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Perceived Effect of Corporate Governance on the Management of Colleges of Education Institutions in Ghana

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Abstract
Prudent administrative management is now seen as a capital for spearheading of the quality in all aspects of higher education. The main aim of the study was to explore the impact of corporate governance on the performance dimensions (i.e. work efficiency and motivation) within some selected Colleges of Education in Ghana. A descriptive survey design was employed and two colleges were selected as well for the conduct of study. Nineteen (19) individuals made up of nine (9) principal officers and ten (10) academic staff members from the selected colleges were used as the study participants. Corporate governance rating scales were used as the study instrument for data collection exercise. Data on the objectives of the study were analysed using percentages and frequency counts. Findings of the study showed that corporate governance had an impacts on workers work efficiency and motivation. The study recommended that principal officers of Colleges of Education institutions ensure sustenance of accountability and fairness in their daily activities within the colleges to promote efficient corporate governance mechanism.
Keywords: *Motivation, Corporate governance, Work-efficiency, Management and Accountability*

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Introduction

The education fraternity has witnessed massive metamorphosis in education administration in this 21st Century. It is worth noting that most educational institutions are implementing management strategies that are in line with the principles and practices of corporate governance. Corporate governance can be defined as the process and structure that is used for directing and managing business' affairs in order to enhance business prosperity and corporate accountability with the ultimate objective (Mohamed, Ahmad, & Khai, 2016). The World Bank sees corporate governance as a system by which organizations are controlled and directed. It further states that corporate governance is concerned with processes, systems, controls, accountabilities and decision making at the center and being of greater importance in an organization (World Bank, 2010). In the view of Organization for Economic Cooperation and Development (2000), corporate governance is all about accountability, transparency, responsibility and power distribution within an organization. In this case, powers are distributed among relevant stakeholders such as managers, the board or council, shareholders as the structure of the organization may be. Deducing from the varied definitions, corporate governance concerns with decision making structures that are within and outside the organization. In an education organization, principal officers and their allied leaders form the internal management structure while external agencies council and accrediting institutions constitute the external bodies.

It is now well understood that colleges and other higher education institutions need to adapt to a more complex environment in which expectations of higher education have changed beyond recognition (Dash, 2012). What does this signify for the management and governance of higher education? Governments exerted significant control and influence on the sector in most countries during the twentieth century to aid in the pursuit of goals such as economic growth and social equality. On the one hand, given the importance of educational institutions in knowledge-based society, governments are more interested than ever in ensuring that educational institutions help meet economic and social demands. They accept, on the other hand, that central planning of knowledge creation, teaching, and learning is often inefficient, that a thriving society and economy require institutions to operate with some autonomy, and that market mechanisms are often more effective than administrators in regulating supply and demand for a variety of learning delivered to a variety of client groups (Dash, 2012).In effect, the most important considerations are that governance is considered as the only framework that regulates and sets the objectives of higher education institutions and manages their resources and components according to the rules of transparency, participation and accountability in order to improve the quality of education according to the interests of students and society (Al-Zoubi, 2012).

Accountability is an increasingly important element in the governance of tertiary education systems (Geiger, 2008). Within the context of publicly funded tertiary education systems, the demonstration of value for money or of responsible and relevant activities undertaken with the taxpayers' money is now widespread in most reviewed countries. This trend towards greater transparency and public accountability is developing parallel to the move towards greater autonomy. It reflects the recognition that there is a public interest in tertiary education which needs to be reconciled with the benefits that institutional autonomy can bring (Alderman & Brown, 2011). Public interest should be sustained in the areas of guaranteeing academic quality and standards, ensuring equitable student admission procedures and accessibility for students from poorer families, and ensuring an appropriate use of public funds within institutions (i.e. internal efficiency). The foregoing issue appears to make corporate governance system in tertiary institutions, especially, Colleges of Education institutions more crucial and an area of focus.

In Ghana, a key component of the national reform agenda has been on the country's educational system. Notable among is the tertiary education reforms which have sought to improve upon educational access, relevance and quality so as to speed up the developmental agenda of the country (Anamuah-Mensah Presidential Commission report of 2002). Reforming the tertiary educational system was also to ensure that there is uninterrupted quality education for all Ghanaians, reduce poverty and create the opportunity for human development (Forson & Opoku, 2014; Government of Ghana, 2003). Additionally, opportunities were to be created so that research and development results in universities and other scientific institutions (such as Colleges) find expression in the day-to-day operations of farmers, artisans, government and industrialists. Though the tertiary education reforms since introduced in 1987 (by then University Rationalisation Committee to date), have increased the number of tertiary institutions to award degrees, increased the number of universities and subsequently increased student enrolments, there appears universities might be fulfilling the access component of the national agenda to the detriment of the relevance and quality parts. And in all these educational quality discussions, two things are critical to be highlighted.

First and foremost, Colleges of Education institution's role in facilitating this agenda is quintessential. This is because, these colleges among other things are tasked to train quality educators for the purpose of educating the citizenry at the basic level. The second issue is that, if College of Education institutions have a role to play in the fore discussed agenda, then the governance structure of the colleges must be apt in order to ensure quality training of human resources. In this regard, one might ask, how has stakeholders viewed the corporate governance structure of College of Education institutions in Ghana? There is no readily available answer to this question because scholars in the field of education administration have not focused much attention on the corporate governance practices of colleges of Education institutions in Ghana. Instead, much attention has been on evolution of university governance, where the study discovered that Ghana lacked effective management of university education, especially, on the path of financial prudence (Bingab et al., 2016). Again, attention has also been on reforms in education, and the finding showed that various reforms in Ghana have not yet addressed the disconnection between the requirement of industry and the skills of tertiary school graduates (Poku, Aawaar & Worae, 2013; Acheampong, 2014). The rest of the studies done in Ghana were those that concerned with non-education corporate institutions, private sector to be more specific (Prempeh, 2002; Agyemang, Aboagye, & Ahali, 2013). With the growing significance of corporate governance on the administration of tertiary schools, undoubtedly, there exists a knowledge gap relative to how stakeholders have perceived corporate governance of College of Education institutions in Ghana. This study therefore sought to empirically address the gap.

Stakeholders Theory

Stakeholder theory was developed from the original term stakeholdership which relate to crucial arm of an organisational. Freeman (1984) offers a traditional definition of a stakeholder and says it is any group or individual who can affect or is affected by the achievement of the organization's objectives. The general idea of stakeholder theory is a redefinition of an organisation. The theory as noted by Friedman and Miles (2006) states that the organisation itself should be thought of as a grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. The managers should coordinate the activities of the organisation for the benefit of its stakeholders to safeguard the long-term stakes of each group. There is an emphasis on stakeholders and the governance structure of the organization that may provide for some direct representation of the stakeholders' groups. According to Friedman and Miles (2006), the main groups of stakeholders are; customers, employees, local communities, suppliers and distributors, shareholders, the media, general public, future generations, past generations' academics, competitors, nongovernmental organisations, trade unions, competitors, regulators and governments. In the context of higher educational institutions like Colleges of Education institutions, stakeholders include; college council, staff, management, students and the general public. In order to achieve the overall objectives of colleges in Ghana, managers of the colleges need to understand, appreciate and willfully implement the propositions of the stakeholder theory. In this respect, managers of Colleges of Education institutions must execute all tasks and duties with the principal aim of addressing the needs and aspiration of its stakeholders. This makes the existence of a college relevant to the people to whom it was constructed for.

Corporate Governance Impact on Organizations Performance

Great number of studies have reported the impact of corporate governance on organization's performance. For example, Pillai and Al-Malkawi (2017) aimed to examine the influence of corporate governance's internal mechanisms on the financial performance of some companies in GCC countries for the period from 2005 to 2012. Results indicated that the financial performance is negatively affected by government shareholdings, board size, audit type, leverage, and corporate social responsibility. In another study, Alabdullah, Yahya, Nor, and Majeed (2016) attempted to investigate the impact of corporate governance mechanisms in Jordan on firms' performance. Hundred and nine (109) non-financing companies were selected. Using cross-sectional data for the year 2011, it was found that board directors' size has a positive impact on the level of financial leverage which in turn enhances firms' performance. In the same year, Chauhan, Lakshmi, and Dey (2016) examined corporate governance effect on the financial performance of 84 Indian firms for ten years from 2003 to 2013. The study found that there is a positive association between corporate governance variables and firms' performance which means that corporate governance is one of the factors that enhance firms' performance.

Further, Arora and Sharma (2016) conducted a study to find out the impact of corporate governance on the financial performance of Indian manufacturing companies from more than 20 industries. It was found that larger boards are associated with good intellectual knowledge which

leads
to better decision making and improving the firms' performance.

There were some few studies that also had counter findings of the connection between corporate governance and organization's performance. Detthamrong, Chancharat, and Vithessonthi, (2017) tried to assess the association between corporate governance and firms' performance of 493 firms in Thailand. The study discovered that there was no association between firms' performance and corporate governance. Arora and Sharma (2015) also examined the impact of Indian firms' performance on board directors' characteristics and found out that firms' performance negatively impacts board characteristics. Obviously, research findings on the direct connection between corporate governance practices and organisation's performance are not conclusive and that justifies the need for more empirical investigation, especially, this time around bringing corporate governance issues of tertiary schools like Colleges of Education institutions into the empirical discussion. Extant literature on corporate governance within tertiary institutions suggest that Colleges of Education institutions have been left out in the debate about the issue. It is against this backdrop that the current study sought to investigate perspectives of stakesholders on corporate governance practices and impacts within the various Colleges of Education institutions.

Objectives of the Study

The objectives of this research were to:

1. Examine the impact of corporate governance on work efficiency in Atebubu College and St. Monica's College of Education.
2. Examine the impact of corporate governance on staff motivation in Atebubu College and St. Monica's College of Education.

Methodology

Research design

The descriptive cross-sectional research design was employed for this study. The design was relevant due to the quest of the study to report on the current picture of corporate governance practices and impacts of those practices on Colleges of Education institutions in Ghana. the descriptive design mainly observes, describes and documents aspects of a situation as it naturally occurs (Amedahe & Asamoah-Gyimah, 2015).

Participants

Ghana as a country has forty-six (46) public establishment as Colleges of Education institutions. The colleges are widely distributed across five zones within the sixteen (16) administrative regions in the country. As an initial study to explore corporate governance issues within Colleges in Ghana, two public colleges (i.e. Atebubu College of Education and ST. Monica's College of Education) were purposefully selected for the study. Essentially, the study engaged the four principal officers (i.e. Principal, Vice Principal, Finance Officer and Internal Auditor) in Atabubu College and five principal officers (i.e. Principal, Vice Principal, Secretary, Finance Officer and Internal Auditor) in ST Monica's College, and five academic staff each chosen at random from each of the colleges. In all, nineteen (19) people constituted the sample for the conduct of the study.

Measures

A rating scale for the assessment of the impact of corporate governance on institution was used as the study instrument. The instrument had two dimensions for the assessment of the relevant constructs. The first dimension which has four (4) items measured corporate governance impact on work efficiency while the second dimension (i.e., with 6-items) measured corporate governance impact on work motivation. In all, there were 10-items on the instrument. The internal consistency reliability (i.e., measured with Cronbach Alpha) was .72.

Ethical Issues

Ethical clearance for the study were sought from relevant authorities before embarking on the data collection procedure. The data obtained were-protected to prevent other parties from having access to it. Moreover, consent forms were given to participants to complete to show their willingness of the study. Further, participants were assured of confidentiality and anonymity with the view of safeguarding information provided.

Data Collection and Analysis Strategies

Gate keepers of the two colleges were consulted for permission. Twenty-one working days were used for the entire data collection process. In all, nineteen rating scales were issued to participants to be completed. The return rate for the entire survey was 100%. After the data collection exercise, the data were processed and stored for analysis. Descriptive statistics, specifically, percentage and frequency count were used for the analysis of the data on the two objectives. Summary of the findings were represented in Tables.

Results

Impact of corporate governance on work efficiency in Atebubu College and St. Monica's college of education

Table 1—Perceived impact of corporate governance on work efficiency

		Name of school					
		Atebubu College		St Monica's College		Total	
		Count	Column N %	Count	Column N %	Count	Column N %
Does corporate management affect your work efficiency?	Yes	8	66.7%	7	63.6%	15	65.2%
	No	4	33.3%	4	36.4%	8	34.8%
To what extent does corporate management affect how long it takes for you to complete your tasks?	Very low	1	8.3%	2	18.2%	3	13.0%
	Low	2	16.7%	3	27.3%	5	21.7%
	Mildly low	3	25.0%	3	27.3%	6	26.1%
	Mildly high	4	33.3%	2	18.2%	6	26.1%
	High	2	16.7%	1	9.1%	3	13.0%
	Very high	0	0.0%	0	0.0%	0	0.0%
How much time do you spend completing tasks with motivation on a typical day?	4 hours or less	9	75.0%	9	81.8%	18	78.3%
	More than 4 hours	3	25.0%	2	18.2%	5	21.7%
How much time do you spend on completing tasks without being motivated?	4 hours or less	6	50.0%	5	45.5%	11	47.8%
	More than 4 hours	6	50.0%	6	54.5%	12	52.2%

Results from Table 1, indicate that majority (n=8, 67%) of the respondents from Atebubu College and St. Monica's College (n=7, 64%) believe that corporate governance affect them. Moreover, when respondents were posed with the question, "To what extent does corporate management affect how long it takes for you to complete a task?" majority (n=4, 33%) of the respondents from Atebubu College indicated that it does not affect them mildly high. For those in St. Monica's, majority (n=3, 27%) also indicated mildly low. Further respondents' response on the time that spend on task was relatively moderate for Atebubu College (below 4hrs) and St. Monica's a little above 4hrs. A single idea that can be projected from the data is the fact that corporate governance practices (i.e., at the time this study was being conducted) at both colleges were impactful to the work efficiency of the respondents.

Impact of corporate governance on staff motivation in Atebubu College and St. Monica's College of Education

Table 2—perceived impact of corporate governance on staff motivation

		Name of school					
		Atebubu College		St Monica's College		Total	
		Count	Column N %	Count	Column N %	Count	Column N %
How satisfied are you with the corporate management system in your school?	Very	0	0.0%	0	0.0%	0	0.0%
	dissatisfied dissatisfied	0	0.0%	0	0.0%	0	0.0%
	Indifferent	2	16.6%	2	18.2%	2	8.7%
	Satisfied	10	83.3%	9	81.8%	19	82.6%
	Very satisfied	0	0.0%	0	0.0%	0	0.0%
		2	16.7%	3	27.3%	5	21.7%
Which management factors affect you the on the job?	Being a part of decision making.	4	100.0%	3	100.0%	7	100.0%
	Delay in responding to audit observations	2	16.7%	1	9.1%	3	13.0%
	financial management	0	0.0%	1	9.1%	1	4.3%
	Human resource management and industrial leadership	2	16.6%	1	9.1%	2	8.7%
	Quality Assurance	1	8.3%	2	18.2%	3	13.0%
	Supervision	1	8.3%	0	0.0%	1	4.3%
Does corporate management practices affect your level of motivation?	Yes	8	66.7%	8	72.7%	16	69.6%
	No	4	33.3%	3	27.3%	7	30.4%
To what extent does corporate management practices motivate you on the job?	Very demotivated	0	0.0%	0	0.0%	0	0.0%
	demotivated	0	0.0%	0	0.0%	0	0.0%
	Mildly demotivated	3	25.0%	1	9.1%	4	17.4%
	Mildly motivated	4	33.3%	6	54.5%	10	43.5%
	Motivated	5	41.7%	4	36.4%	9	39.1%
	Very Motivated	0	0.0%	0	0.0%	0	0.0%
How motivated are you to do your job?	Very demotivated	0	0.0%	0	0.0%	0	0.0%
	Demotivated	1	8.3%	1	9.1%	2	8.7%
	Mildly demotivated	1	8.3%	0	0.0%	1	4.3%
	Mildly motivated	2	16.7%	2	18.2%	4	17.4%
	Motivated	7	58.3%	6	54.5%	13	56.5%

	Very Motivated	1	8.3%	2	18.2%	3	13.0%
To what extent does corporate management demotivate you	Very low	1	8.3%	2	18.2%	3	13.0%
	Low	2	16.7%	2	18.2%	4	17.4%
	Mildly low	5	41.7%	2	18.2%	7	30.4%
	Mildly high	3	25.0%	3	27.3%	6	26.1%
	High	1	8.3%	2	18.2%	3	13.0%
	Very high	0	0.0%	0	0.0%	0	0.0%

Results from Table 2, shows the majority (n=10, 83%) of the respondents from Atebubu and that of Monica's (n=9, 82%) had the view that they were satisfied with corporate management. Again on the issue of factors that do affect them as staff, they indicated that "they have been always involved when it comes to decision making", this was so for both Atebubu college (n=6, 53%) and St. Monica's (n=5, 51%). On the issue of motivation, majority (n=8, 67%) of respondents from Atebubu College indicated that corporate management affected them. The response from Atebubu was not different from that of St, Monica's (n=8, 73%). Another issue of relevance also concerns how respondents from Atebubu College indicated through the survey that they are motivated (n=7, 58%) in the job. On the same item, majority (n=6, 55%) of the respondents from St. Monica's indicated that they were also motivated. Clearly, results indicate that majority of the respondents from both Atebubu College and St. Monica's College have the perception that corporate governance has impacted their work motivation.

Discussion

As an objective, the study sought to explore the impact of corporate governance practices impact on staff work efficiency. The findings of the study on the foregoing objective was in affirmative. Substantially, corporate governance is all about accountability, transparency, responsibility and power distribution within an organization. In a situation where there is a distributed power share among relevant stakeholders as well as adequate flow of information especially regarding critical decisions efficient work output can only be expected. As this study was conducted in education institutions, the findings, however, corroborates with other study findings in corporate institutions. For instance, Arora and Sharma (2016) conducted a study to find out the impact of corporate governance on some selected organization's activities including financial performance. The study reported good intellectual coordination as a result of corporate governance that led to work efficiency and improved work performance. In a different study, Lakshmi, and Dey (2016) also examined corporate governance effect on firm's performance where it was discovered corporate governance had a positive effect on firm's activities and performance. Further, it does appear that the managerial approach of both colleges that were used for the study reflect the stakeholder theory (Friedman, 2006) proposition. In the spirit of the theory, managers of both colleges were reported to coordinate the activities of their respective institutions based on the views, interest and needs of the relevant stakeholders. The finding of the current study is therefore not surprising since replete investigations affirms corporate governance impacts on organisations' activities.

In pursuit of the impact of corporate governance on the work motivation of teaching staff of the selected colleges, the findings showed that corporate governance effectiveness contribute to the work motivation of staff. Even though extant studies on the issue of corporate governance have directly explored this objective, the current finding dovetails into the general picture of corporate governance practices improving coordination of efforts among employees. Management dynamics that place emphasis on work department coordinating and sharing power and responsibilities, the results has always been increased morale and satisfaction of workforce (Mohamed, Ahmad, & Khai, 2016). Situating it within the context of stakeholder theory, academic staff are the major stakeholders of every academic environment. To prioritize their interest, views and needs set the tone for their motivation and involvement in results yielding activities of an academic setting. Stakeholders' theory emphasises the importance of protecting the interest of all stakeholders not minding their legal interest in the organisations. This is done to improve organisation performance (Oruc & Sarikaya, 2011). International best practices of organizational management (i.e., including educational institutions) requires that corporate governance facilitate efficiency, work improvement, performance and ultimately harmonise the disagreement between management and other stakeholders to reduce tension (Demidenko & McNutt, 2010).

Conclusion and Recommendations

Based on the study findings it can be concluded that organizational goals are more likely to be achieved especially for educational settings (E.g. Colleges of Education institutions), as result of corporate governance impact on institutional work efficiency. In the context of this present study, effective corporate governance practices worked for the two institutions that were used. In the circumstances, it does appear that the principle corporate governance may work for any kind of institution that may have a fair implementation of it. Moreover, the study concludes that in work settings that adhere to corporate governance practices, enhanced work motivation among staff becomes obvious. Since the allocation of responsibilities and powers to relevant arms of the institution, stakeholders, especially, works needs are mostly served.

In order for College of Education institutions to be able to manage institutional affairs in line with corporate governance principles for better outcome, the study recommends that Ghana government should limit their influence in higher educational governance to allow for appreciable level of autonomy for colleges in the country. The study further recommends that principal officers of Colleges of Education institutions ensure sustenance of accountability and fairness in their daily activities within the colleges. This study is however, limited, due to the fact that only two colleges were used for the conduct of the study. Future researchers are therefore encouraged to replicate that study in other college campuses in Ghana for generalisability purposes.

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