public universities in Uganda. According to Schneider and Bowen (1985), a good organisational climate has a positive effect on service outcomes.

Schneider (1990) also established that the organisational climate is the perception of employees of the events, practices, and procedures and the kinds of behaviours that are rewarded, supported, and expected in an employment setting. For instance, the study by Kangis, Gordon and Williams (2000) indicated that the link established between organisational climate and performance was statistically supportable, but that it was not prudent to conclude either on causality or on a single direction of influence. The study also found that if there is some causal connection between climate and performance, then, intuitively, higher scores on organisational climate might represent a working environment which could nurture, foster, or possibly lead to higher firm performance. Furthermore, the increased organisational commitment of employees was associated with a supportive organisational climate. From the reviewed literature, a proposition is drawn that: *Agency relations are associated with organisational climate.*

In addition, Lok and Crawford (2003) discovered that organisational commitment is a major determinant of organisational performance and effectiveness. According to Rosete (2006), understanding commitment could help reduce the high costs of employee turnover. Past research also suggests that management commitment to service quality is a critical determinant of employee behaviours in creating service excellence (Hartline & Ferrell, 1996). Von Treuera and McMurray (2007) found that employees were more likely to be comfortable in engaging in the kinds of risk taking that have been linked with successful quality and innovation when they perceived they were supported by management. Swain (1999) also found that there is strong leadership from chief executives where structures and processes are compatible with the continuous development of employees, a continuous flow of ideas and continuous ability to change. For instance, Pfeffer (1994) established that one of the fundamental reasons for long term success in the most successful US firm, taken over a 20 year time period (1972–1992), was a management approach which saw the workforce as a source of strategic advantage, not primarily as a cost to be minimised. Thus, if people are regarded as an investment rather than a cost item, leaders must be prepared to accept long term frameworks to estimate the returns on an investment predicated on the potential for growth (Swain, 1999). Hamel and Prahalad (1994) and Pfeffer (1994) established that the mindset that equates the effective management of change with a narrow focus on continual cost reduction, has been found to be counterproductive and harmful to the medium and long-term competitiveness of a company.

McGuinness and Morgan (2005) argued that organisational climate facilitates competition amongst organisations (incessant change) for as long as the structures, systems and processes change, that consistently support such resources. For instance, Brown and Eisenhardt (1997), after an inductive study of multiple-product innovation in six firms in the computer industry, found that fundamental organisational characteristics were related positively to the success of continuous change. In addition, Denison (1990), using behavioural data, measured aspects of climate and structural variables such as:

- communication flow
- decision-making practices
- relationships with colleagues
- organisation of work
- team building
- supervisory support.

Denison found that several dimensions of climate were significantly and positively correlated with subsequent financial performance (Houldsworth & Jirasinghe, 2007). From the reviewed literature a proposition is drawn that: *Organisational climate is associated with managed performance.*

Research design
Research approach

The researchers adopted a qualitative approach to establish how agency relations impact on the achievement of managed performance in public universities in Uganda. This was a cross-sectional design that helped the researchers to rapidly obtain results for the study. Data were collected at a single point in time using an interview guide.

Research strategy

In order to explore and understand the narratives, a brief description of the respondents' job descriptions, ages and tenures were obtained. Using an interview guide, the researchers conducted oral interviews that were recorded. Precautions were taken to ensure that the respondents were free to participate in or withdraw from the study at any time that they wished to do so. The respondents were assured that their names would be kept anonymous and the information provided kept confidential.

Research method

The researchers reviewed the related literature in order to explore and understand what had been uncovered by other scholars, in this subject area of agency relations and managed performance in organisations in general, and particularly in public universities in Uganda.

Research setting

Respondents were selected from four public universities in Uganda. These universities are:

- Makerere University
- Kyambogo University
- Mbarara University of Science and Technology
- Gulu University.

Entrée and establishing researcher roles

Any top management team member in the four public universities who was available and willing to participate in the study was selected.

Sampling

Using purposive sampling techniques, 12 participants from 4 universities were obtained out of a population of 28 top administrators. This was on the assurance that we were likely to hear most or all of the perceptions that were important for the study. Our objective in designing this qualitative research was to reduce the chances of discovery failure.

According to Leedy (1997), purposive selection is very useful when there is need to construct the historical reality, describe a phenomenon or develop understanding about something of which little or nothing is known.

The study was carried out in all public universities in Uganda except Busitema University, which had only existed for one year at the time of undertaking this study. The universities included Kyambogo, Makerere, Mbarara and Gulu. The top management team composition of public universities that were chosen for this study comprised a:

• vice chancellor
• deputy vice chancellor
• university secretary
• academic registrar
• university librarian
• university bursar
• dean of students.

This structure is stipulated in the Universities and Other tertiary institutions Act (2001 [Republic of Uganda 2008]). For this study, top management team members were selected for interviewing because they were considered to be in privileged positions as far as knowledge is concerned (Gilham, 2000). In particular their knowledge concerned the provision of quality education in public universities in Uganda. However, the recruitment of these respondents for interviews was particularly difficult because of their tight work schedules. According to Thomas, Bloor and Frankland (2007), recruitment can be a time-consuming, frustrating and indeed thankless task that requires considerable effort and resilience on the part of the researchers. This process has been acknowledged as the most difficult task for the interviewer (Peneff, 1988).

Data collection method

Using an interview guide, data were collected by the researchers over a period of four months. Each interview lasted at least one hour. Twelve interviews were tape recorded with permission and later transcribed. According to Hunter and Schmitt (1996), structured interviews are useful not only because they show excellent validity in meta-analytic research, but also because structured interviews provide a chance to probe the answers of the management and to understand precisely what they mean.

Interviewing is a very useful approach for data collection because it allows the researcher to have control over the construction of the data and it has the flexibility to allow issues that emerge during dialogue and discussion to be pursued (Charmaz, 2002). Also, interviewing was very appropriate in providing the high quality engagement and feedback expected. Documentary evidence, particularly from strategic plans, newspaper articles and educational journals, was obtained and utilised in this study. Each university was asked to provide a copy of its strategic plan, which they did.

Recording of the data and data analyses

Data analysis was undertaken in several stages. Firstly, after each interview, the notes and recordings were checked to ensure their completeness and coherency. Scratch notes, field notes, head notes, timed writings and analytical notes (Sanjek, 1990, as cited in Kikooma, 2006) were typed on the computer and data files were created using the QSR NVivo program. The transcription of the recorded interviews was made by two members of the group of researchers. Following this, the lead researcher implemented the final editing of the transcriptions, line by line, to confirm that what was heard is what was understood and interpreted (Gibbs, 2002). The process helped the researchers catch 'the spirit of the text' (Kikooma, 2006). This was finished before coding the texts. However, one interview was recorded during a noisy thunderstorm, which rendered it unclear and, thus, it was discarded. There was no chance of holding another interview for this respondent.

Secondly, the QSR*NVIVO qualitative data software program was used as a data management and analysis program. The word processed interviews were saved as Rich Text Format and imported into the Nvivo program. Using Nvivo, open coding was carried out by reading reflectively to identify the relevant categories with coding stripes.

Thirdly, axial coding was undertaken, in which categories were continuously refined, developed and related or interconnected to form tree families. The coding and recoding continued until saturation was reached, that is, when no more new categories could be established. According to Denscombe (2003), saturation is vital if a substantial theory is to be developed. Miles and Huberman (1994) pointed out that the purpose of this stage of data analysis is used:

• to explore and describe data
• as a research process for bringing out order, structure and meaning to the mass of data collected
• to establish that the quality of the findings is undeniable.

Lastly, the core categories or central categories using the thematic approach based on the concepts predetermined in the semi-structured interview were applied to the study. This facilitated the generation of a conceptually-ordered matrix and a dynamic-event-causal network (Miles & Huberman, 1994). This three-stage approach to qualitative data analysis, developed by Strauss and Corbin (1990), was adopted. According to Ntayi (2005), qualitative data is outstanding at 'telling the story' from the participant's view point and provides 'thick descriptions' of the narratives.

Strategies employed to ensure quality data

Determining reliability and validity, and hence ensuring rigor, in qualitative inquiry was substituted with a parallel

concept of 'trustworthiness' (Guba's model, 1981, pp. 75–92). Trustworthiness contains four aspects: credibility, transferability, dependability, and confirmability. The study demonstrated qualitative rigor within specific methodological strategies, such as:

- the audit trail
- systematic coding and categorising with the use of the Nvivo software
- confirming results with participants (e.g. feedback from participants in seminars)
- ensuring the adequacy of referential material (Guba, 1981).

The study also paid attention to the significance, relevance, impact and utility of the findings of this study (Morse, Barret, Mayan, Olson & Spiers, 2002).

Reporting

The findings section provides quotes that were derived from the transcribed interviews. These quotes are the story-tellers' (respondents) feelings and opinions, which are not necessarily exhaustive and exact replicas of the words used by the respondent.

Findings

The results and their interpretations are ordered according to the stated propositions:

- agency relations are associated with organisational climate
- organisational climate is associated with managed performance.

Makerere University is the oldest university in Uganda, and was established in 1922. Mbarara University commenced its operation as Uganda's second public university on 28 October 1989. Kyambogo University (KYU) is Uganda's third public university and was established by the Universities and Other Tertiary Institutions Act 2001 (amended in 2003). It is the product of a merger between the Uganda Polytechnic Kyambogo (UPK), the Institute of Teacher Education, Kyambogo (ITEK), and the Uganda National Institute of Special Education (UNISE). Gulu opened in September 2001 but enrolled its first students in September 2002.

Proposition 1: Agency relations are associated with organisational climate

Qualitative data analysis results show how managers of public universities created an environment where employees worked as colleagues and members of a family. In so doing, managers had managed employee performance. For instance, one respondent said:

TABLE 1: University age and employee population.

Name of University	Age of university	Number of employees
Kyambogo University	06	1027
Makerere University	87	2890
Mbarara University	20	686
Gulu University	07	283
Total	-	**4886**

Sources: http://www.kyu.ac.ug; http://www.mak.ac.ug; http://www.must.ac.ug; http://www.gu.ac.ug

'… we work as colleagues, each one in a different role. Of course, we have a hierarchy. We have our supervisors and bosses …. our working relationship is really collegial amongst colleagues and across the university with other employees. Really, I personally believe in mutual respect.' (Dean of students, public university, male, land economist, 46 years)

Furthermore:

'… In my department, specifically, I think it is information sharing and the sense of belonging that we all get as a department and appreciating the challenges as a unit.' (Dean of students, public university, male, land economist, 46 years)

This narrative reveals that information sharing was best achieved when there was a good working relationship between employees, managers and subordinates. Another respondent explained:

'… once you know the facts about the job; facts about what guides you, then you can easily build relationship with other people. By being knowledgeable about what is supposed to be done.' (University secretary, public university, male, graduate teacher, 54 years)

The above narratives reveal that each employee has a job description that holds expectations that are attainable in a given good working environment. The narratives also show that both behavioural and technical competences are important for work performance. The success of the findings originates from the leadership of the vice chancellors who had experiences from Makerere University where they previously worked in different capacities. However, Makerere University and Kyambogo University have better physical facilities because of their age and history.

Proposition 2: Organisational climate is associated with managed performance

Qualitative data findings indicate that public universities did initiate, re-organise and utilise available resources, with due consideration for the external environment to successfully achieve results. This meant redesigning existing academic programmes and designing new ones that were relevant and that met the needs of stakeholders. For instance, one of the respondents confirmed that:

'… When we came on board to start this university, we coined a vision and mission of the university to reflect penetration of the rural area. So our mission is rural transformation. All the academic programmes written have a connection with the rural penetration.' (Academic registrar, public university, male, educational management, 60 years)

This would only be accomplished by having a motivated and competent work force in a good working environment. Kurt Lewin's Field theory suggested that:

… Individuals' behaviours are influenced most immediately by how they react to the environment as they perceive it and in turn, affective reactions are products of both how they perceive the environment and individual characteristics (Kohler & Mathieu, 1993 p. 513, as cited in Rodwell, Kienzle & Shadur, 1998).

In support of this theory, the qualitative data results obtained, and earlier expressed in the narratives, show that the perceptions of employees about management support and concern for their welfare, promotes performance. According

to Houldsworth and Jirasinghe (2006), adopting appropriate management behaviour improves a poor organisational climate. To address these challenges, qualitative data analysis shows that public universities had vibrant staff development schemes and career paths for employees. With this motivating environment, public universities were focussing on initiating development-oriented fundable research projects, and particularly those that promote community development.

Staff needed to interact and participate in community activities. Results also show that new ways of generating revenue were being established through partnerships and collaboration with members of the community and other stakeholders. The National Council for Science and Technology promoted innovations, multi-disciplinary research teams and funded development-oriented projects in public universities. All of these endeavours by the universities consequently ensured delivery of quality services to the stakeholders.

However, young universities such as Mbarara and Gulu had advantages over old universities because of their founding characteristics that are based on values such as autonomy, transparency, accountability, teamwork and collective responsibility. These values, practices and internal working conditions in the universities created feelings of togetherness and promoted result-oriented employee-employer relationships and agency relations for the survival of these universities. These public universities were aware of the critical need to provide quality education, and enforced adherence to rules and regulations and also punished deviants according to the findings.

Discussion

This section discusses findings following the order of the propositions stated for this study: *Agency relations and Organisational Climate.*

This study revealed an existing relationship between agency relations and organisational climate. This is in line with the first proposition of this study. Holbeche (2005) explained the climate of the organisation as the psychological atmosphere that surrounds the way the organisation's structure works.

Climate is evident in the state of the staff morale, the degree of urgency that people bring to their tasks, and the levels of trust that exists between people. Trust creation amongst employees is vital. Smith and Sinclair (2003, as cited in Holbeche, 2005) proposed trust as a function of the employees' perceived ability, integrity, and benevolence, as well as the employees' own propensity to trust. Benevolence is described as the extent to which employees show interpersonal care and concern and help others out without being transactional. Integrity is related to behaving in line with clear principles, being reliable and dependable. The findings of the study showed that such a climate is best perceived if vested in agency relations (employer-employee relationship) that promote the following:

- employee involvement in the development of the mission statement, business plan and the enhancement of communication
- the clarification of individual responsibilities and accountabilities through job descriptions and role definitions
- the implementation of appropriate reward strategies (Houldsworth & Jirasinghe, 2007).

According to Markey and Shulruf (2008), workplace practices and systems are more likely to be effective if they are mutually agreed upon by the employer and employees within the organisation. The study further found that managers of public universities encourage teamwork and teams succeed when there is cooperation, collaboration and trust amongst members and stakeholders. One of the respondents attested to this:

'… We are teaming up to do research, projects … and I think there is training of a PhD programme for the National Water and Sewerage Corporation. We have already signed a memorandum …' (Vice chancellor, public university, male, mathematician, 63 years)

Public universities have initiated other strategies particularly in the delivery of quality services such as:

- to partner with the private sector in research project cooperation
- involvement in consulting projects
- the practical training of students.

Through interactions, participants are able to go beyond their existing level of understanding due to the critical awareness gained from participation (Munene, Schwartz & Kibanja, 2005).

Another responded added:

'… Collaborative arrangements, we collaborate with many universities. We partner with other universities and other organisations where our members of staff participate. These are some of the strategies that we think can motivate staff. More so, can bring in more resources especially to support the teaching and research function. We also have got a level of community engagement through our activities. This keeps our members of staff in touch with the communities. Then, with these strategies, staff are able appreciate the challenges that exist in the communities.' (Dean of students, public university, male, land economist, 56 years)

Munene *et al.* (2005, citing Gilbert, 1989) argued that working in collaboration with others provides an opportunity for people to reveal their capabilities and also acquire knowledge from others. Such university-industry cooperation allows for cultural interaction, the gaining of collaboration experience, and more importantly it builds trust amongst the working individuals, teams and the institutions (Worinchai, Ribiere & Arntzen, 2008). This promotes the good image of universities. These are indicators of how well the university is performing, and the dynamic capability development (Teece, Pisano & Shuen, 1997) in a changing environment.

According to Houldsworth and Jirasinghe (2007), teamwork requires that employees exercise flexibility as they focus on

new ways of performing functions and being innovative. A respondent observed:

> '… I would say, really, a strategy is team spirit. It is one way I have tried to build and to make sure that things succeed here.' (Dean of students, public university, male, graduate teacher, 54 years)

In this narration, the respondent highlighted the importance of teamwork in driving performance in these public universities.

Egan, Yang, and Bartlett (2004) studied how organisations can create and improve the workplace environment and they argued for recognition of the potential impact the workplace environment has on employees. In an intellectually and aesthetically pleasing situation, employees release their full potential:

- when they feel that they are in control of the work they are performing
- when goals and feedback are clear and unambiguous
- when there is an organised set of opportunities for action (Csikszentmihalyi, 1975, as cited in Fine & Cronshaw, 1999).

The study found and supported earlier studies, that the work environment in an organisation shapes the employee behaviour. This has a cross fertilisation effect on the well-being of workers, given that people who are high in well-being are likely to have stronger experiences of positive events and outcomes (Emmons, 1991). In support of the findings, Guest and Conway (2004) established that environments increase performance in which employees experience co-operation, flexibility and balance between work and personal life. Understanding such a situation is crucial for practice, research, and theory building of human resource development (HRD).

In order to improve on operations such as the training and development of staff, public universities have invested in information and communication technology (ICT). A respondent reported that:

> '… to adopt – adapt ICT in all our aspects of our operations in the university. We are changing from the manual system to the computerised system, for all our services. We'll levy some fee.' (Academic registrar, public university, male, graduate teacher, 54 years)

In a bid to further improve on the delivery of quality services, public universities also have to levy fees from private students.

The respondent further argued that:

> '… the private students have to pay … the government pays for her government sponsored students … government is contributing about Uganda shillings four million to education of her government sponsored students while the private student on average pays Uganda shillings one million two hundred thousand for any programme.' (Academic registrar, public university, male, graduate teacher, 54 years)

In 2010, the estimated unit costs per student were USh 6 million (USD 3000) per year at Makerere University (School Guide Uganda Report, 2012). The School Guide Uganda (SGU) Report (2012) further indicates that foreign students account for 1% of total student enrolment and are charged USD 6000 per year. Most are refugees whose expenses are paid by the United Nations. For foreign PhD candidates the cost ranges between USD 5000 and USD 7000 per year. In this way, Makerere University is able to raise revenue required to deliver quality educational programmes. The Ministry of Education caters for administrator salaries, staff salaries, and faculty salaries as well as building and maintenance costs in these public universities. However, the National Council of Higher Education Report (2011) indicated that the academic staff numbers had not kept pace with student enrolment growth. Student numbers grew by 34.1% in the four year period, whereas staff grew by only 20%. In addition, the space available per student in lecture rooms, libraries, laboratories, recreation facilities, academic and administrative offices had not improved from the previous years.

However, to ensure role clarity for the delivery of quality services, public universities provided job descriptions for action from which outputs were established. A respondent had this to say when asked about individual performance evaluation:

> '… what happens, for performance measures … we have job descriptions. There are outputs of how I have been doing … We have results-oriented outputs showing what we have been doing here.' (Academic registrar, public university, male, graduate teacher, 54 years)

The narrative shows how job clarity is catered for in public universities. According to Den Hartog, Boselie and Paauwe (2004), having results-oriented outputs is an indicator of managing employee efforts and a determination of good performance. To be able to cope with societal developments and demands, higher education institutions were involved in re-evaluating their management practices, by making them more result-oriented in an attempt to improving organisational performance. Mak (2003) argued that performance is characterised by understanding the linkage between business success and the following criteria:

- an individual's performance plan
- mutual ownership
- setting specific and concrete objectives that contribute to organisational success
- continuous feedback and coaching
- comprehensive performance data
- effective interactions.

Based on these practices in an environment of interactions that is full of trust between employees and their supervisors, it is possible for individuals to see how one's contribution links to university success.

However, public university managers, whilst interacting with the employees, had to apply the human need for acknowledgement, recognition and acceptance. According to

Fine and Cronshaw (1999), such interactions should be real and ongoing although obscured by traditional adversarial relationships and competition for recognition and power. The success and effectiveness of universities meeting their objectives depended, to a large extent, on the social relations that existed between managers and employees in pursuit of the institution's goals (Risher & Fay, 2007), particularly for the provision of quality education. In such a situation, managers had to make decisions that were inextricably linked to their perceptions about the internal characteristics of the universities and also of the external environment in which they operated (Penrose, 1959, as cited in Lockett, Thompson & Morgenstern, 2009).

Consequently, good employer-employee relations in public universities in Uganda created a good climate for the delivery of quality services.

Organisational climate and managed performance

The findings established a relationship between organisational climate and managed performance, that was in line with the second proposition of this study. These findings are in support of Watkins and Hubbard (2003) who found that there is a relationship between organisational climate and performance. Denison (1990) argued and supported the influence of climate on performance. According to Cannon (2003), the three primary effects of organisational climate depend on employee motivation, employee development and retention, and employee performance. The climate creates a specific psychological state that predisposes the way in which an individual is to behave (Holbeche, 2005). Then Auden (1940) as cited in Kangis, Gordon and Williams (2000) further argued that an organisation is not so much a place of work but a whole climate of perceptions and opinions. This study has established that public universities provide managerial support for the initiation of development-oriented projects and the training of employees in order to minimise costs and ensure the delivery of quality services. These projects were managed through teamwork.

Team work promotes organisational performance and innovation to the extent that members engage in intrinsically motivating tasks within a supportive organisational context (West *et al.*, 2004 as cited in Shipton, West, Dawson, Birdi and Patterson, 2006). In order to ensure the delivery of quality services, monitoring and the recognition of good performance must be enforced by public universities. Such a climate created by top management motivates employees to behave in a particular way.

Munene *et al.* (2005) found that projects contribute to development to the extent that individuals are able to identify problems, facilitate learning through individual participation and the utilisation of skills. Studies show that in order to transfer learning into practice, good working conditions have to prevail and that the employees' perceptions of their supervisors will impact on their performance. This is supported by this study. Managers of public universities maintained a friendly and motivating environment with their subordinates. One respondent suggested that:

'… it is encouraging just to say 'thank you' whenever you see something good about an employee; just a thank you will encourage that person and people feel very good …' (University secretary, public university, male, graduate teacher, 54 years)

Another respondent said:

'… the employees, who are here, are here by conviction. When you talk of facilitation, we do not have …' (Dean of students, public university, male, educational management, 60 years)

From the above narrative, it is evident that employees stay and continue working in public universities with the hope that in the future, benefits and incentives will improve. Bandura (1986, as cited in Smith and Hitt, 2005), suggested that human motivation is not only derived from material incentives but also from social and self-evaluative incentives linked to personal standards. The meta-analysis of Stajkovic and Luthans's (2003) of 72 field studies shows that an organisational behaviour modification intervention using monetary incentives improved task performance by 23%, whereas an intervention with social recognition did so by only 17% and feedback by only 10%. According to Wright and Hobfoll (2004, as cited in Li-Yun Sun and Wen Pan, 2008), if organisations were perceived as fostering the work environment necessary for employees to use their abilities and satisfy their needs, and if they had the necessary resources available, employees could initiate and maintain emotional attachment.

Otherwise, according to the Conservation-of-Resources Theory COR of stress (Hobfoll & Freedy, 1993), employees will resort to conserving their remaining resources by lowering their morale, reducing their commitment to the organisation, and decreasing their performance efforts. Some public universities have managed performance by adopting management styles that are open, supportive and considerate.

This study's findings were also in agreement with Litwin and Stringer (1968, as cited in Houldsworth and Machin, 2007), who claimed that climate has an impact on performance. Hence, if all other factors were equal (in terms of competition, staff, service or product), then climate (i.e. what it feels like to work here) would impact on motivation to such an extent that discretionary effort would be leveraged (or this would not occur under a negative climate). The old institutions such as Makerere and Kyambogo were still able to attract and retain a huge workforce of competent employees (see Table 1 and descriptions below it), and identify and utilise available resources for the delivery of quality services because of their history and geographical locations in the capital, Kampala. However, all employees in public universities still complained about inadequate pay and pay disparities. This means that employer-employee relationships were best achieved when the employee perceived climate as being healthy. This healthy university climate was created by developing and engaging

employees in work with the assistance of development partners. For instance, a respondent said:

> '… we are in the good books of the development partners. In fact when it comes to infrastructural development, training of staff, particularly in the sciences, it is our developmental partners doing it.' (Academic registrar, public university, male, educational management, 56 years)

Then another said:

> '… NUFFIC, Netherlands. NUFFIC is helping us to train our staff and equip our laboratories. They gave us computers and they have set up a laboratory … We had donations of computers from the U.S. They brought a complete set, which we are using. They stocked our library.' (Academic registrar, public university, male, 54 years)

There has been a pleasing increase in computer access in most public universities with computer to student ratios of 1 : 19, which was within the 'Acceptable' category of the National Council for Higher Education standards (National Council of Higher Education Report, 2011). With these activities, Public Universities in Uganda were able to deliver quality services or products.

Conclusion

This study revealed and confirmed an existing relationship between agency relations and organisational climate, which is in line with the first proposition. The proposition stated that agency relations are associated with organisational climate. The study also indicated that universities had formal reward systems, rules and regulations that govern the operations of public universities. Management had established good working relationships between employees and supervisors, and there was involvement of employees in decision making, which was crucial to ensure the delivery of quality services or products.

The second proposition stated that organisational climate is associated with managed performance, which was confirmed by the study findings. The study indicated that management of public universities was able to support and build trust amongst employees. Employees were also able to voice their concerns and uphold a team spirit. Consequently, employees could respond flexibly to the increasing and fast-changing customer needs, which became the primary criteria for survival (Aggarwal, 1997). Thus, managers of these public universities in Uganda were able to manage employee performance and deliver quality services.

For policy implications, managers of public universities should create awareness that service quality not only depends on employee motivation and behaviours, but also on organisational factors related to work systems. These problems should be anticipated and controlled in order to maintain a desired level of customer satisfaction. Managers of public universities in Uganda should regularly re-evaluate and attempt different methods to manage employees to ensure delivery of quality services. Like any other studies, the current study had limitations that are methodological and

conceptual (Van Dick, Grojean, Christ & Wieseke, 2006). For instance, some key participants withdrew from participation for various reasons. In addition, this was a cross-sectional study that has its inherent weaknesses. Future research work could include replication of the study using a mixed method (qualitative and quantitative) approach to quantify and tap more in-depth information.

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Competing interests

Authors' contributions

J.K. (Kyambogo University) was the lead author responsible for the successful completion of the project and writing of the manuscript. J.C.M. (Makerere University Business School) coordinated the whole process of completing the project. J.M.N (Makerere University Business School) was in charge of data management and analysis.

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