



**Addis Ababa University
College of Business and Economics
Executive MBA Program**

**Corporate Governance Practices and Performance of Consumers' Cooperative
*Societies in Addis Ababa City***

**A research Project Submitted to the Department of Management in the Partial
Fulfillment of the Requirements for the Degree of Executive Master of Business
Administration**

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Table of Contents

LIST OF TABLES	vii
LIST OF FIGURES	viii
Normality Test	viii
Linearity Test.....	viii
LIST OF ACRONYMS	ix
ADDIS ABABA UNIVERSITY	x
COLLEGE OF BUSINESS AND ECONOMICS	x
STATEMENT OF DECLARATION	xi
ABSTRACT.....	xii
ACKNOWLEDGMENT.....	xiii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the Study.....	1
1.2 Statement of the Problem.....	4
1.3 Research Question	8
1.4 Objective of the Study.....	9
1.4.1 General Objective of the Study	9
1.4.2 Specific Objective of the study	9
1.5 Hypothesis of the Study	9
1.6 Significant of the Study.....	9
1.7 Scope and Limitation of the study	10
1.8 Organization of the Study	10
CHAPTER TWO	11
LITERATURE REVIEW	11
2.1 Conceptual Definitions	11

2.1.1	Concept of Corporate Governance.....	11
2.1.1.1	Principles of Corporate Governance.....	13
2.1.2	Concept of Cooperatives.....	14
2.1.2.1	Principles of Cooperatives.....	16
2.1.2.2	Co-operative Governance.....	18
2.1.2	Performance of Consumers' Cooperatives.....	19
2.1.3	Relationship between Corporate Governance and the Performance of Consumers Cooperatives 21	
2.2	Theories of Corporate Governance.....	22
2.2.1	Agency Theory.....	22
2.2.2	Stewardship Theory.....	24
2.2.3	Stakeholder Theory.....	25
2.2.4	Resources Dependency Theory.....	26
2.3	Empirical Literature Review.....	27
2.3.1	Empirical Evidence in Foreign Countries.....	28
2.3.2	Empirical Evidence from Ethiopia.....	30
2.4	Conceptual Framework and Definition.....	32
CHAPTER THREE.....		33
RESEARCH METHODOLOGY.....		33
3.1	Research design and Approach.....	33
3.2	Population.....	33
3.3	Source of Data and Collection Methods.....	33
3.4	Data Analysis.....	34
3.5	Description of Variables and Measurements.....	35
3.5.1	Dependent Variable (Y).....	35
3.5.2	Independent Variables.....	35
3.5.2.1	Board Size.....	36

3.5.2.2. Board Gender Diversity	36
3.5.2.3. Board Meeting Frequency.....	37
3.5.2.4. Educational qualification of board members	37
CHAPTER FOUR.....	38
DATA PRESENTATION ANALYSIS AND DISCUSSION.....	38
4.1 Introduction.....	38
4.2 Response Rate.....	38
4.3 Reliability Test.....	38
4.4 Validity	40
4.5 General Information.....	40
4.5.1 Year of Registration.....	40
4.5.2 Designation of Respondents.....	41
4.5.3 The training programs for BODs	41
4.5.4 Size of BODs	42
4.5.5 Educational level of BODs	42
4.5.6 Term of BODs.....	43
4.5.7 The number of general assembly (GA) meetings per year.....	44
4.6 Descriptive Statistics.....	44
4.6.1 Role and Function of Board of Director	46
4.6.2 Role and Function of General Assembly	47
4.6.3 Corporate Governance Challenge	48
4.6.4 Board Size (BS)	49
4.6.5 Gender Diversity (GD).....	50
4.6.6 Educational Qualification (EQ)	51
4.6.7 Meeting Frequency (MF).....	52
4.7 Correlation Analysis of the Study Variables.....	52

4.8	Regression Analysis Assumption Test.....	54
4.8.1	Linearity test	54
Figure 4.1: Linearity test.....		55
4.8.2	Normality test.....	55
Figure 4.2: Normality test		55
4.8.3	Multicollinearity Test between Study variables.....	56
4.8.4	Autocorrelation Test	57
4.8.5	Homoscedasticity Test.....	57
Table 4.19: SPSS output result by using Glejser Test of homoscedasticity		57
4.9	Regression Analysis Results and Discussion.....	58
Table 4.20 Multiple Regression Analysis Model Summary Result		58
4.9.1	ANOVA Analysis result	59
4.9.2	Regression Coefficient Analysis.....	60
Table 4.22 Regression Coefficient Analysis of the Model		60
4.9.3	Regression Equation	61
4.9.4	Testing Hypothesis from the Regression Result	61
4.9.4.1	Board Size	61
4.9.4.2	Gender Diversity	62
4.9.4.3	Educational Qualification	62
4.9.4.4	Meeting Frequency	63
4.9.5	Summary Result of Hypothesis testing.....	64
CHAPTER FIVE		65
SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION.....		65
5.1.	Introduction.....	65
5.2.	Summary of Finding	65
5.3.	Conclusion	69

5.4. Recommendation	70
5.5. Suggestion for further research	71
References.....	72
APPENDICES	84
APPENDIX-I	84
APPENDIX-II.....	85
Appendix III.....	90

LIST OF TABLES

		PAGE
4.1	Reliability Analysis Result	39
4.2	Year of Registration	40
4.3	Frequency and Percentage Distribution for Role and Function of BOD	41
4.4	Training Program	41
4.5	Size of BODs	42
4.6	Educational level of BODs	43
4.7	Terms of BODs	43
4.8	General Assembly (GA) meetings per year	44
4.9	Summary of the Descriptive Statistics	44
4.10	Designation of Respondents	46
4.11	Frequency and Percentage Distribution for Role and Function of GA	47
4.12	Frequency and Percentage Distribution for Corporate Governance Challenge	48
4.13	Descriptive Statistics result on Board Size	49
4.14	Descriptive Statistics result on Gender Diversity	50
4.15	Summary of Hypothesis Testing Result	51
4.16	Descriptive statistics result on MF	52
4.17	Correlations Analyses Result	53
4.18	Autocorrelation test	57
4.19	SPSS output result by using Glejser Test of homoscedasticity	57
4.20	Multiple Regression Analysis Model Summary Result	59
4.21	ANOVA Analysis Result	60
4.22	Regression Coefficient Analysis of the Model	61
4.23	Descriptive Statistics Result on EQ	65

LIST OF FIGURES

		PAGE
2.1	Conceptual Framework and Definition	32
4.1	Normality Test	55
4.2	Linearity Test.	55

LIST OF ACRONYMS

BODs	Board of Directors
BS	Board Size
EQ	Educational Qualification
GA	General Assembly
GD	Gender Diversity
MF	Meeting Frequency
SPSS	Statistical Package for the social sciences

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
CERTIFICATION

This is to certify that the research project prepared by Mekonnen Tadesse Worku entitled Corporate Governance Practices and Performance of Consumers' Cooperatives Societies in Addis Ababa City and Submitted in partial fulfillment of the requirement of the degree of Executive Master of Business Administration.

Approved by the examining Committee

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Internal Examiner

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External Examiner

Signature

Date

STATEMENT OF DECLARATION

I, certify that the research project work entitled “Corporate Governance Practices and Performance of Consumers’ Cooperatives Societies in Addis Ababa City” is my own work. The work has not been presented elsewhere for assessment. Where material has been used from other sources, it has been properly acknowledged.

Signature of student

Mekonnen Tadesse Worku

ABSTRACT

Cooperatives are member owned and member financed organization. They have been a model for collecting societies together across all sphere of life. As the members of the cooperatives whose relationship with the cooperative managements are slight, the cooperatives are prone to governance failure. Especially in the consumer cooperatives there is a separation between the members/owners of cooperative and the cooperative management body. This separation of ownership and control creates the governance problems. Since governance is the key for the success of any cooperatives, it needs high level attention by the concerned bodies and societies. The main objective of the study is to describe the governance practices and challenges of the consumer cooperative societies and examine whether the governance have a significant effect on the performance of consumer cooperatives in Addis Ababa City. There are 141 consumer cooperative Societies in the City and they have similar stages of development and exhibit high level of homogeneity in aspects such as structure and leadership. For this the study used census. The study seeks to analyze the effect of various corporate governance mechanisms particularly board size, board educational qualification, board gender diversity and board meeting frequency and used mixed research approach by adopting quantitative method. The Linear regression is also used to quantify the strength of the relationship between the independent variables (Corporate governance practices) and the dependent variable (performance). The finding indicated that the consumer cooperatives are found to have operated in accordance with the country's cooperative society's proclamation and regulation. The principles of corporate governance were adequately addressed in the governance practice of consumer cooperatives. With respect to challenges of consumer cooperatives in the implementation of corporate governance that the consumer cooperatives board of directors lacked commitment and leadership; the cooperatives were suffered with the supplies of goods and services and audit committees of the consumer cooperatives were incompetent to execute their duties. The finding also indicated that the corporate governance variables of educational qualification and board size have high impact on the performance of the consumer cooperatives whereas gender diversity and meeting frequency have moderate effect on the performance of consumer cooperatives. Based on the result of the study it is recommended that a separate cooperative governance code should be developed, board of directors and members should be trained to improve the performance of the cooperatives and a policy should be designed to strengthen the female participation in the board.

Key words: Consumer cooperative, corporate governance Mechanisms, cooperative performance

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporate Governance is the relationship between company's stakeholders such as corporate manager, directors and the providers of equity, customers and institutions (International Chamber of Commerce, 2004; Mehran 2003; Goergen and Renneboog, 2006). Cadbury (1992:14) stated that

Corporate governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the board include setting the company's strategic aims, providing the leadership to put them in to effect, supervising the management of the business and reporting to shareholder on their stewardship. The board's actions are subject to laws, regulations and the shareholders in general meeting.

The failure of several corporations (E.g. Enron, Tyco, Parmalat, Skandia, Lehman Brothers, etc) in the last decade gave a clear lesson for investors that companies should investigate further the status of their governance structure to increase transparency and to guarantee shareholders' reliance on directors and managements (Hermalin and Weisbach, 2012). The major accounting failures which had been seen in various companies throughout the world have affected the investors' confidence and raised various questions on the effectiveness of a company's internal control and governance system(Lamport et al, 2011). In 2001, the largest bankruptcy occurred in the history of the US. At that time a massive fraud was committed by hiding losses and this was also seen as failure of external auditor; however, it was a complete failure of governance by the board of director. The effectiveness of board of directors of public companies has become a worldwide concern. The collapse of many companies are attracting the attention to the top decision making body of the firm, the board of director.

Fair and transparent business environment is assured by good corporate governance. Good corporate governance is a good mechanism to held companies to be accountable for their action. On the other hand weak corporate governance exposes companies for corruption, mismanagement and waste. Although corporate governance has been started in joint stock corporations, it is also very significant in public enterprises, cooperatives, and family businesses.

In any type of business, only good corporate governance can help the performance to be good and sustainable (Youssef, 1991). .

Cooperative societies have similar structure with Modern Corporation. Both have a separate legal existence from their owners (shareholders). The cooperative to be governed and managed properly, the shareholders or members of cooperative should elect board of directors to whom they delegate most of their authority. The principle for cohesion of a cooperative model is participation of members, monitoring management and voicing their interest. Encouraging the Participation of members, creating belongingness among members and representativeness are vital for good governance for the cooperatives. Active participation of members in the cooperatives is also important to create sense of responsibility among the board members and the employees (Nakkiran, 2002). Cooperative form of business is clearly distinguished from investor owned enterprise through its member ownership and governance. Like any other organizations, cooperatives require capital investment, and management expertise. However, cooperatives specifically should communicate and respond to the need of their members and all members participate in decision making. They are enterprises jointly owned and managed for a common benefit of its members. They often emerge when important community needs are not being met. The priority for the cooperative is to improve the life of its members. The cooperative governance is a bit different from the investors owned corporate governance because the board directors of cooperatives are not only monitor the upper management and oversee the strategic decision to maximize return of investment as the corporate business do, they go one step to look after the need of its members' to remain competitive in the market. In cooperatives, the board of directors represents the need of its member.

Consumer cooperatives are expected to provide essential consumer goods and service to the members. Fair prices, high quality products and reliable services are expected from the consumer cooperatives. In Ethiopia, there is high population growth and due to this factor there is also an increase of demands for goods and services. The consumers are also exposed for unfair price increment from the side of the retailers. Inflation and price fluctuation is also a prevalent situation in the country. Therefore, to regulate these critical problems, the establishment of consumer cooperatives is vital (Kanagaraj & Mosisa, 2015). Currently there are 141 basic consumer cooperatives that are operational in 10 sub cities in Addis Ababa. Initially the cooperatives were established with a contributed share capital of birr 66.9 million and currently

the cooperatives have more than 498.7 million birr in current and fixed capital. From the outset the cooperatives were established with 218,468 founding members, however, currently the cooperatives have grown and the number of members exceeded 4 hundred thousand (Addis Ababa City Cooperative Agency, 2008). Kanagaraj (2012) emphasized on his study that the major challenges of consumer cooperatives under the study area were corruption, lack of members awareness, poor members participation, lack of managerial skills, lack of finance, lack of supervision and audit, unplanned establishment of cooperative society and weak connection with other cooperatives were the major challenges that affect the activities of consumer cooperatives in Hawassa city, Ethiopia. Kanagaraj and Deressa (2015) has also identified the major challenges of consumer cooperatives under the study area were poor female and as well as youth participation, lack of quality products, inadequate supply of goods by government, lack of member's participation in management, lack of cooperation among members, lack of skilled personnel, poor infrastructure, lack of knowledge among members are the major problems that affect the activities of consumer cooperatives in Horogudru Welega zone, Ethiopia. The participation of cooperative union in the economy activities is affected by their management capacity, experience and access to credit. This is due to lack of good governance practices (Bezabih, 2009). This shows that corporate governance practice determines the performance of cooperatives.

Previous empirical studies such as Hutchinson, (2002), Bauer et al, (2004), Bhagat and Bolton (2007), Sunday (2008), Daines et al. (2008), Carline et al. (2009), and Renders et al. (2010) indicated that corporate governance has a significant impact on firms' performances. They all examined several corporate governance variables such as size of Board of Director (BOD), frequency of BOD meetings, duality of CEO, remuneration of directors, audit quality, transparency and disclosure, lead by non-executive director, qualification of directors, and gender diversity. However, they reported contradictory results regarding the relationship between corporate governance variables and firm's performance. For instance, researchers Bhagat and Bolton (2007), Sunday (2008), Daines et al. (2008), Carline et al. (2009), and Renders et al. (2010) found out that there is a strong positive association between corporate governance and financial performance. They argued that good corporate governance enhances firm's performance. In contrast, other studies have reported a negative relationship between corporate governance and firm's performance (Hutchinson, 2002; Bauer et al, 2004) and still others

reported that there is no significant relationship between the variables (Grove et al., 2011; Castner and Kavadis, 2013). The contradiction aroused from the consideration of different number of variables, sample sizes and the time period by the researchers to evaluate the firm's performance.

1.2 Statement of the Problem

Currently, bad governance and poor economic conditions are the main challenges of cooperatives. Even though the corporate governance agenda has been given a wide attention, the governance situation of those cooperative forms of business couldn't get the required attention and the governance problems couldn't be studied well. The cooperative businesses contribute for developing countries social and economic development in creating employments and funds (Shaw, 2006). The Ethiopian cooperative proclamation (985/2009) incorporated the universal principle of cooperative which is coded by ICA. The proclamation has created a good landscape for the cooperatives to exercise their rights and duties in the governance of the cooperatives (FCA, 2006 cited by Yimam, 2010). The Addis Ababa city consumer cooperative associations are providing essential services to members and local residents; however the cooperatives have not been able to provide the required goods and services due to the internal and external problems (FCA & Addis Ababa Trade & Industry Office, 2014). According to Spielman(2008: 33) the challenges that cooperatives face in their development are immense, which can be summarized as follows:

Tension exists between the growing roles and responsibilities of cooperatives in Ethiopia's economy, and the limited capacity available to manage their roles and responsibilities. A similar tension exists between cooperatives' efforts to develop effective internal governance systems and decision-making processes, and their need to respond to external priorities, market opportunities, and general changes in Ethiopia's wider socioeconomic conditions.

This study recognizes past similar studies conducted in the area of corporate governance in other type of organization in Ethiopia. Some studies were carried out in Ethiopia with the aim of examining the effect of corporate governance. For example, Tura (2012), Fanta, et al (2013), Negash, (2013) and Sefara (2015) examined the corporate governance of share companies in Ethiopia. Researchers studied the effect of corporate governance mechanisms on commercial bank's financial performance in Ethiopia. They tested the relationship between internal corporate governance mechanism, particularly board size, board gender diversity, directors educational

qualification, meeting frequency of board and bank performance. All of them used either ROA (Return on Assets) or ROE (Return on Equity) or both to measure the performance of the banks. (Ayele 2013; Fanta et al., 2013; Getahun, 2013; Tufa & Teshu, 2014; Rao & Desta, 2016; Harun, 2017; Retta, 2018; Mulat, 2018). However, their findings were inconsistent. For instance, Mulat (2018) has confirmed that board size only have a positive effect on bank performance, however he didn't find any significant effect on the corporate governance variables of board gender diversity, directors educational qualification, meeting frequency of board. Retta(2018), on the other hand, confirmed that board size and board gender diversity have a negative effect on the performance of banks, where as educational qualification and frequency of meeting have also a positive effect on the performance of the banks. Rao & Desta (2016) indicated board size and board gender diversity have no significant impact on the performance of the bank.

Yimam (2010) examined the governance of two producer's co-operatives in the Amhara Regional state. He stated that the effort of the government and the principle of cooperative couldn't help to improve the governance situation of the cooperatives. In practice, the governance of the cooperatives is not democratic, autonomous and member based. The study confirmed that the cooperatives are challenged by the intervention of local government officials and the cooperative promotion bureau is not capable to render the required professional services to these cooperatives. The members are not participated in decision making as per cooperative proclamation. There is no clear accountability in the governance structure and corruption and misuse of funds are prevalent. Education and training are not offered adequately to the members and managers of the cooperatives. However, the researcher didn't examine the performance of the cooperatives in relation with the corporate governance variables. Bekele (2008) looked the financial management and reporting practices of some consumer cooperatives in Addis Ababa sub-city. He confirmed that majority (75%) of consumer cooperatives in Addis Ababa city have good financial recording practices using manual records. Kanagaraj (2012) and Kanagraj & Deressa (2015) studied the challenge and opportunities of consumer cooperatives in Hawassa City and in Horoguduru woreda respectively. They investigated the challenges of consumer cooperatives under the study areas that they found corruption, lack of awareness, poor members participation, lack of managerial skills, lack of finance, lack of supervision and auditing, lack of qualified personnel, poor infrastructure were the major challenges. Begna (2016) in his study entitled "Assess the Effectiveness of Consumer Cooperatives: the case of Woreda 1 Consumer

Cooperative in Kirkos Sub- City, Addis Ababa, Ethiopia”. assessed the effectiveness of consumer cooperatives and in his finding revealed that the cooperative society lack the autonomy, interference of local administration, poor governance and management, inadequate supply of basic goods were the major challenges. These situations have also affected the effectiveness of the cooperatives. All researches haven’t examined the governance aspects of the consumer cooperatives and its effects on the performance of the cooperatives.

As per the review of the literatures most of the empirical studies examining the relationship between corporate governance and performance of cooperatives belongs to outside Ethiopia. Mwasi (2011), Moenga (2015) and Olick (2015) carried out their research in Kenya’s microfinance institutions. They examined the effect of corporate governance on the financial performance of microfinance institution. In his finding Mwasi (2011) stated that despite the effort of the regulatory body, Kenyans Micro Finance Institutions(MFIs) give very little attention to the corporate governance and risk management which affects their performance. He suggested that competent and motivated board of directors along with institutional capacity is very essential to advancing corporate governance in the MFIs sector. Moenga (2015) has also examined key corporate governance practices; board size, board independence, CEO duality and board diversity and in his finding he confirmed that the board size affected financial performance negatively while all the other independent variables affected the financial performance of MFIs positively. There was a significant relationship between Corporate Governance and financial performance of MFIs. He concluded that the financial performance of MFIs was significantly explained by board independence, CEO duality and board diversity. Olick (2015) also examined corporate governance practices; Proportion of non-executive directors, board size and board gender diversity and the study found that board size had a positive significant effect while proportion of non executive directors had a positive insignificant effect on financial performance as measured by Return of Assets. Gender diversity showed a negative significant effect on the financial performance of MFIs.

Mutunga (2009), Musuya (2010), Wasike (2010) and Wathanga (2016) carried out their research in Kenya’s co-operatives with different scenario. Their research focused on the governance aspect of other types of cooperative societies. They haven’t studied the governance of consumer cooperative. Mutunga (2009) identified the nature of corporate governance practices adopted and challenges faced by cooperatives. Corruption, mismanagement and misappropriation of funds by

elected officials were the major challenges and the researcher recommended that corporate governance practices by cooperatives in Nairobi should be improved. Musuya (2010), examined the relationship between various components of corporate governance and performance of coffee farmers' cooperative society in Bungoma County. The researcher indicated that the co-operative societies had clearly separated the role of board chair and Chief Executive Officer and this has improved the performance. However the board composition didn't significantly show improved performance. Generally the researcher found that corporate governance compliance enhances the performance of the cooperative. Wasike (2010) investigated the practices and challenges of corporate governance on the performance of Elimu Saving and Credit Cooperative. The study found that the cooperative was ill equipped to implement the corporate governance and the challenges faced include reluctance of board members to disclose information and, lack of transparency and accountability. The researcher concluded that the corporate governance helped in defining the relationship between the cooperative and its general environment, the social and political systems in which it operates. Wathanga (2016) investigated the effect of corporate governance on the organizational performance of dairy co-operatives in Kenya. The study assessed how do compressive strategic decision making, participative governance, human capital, and long term orientation affected the performance of the cooperatives and to what extent market orientation moderate the effect of corporate governance on the organizational performance of dairy co-operatives in Kenya. The research found that strategic decision-making, participative governance and Human capital were not significant in predicting revenue per customer; however long-term orientation and market orientation were significantly predicted revenue per customer. The results showed that market orientation did not significantly moderate the relationship between corporate governance and organizational performance.

Osuagwu et al (2018) have studied the major pros and cons of consumer cooperatives in Anambra state, Nigeria. They mentioned poor female and youth participation, lack of quality products, inadequate supply of goods, lack of qualified personnel, lack of member participation in management, lack of unity among members and poor infrastructure are the major challenges of the consumer cooperatives in the study area. However, they haven't studied the governance aspect of the consumers' cooperatives in relation with the performance of the cooperatives. The consumer cooperatives are prone to governance failure due to the slight relationship of members

with cooperative society, not much attention is given to the governance aspect of consumer cooperatives.

There is hardly any literature that has focused on the practice of corporate governance and the performance of consumer cooperative societies. Therefore, no study, local or international has focused on the practice of corporate governance and performance of the consumer cooperatives in the defined area, which this study seeks to, establish. The studies cited in the literature mostly concentrated on the financial institutions whose governance system is not similar to that of cooperatives. As far as the researcher's Knowledge, there is no robust and clear study on the corporate governance practice and performance of consumers' cooperatives societies in Ethiopia. Furthermore, most previous cooperative governance studies were made in countries where cooperative business highly developed. The findings may not apply to Ethiopia where the cooperatives are at infant stage.

This study aims to identify the nature of corporate governance practices adopted by the consumer co-operative as well as examine its effect on the performance of consumer cooperatives. The study includes selected corporate governance mechanisms and concentrates only on consumer cooperatives established in Addis Ababa City. Therefore, the relationship between corporate governance mechanisms and performance has also been further explained.

1.3 Research Question

- What corporate governance practices are adopted by the consumer cooperatives societies?
- What challenges did the consumer cooperative societies face in practicing good corporate governance?
- Is there any relationship between board size, board members gender diversity, meeting frequency of board members, directors' educational qualification and performance of consumer cooperatives societies?

1.4 Objective of the Study

1.4.1 General Objective of the Study

The main objective of the study is to describe the governance practices and challenges of the consumer cooperative societies and examine whether the governance have a significant effect on the performance of consumer cooperatives in Addis Ababa City.

1.4.2 Specific Objective of the study

- To describe the governance practices adopted by consumer cooperatives societies in Addis Ababa
- To examine the challenges faced by the consumer cooperative Societies in practicing good corporate governance
- To examine the relationship between *board sizes, board gender diversity, meeting frequency of board members, directors' educational qualification* and *performance of consumer cooperatives societies.*

1.5 Hypothesis of the Study

- H₁: Board member size is expected to have positive relationship with Performance of consumer cooperative societies.
- H₂: Board member gender diversity is expected to have positive relationship with Performance of consumer cooperative societies.
- H₃: Board member educational qualification is expected to have positive relationship with Performance of consumer cooperative societies.
- H₄: Board member meeting frequency is expected to have positive relationship with Performance of consumer cooperative societies

1.6 Significant of the Study

The governance of the cooperative sectors as a whole remains poorly understood. As mentioned above the main objective of the study is to establish the practice of corporate governance and examine the relationship between board size, board gender diversity, meeting frequency of board, director's educational level and performance of consumer cooperatives.

Given this context the findings of the study will help to fill the important knowledge gap in understanding the governance of the cooperative sector in Ethiopia and the result of this study

will contribute to the existing literature by providing evidence on the relationship between corporate governance mechanisms and consumer cooperatives performance. The empirical results will also be useful for regulatory, policy makers, managers of cooperative societies. The study may serve as reference materials for other researchers who need to make a research on this area at more advanced level.

1.7 Scope and Limitation of the study

Damak, (2013) stated that the internal and external corporate governance mechanisms designed to monitor managers and reduce conflict of interest deemed costly. The internal corporate governance mechanism includes in particular, board of directors, committees, auditors and ownership structure. The third objective of this study is specifically investigate the board of directors by analyzing the independent variables of board size, board gender diversity, meeting frequency of board members and board members educational qualification. It would have been worth studying the practices and performances of all consumer cooperatives in Ethiopia, however due to time, cost and other factors; the scope of this study has also been limited to examine the governance and performance of the consumer cooperatives operating in Addis Ababa Sub-Cities

With regard to limitation of the study, some of the board members were not willing to provide certain relevant information's by assuming that the information required would be very confidential even if it was not.

1.8 Organization of the Study

This research project is organized in to five chapters. The First chapter consists of introduction, which includes background of the study, statement of the problem, research questions, and objective of the study, hypothesis, significance of the study, and scope and limitation of the study. The second chapter is related to literatures review that deal with conceptual definition, theoretical reviews and empirical findings. The third chapter provides description about the methodology and the variables used in the study and the fourth chapter presents the results and discussions of the study conducted based on data collected from Primary and secondary sources. The results of the descriptive statistics, correlation analysis and regression analysis have also been discussed in the fourth chapter of the study and chapter five presents the summary of findings, conclusion, recommendations and suggestion for further research.

CHAPTER TWO

LITERATURE REVIEW

This chapter discusses the definition and basic concepts, theoretical review and empirical reviews of the study. This review is related to the previous work done related to the concerned topic.

2.1 Conceptual Definitions

2.1.1 Concept of Corporate Governance

A corporation is created by a group of investors and their ownership is represented by their holding of shares. These investors became owners of portions of shares of the business in which they invested, and have come to be known as shareholders (Murray, 2018). Shareholders are also the owners of a percentage of the corporation. A corporation's goals can be for profit or not. However, the majority of corporations aim is to provide a return for its shareholders (Kenton, 2019). When an investor invests money in a corporation, he expects the board and management to act in their best interest at all times and adopts good governance practices (Ray, 2012).

A dictionary definition of the word governance is: a method or system of government or management (Random House, 2010). Governance is how any organization or a nation is run. All the processes, systems, and controls are included to safeguard and grow the assets (Kokire, 2018). Governance is concentrate on the betterment of life and it is also the organizational effort to improve the efficiency and quality of products to make sure value for money. To govern is the execution of policies and procedures of an organization with full authority. Governance determines the procedure and control methods for products to be effective in terms of quantity, quality and speed (Khalid and Hanif, 2004). United Nations Economic and Social Commission for Asia, (2009) defined governance as the process of decision making and it is the process by which decisions are implemented or not implemented. Governance can be used in several contexts such as corporate governance, international governance, national governance and local governance. When applied to organizations that operate commercially, it is often termed corporate governance. According to Berglof and Pajuste, (2003) corporate governance is poorly defined because corporate governance creates the particular phenomena for world economy, and considered as a big challenge and fatal for the organizational existence. According to Rose

(2007) the lack of consensus in defining the concept of corporate governance has given a chance for the growth of governance industry in the United States.

Corporate governance is simply put by the famous report of Cadbury Committee as “the system by which companies are directed and controlled”(Cadbury, 1992:14). International Chamber of Commerce, (2004), also defines Corporate Governance as the relationship between corporate manager, directors and shareholders. It ensures that the corporation itself complies with rules and regulations and the board of directors is accountable for the accomplishment of corporate objective. In addition Mehran (2003) and Goergen a& Renneboog (2006) explained that ‘corporate governance’ as the relationships among management, the board of directors, shareholders, and other stakeholders like, employees, customers, suppliers, and creditors. These relationships provide a structure within which corporate objective are set and performance is monitored. Lamport et al.(2011) broadly speaking, Corporate Governance is all about making sure that the decisions are made effectively. Gillan & Stark (1998),Oman (2001)and Rezaee (2009) defined corporate governance as the system of laws, rules, and factors that control operations at a company. According to Sheleifer and Vishny(1997) corporate governance is about how investors get the managers to give them back their money. Laporta et al. (2000) states that corporate governance is a set of mechanisms in which investors protects themselves against expropriation by insiders. Ideally, corporate governance practices are expected to:(a) give high attention to board of directors for maximizing the company’s performance and shareholders returns;(b) Ensures the accountabilities of Directors and Managers to shareholders and Directors respectively; (c) The long-term strategic vision of directors and managers should stress on the long-term shareholder value. The short term behaviors of managements should be discouraged by rewarding sustainable high returns; and (d) Companies information should be transparent to allow perfect market competition (CalPERS, 2007). Proper corporate governance attracts investors and improves company’s performance by mitigating risks. Hence generally corporate governance is regarded as having important contribution for the growth of economy (Spanos, 2005).

When we look the aforementioned definitions of corporate governance some define in a narrow perspective that includes only the shareholders and others address the concern of all stakeholders. Some mentioned the importance of corporate governance for a country to achieve sustainable economic development while some other considers it as a corporate strategy to

achieve the goal of the business. But to all, corporate governance is a means to an end and that end is long-term shareholders' value and stakeholders' value. Therefore it can be clearly stated that corporate governance system is interlinked. It involves the entire relationships between an organization's management, its board, its shareholders and its other stakeholders, such as its employees and the community in which it is located. While the board of directors is accountable for oversight of the governance process, the organization's management is responsible for implementing the policies and procedures of the organization. The board is also responsible for understanding and advising the management within the organization and is accountable for the result of those processes. From the concept definitions, it can be easily understood that good corporate governance is an essential element to the growth and development of any organizations.

2.1.1.1 Principles of Corporate Governance

The Organization for Economic Co-operation and Development (OECD) has developed Principles for corporate governance in the year 1998 and the principles are intended to assist OECD and non – OECD countries for improving the corporate governance of publicly traded companies, private companies and state owned companies of their countries (OECD, 2004:17). The following six principles has been developed.

Ensuring the Basis for an Effective Corporate Governance Framework: The corporate governance framework should promote transparent and efficient markets, be consistent with rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities.

The Rights of Shareholders and Key Ownership Functions: The corporate governance framework should and facilitate the exercise of shareholders' rights. Basic shareholder rights should include the right to: 1) secure methods of ownership registration; 2) convey or transfer shares; 3) obtain relevant and material information on the corporation on a timely and regular basis; 4) participate and vote in general shareholder meetings; 5) elect and remove members of the board; and 6) share in the profits of the corporation.

The Equitable Treatment of Shareholders: The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders.

All shareholders should have the opportunity to obtain effective redress for violation of their rights.

The Role of Stakeholders in Corporate Governance: The corporate governance framework should recognize the rights of stakeholders established by law or through mutual agreements and encourage active Co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprise.

Disclosure and Transparency: The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company.

The Responsibilities of the Board: The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.

2.1.2 Concept of Cooperatives

The concept of co-operation is as old as that of mankind and it is believed that co-operation is the basis of social life. Science may prove survival and happiness of all mankind through love and cooperation. Co-operation is derived from the Latin word "Co-operari", 'Co' means "with" and 'operari' means "to work. Hence the word co-operation means working together with others for a common purpose. Aristotle, a Philosopher of Ancient Greece, recognized the social nature of man when he said, "Man is a Social Animal". Man cannot lead a happy life in isolation. Therefore cooperation is essential for human being and can be considered as the basic principle for human life (Pradeesh, 2004).The idea of cooperatives is emerged back to ancient societies where people cooperate and work together in economic activities like hunting, fishing, gathering foods, building shelter, and meeting other individual and social needs. History also attests the practices of cooperation among peoples in early Greece, Egypt, Rome and Babylon. In addition, there were traditional cooperative organization in Native American and African tribes, and other groups (Williams, 2007). Modern cooperatives appeared in Europe. The first fire insurance cooperatives and the first cheese-makers cooperative (also called first consumer cooperative) were formed in 1700s in the United Kingdom (UK) and around 1750 in France respectively. By 1830 UK had 300 officially recognized cooperatives (Williams, 2007).

In Ethiopia the traditional cooperatives associations such as *Iquib* and *Idir* has existed since a century ago. *Iquib* is associations of people in which members are contributing the money for a common purpose and the collected money will be given back to a member on rotation basis. *Idir* is also an association of people in which members are contributing the money for providing assistance to a member in the event of death, accident, damages to property, among others (Emana, 2009). This shows us Ethiopia has a long history of working together by practicing cooperative like institutions, which were the bases for modern type cooperatives. These traditional institutions, *Idir*, *Iquib*, *Wenfel*, *Debo* etc. are still exist in the country. The first modern cooperatives were established in 1960. However when the socialist government came to power, the nature of cooperatives changed and it served as instrument to assist the implementation of government policy of collective ownership of properties. During this time, cooperatives were forced to operate in line with the socialist principles of collective mechanisms. Membership was also compulsory, which violated the international cooperative principles of open and voluntary membership. However, currently cooperatives are considered as essential instrument of economic improvement (Emana, 2009).

Various definitions of cooperative have been formulated in the history of cooperatives. Some are general and others emphasize particular aspect of cooperatives that may focus on economical, social or legal aspect of the cooperatives. According to the International Cooperative Alliance (ICA) (1995) "a cooperative is an autonomous association of persons. People voluntarily form the association to meet their common economic, social and cultural needs through a joint owned and democratically controlled enterprise". Savage and Volkin (1965) similarly explained cooperative is a legal entity which is voluntarily organized by a person having similar interest to accomplish a common economic objectives through joint participation of its members. In cooperatives members have common ownership interest and they provide the required services for themselves on nonprofit basis. The cooperatives also democratically controlled by its members. The investment and risks, benefits or losses are shared equitably among the members in proportion to their contribution or use of services. Kumar (2000) also defined Cooperative as organization that is formed by people who pooled their resources together for their common benefit. Packel (1970) also defined cooperative for practical purposes as a democratic association of persons which have equality in ownership and control. They provide economic services for themselves to eliminate entrepreneur profit. (FDRE, 1998) defined cooperative as "a society

which is formed voluntarily by individuals to solve their economic and social problems. The cooperative is managed democratically by its members". Helm (1968) also defined cooperatives as registered voluntary association which is formed with a common interest and has a minimum of ten members. The association operated in democratic principle to solve the members' economic and social problems at optimal costs. Members who contribute the capital delegate some power to manage the business. Nakkiran(2002 cited by Dayanandan, 2013) stated that cooperative organizations are corporate bodies in which they have a separate legal existence from their owners (Shareholders). The shareholders also elect board of directors to whom they delegate most of their authority. Cooperatives should be properly governed and managed to be owned by many individual persons. Encouraging participation, feeling of belongingness and representativeness is essential for good governance in cooperatives. Effective member's participation creates sense of responsibility among board and managements. Participation of members, monitoring of management and voicing of their interest are the principle for cohesion of a cooperative model.

The definition of cooperatives varies according to the background and viewpoints of those authors and they do however present a general idea of what cooperative is and how such organizations are set up and operate. Cooperative form of business is clearly distinguished from investor owned enterprise through its member ownership and governance. They are enterprises jointly owned and managed for a common benefit of its members. They often emerge when important community needs are not being met. The priority for the cooperative is to improve the life of its members. Like any other organizations, cooperatives require capital investment, and Management expertise. However cooperatives specifically should communicate and respond to the need of their members and all members participate in decision making.

2.1.2.1 Principles of Cooperatives

For conducting smooth operation, every organization develops its own principles. In 1995, the International Cooperative Alliance developed the following seven principles, which are universal in nature. Based on ICA (2015:2), the following are the principles:

Voluntary and Open Membership: Co-operatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

Democratic Member Control: Co-operatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary co-operatives members have equal voting rights (one member, one vote) and co-operatives at other levels are also organized in a democratic manner.

Member Economic Participation: Members contribute equitably to, and democratically control, the capital of their co-operative. At least part of that capital is usually the common property of the co-operative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any or all of the following purposes: developing their co-operative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the co-operative; and supporting other activities approved by the membership.

Autonomy and Independence: Co-operatives are autonomous, self-help organizations controlled by their members. If they enter to agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their co-operative autonomy.

Education, Training and Information: Co-operatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their co-operatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of co-operation.

Co-operation among Co-operatives: Co-operatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures.

Concern for Community: Co-operatives work for the sustainable development of their communities through policies approved by their members.

2.1.2.2 Co-operative Governance

All kinds of business organizations including cooperatives have taken governance as a basic issue. However there is limited literature on co-operative governance and it has often taken ideas from corporate governance literatures (Cornforth, 2004). Birchall (2014) has confirmed that governance of co-operatives is different from other private business organization. Co-operative Housing Federation of Canada(2010) defined co-operative governance as how members of cooperatives and elected board of directors put direction for the cooperatives.

A cooperative is a legal entity owned by a group of people who come together voluntarily for their mutual benefit. These people usually came together to fulfill their common economic and social need. The cooperative governance is a bit differ from the investors owned corporate governance because the board directors of cooperatives have dual responsibilities that they are not only monitor the upper management and oversee the strategic decision to maximize return of investment as the corporate business do, they go one additional step to look after the need of its members' to remain competitive in the market. In cooperatives the board of directors represents the need of its members. However As a cooperative grow, one of the most serious problem is the inability of the board of directors to maintain good connection to the cooperative members.

Basically governance is depends on the size and ownership structure of the business organization. For instance self-employed people or sole ownership business combined ownership, governance and management in one person. A partnership company also own by a group of people who practices the same profession. They control the company jointly, because partners have similar skills and their individual contributions can be measured and it can be governed efficiently. However, when it comes to a large business, the governance situation is a bit challenge. The most common type of large business is the corporation, which is owned by many shareholders who hire professional managers to run it and rely on a special group of director to govern on their behalf. The most important issue in such kind of companies is how an independent board of directors can controls the hired managers so that they work in the interest of the shareholders.

Similarly, co-operatives are large business organization and owned by their members. These cooperatives have similar structure with corporation. Ownership is also in cooperatives dispersed

among the members of cooperatives. Members have also elected the board of directors who governs them. Their governance is expected to protect the interest of members and meet successfully the main objective of the cooperative. Every countries has similar governing structure of cooperatives which bearing the general Assembly, the Board of Directors and the Audit committee. The General Assembly is the highest body which set polices and gives the instruction to the board of directors. The Board of Directors is the highest management body of the cooperative and has a responsibility to appoint a general manager. The Board of Directors is also responsible for monitoring the management decisions and representing its cooperative society. The main function of the Audit committee is to audit the performance and financial situation of the cooperative society and it has the responsibility to ensure the internal rule and other legal requirements are properly respected in the society (Cambell et al, Undated).Similarly as per the Ethiopian Cooperative Societies Proclamation, the cooperatives management bodies are the General Assembly, the management committee, and the control Committee. The General Assembly is the supreme organ of any Societies (FDRE, 1998).

2.1.2 Performance of Consumers' Cooperatives

Cooperatives in Ethiopia are classified on the basis of activities in which they engaged. As per the Federal Democratic Republic of Ethiopia (FDRE, 1998) Cooperative Societies Proclamation No. 147/1998 cooperative Societies include the following types of cooperative Societies.

- a) Agricultural Cooperative Societies;
- b) Housing Cooperative Societies;
- c) Industrial and Artisans Producers' Cooperative Societies;
- d) Consumers Cooperative Societies;
- e) Savings and Credit Cooperative Societies;
- f) Fishery Cooperative Societies;
- g) Mining Cooperative Societies;

From the above list of cooperative societies, this study particularly focuses on consumers cooperative Societies. Consumer cooperatives are established to provide basic consumer goods and services and their immediate aim is to satisfy the need of their members. In consumer cooperative the members come together and contribute money in the form of shares and

membership fees so that the consumer cooperatives could purchase, stock and sell consumer goods of all types to its members and the general public in its area of operation.

Parkash (2012) stated that consumer cooperative is an economic entity which is basically established by the consumers to protect their common interest. Management of consumer cooperative in India (1988) define Consumer cooperative as consumers' organization which is established by the consumers themselves to serve the interest of the consumers. Their main objective is to protect the consumers from traders and middlemen. Kanagaraj & Mosisa (2015) explained that Consumer cooperatives are established to supply basic goods and services to the members of the consumers' cooperatives. Fair price, quality products and reliable services is expected by the members. The population growth of Ethiopia is highly increased from time to time. This has also an effect for the rapid increase of demands of goods and services. There is also high inflation and unexpected price fluctuation in the country. This situation has also given a chance for illegal traders and middleman to exploit the poor people. Hence, to regulate these problems, it is mandatory to establish consumers' cooperatives. Mahendran (2014) also emphasized that the consumer societies procure basic goods like rice, sugar, wheat and kerosene from the government and distribute to the poor at reasonable price would be helpful to alleviate poverty.

The performance of consumer cooperatives can be measured in different ways. Performance is the way in which organizational goals and objectives are accomplished efficiently and effectively (Wanjau, 2007) It was also defined as the amount of benefits that the stakeholders got from the firm (Rashid, Islam & Anderson, 2008). Performance is the capabilities of a firm on service delivery, product quality and technical efficiency for securing sustainable profit (Read and Miller, 1990 and Harrington, 1991). Barney (1996) stated how performance is measured, he mentioned that firm survival, accounting measures, stakeholder approaches and presents value approaches are the major techniques to measure firm performance. Harrington (1991) also explained that the key indicators of cooperative performance are returns on investment, satisfaction of members and education and training of members and employees.

Hult et al (2008) and Richard et al (2009) confirmed that financial performance is a key tool to measure the firm performance. Aliabadi et al (2013) stated that Return on Asset (ROA), Return on Equity (ROE), Return on Sales (ROS) and Return on Investment (ROI) are the most widely

used measure of accounting profitability. According to De Alwis(2015:19) “Net Profit, Return on Investment (ROI), Return on Assets (ROA), and Earning per Share (EPS) are some common examples for the profitability indicators. Effective use of capital, Management stability and efficiency of operations are other most popular measurements to measure management efficiency”. Hagel et al (2010) clearly stated on Harvard Business Review (HBR) that along its potential problems, most Wall Street analyst and investors use ROE (Return of Equity) to measure the company’s performance; however ROA (Return of Assets) is the better metrics to measure performance and it avoids the distortion created by ROE. Dearden (1987) had also confirmed on Harvard Business Review (HBR) that over the past 20 years, many large companies measure the financial performance of their company based on return on investment (ROI) and it was also believed that ROI was a valid technique to measure the company’s past performance.

2.1.3 Relationship between Corporate Governance and the Performance of Consumers Cooperatives

World Bank (2008) stated that both performance and external capital are increased by good governance. Especially in developing countries, good corporate governance play a great role in minimizing the vulnerability of those countries to financial crisis, transaction costs and cost of capital. Contrarily weak corporate governance reduces investors’ confidence and hinders external investors from investing in the country. OECD (2004) confirmed that for any companies or countries, good corporate governance system gives an immense confidence and it is also an imperative for the purpose of suitable market economy. Effective corporate governance system has contributed in reducing the cost of capital and encourages companies to use the resources more efficiently. With the help of this good governance system, the expected growth would be got. Todorovic(2013:47)“Through appropriate application of the principles of corporate governance a company increases profitability and returns, improves its competitiveness, credibility and reputation and improves relations with key stakeholders such as investors, business partners, employees, customers, etc. Companies that insist on the highest standards of governance reduce many risks that arise from daily operations such companies are able, by better performance and returns, to attract investors whose investments could help finance further growth and development”.

Prior empirical researches indicate that corporate governance has a significant impact on firm performance. They were looking several corporate governance variables such as; Board of Director (BOD) Sizes, BOD meeting frequency, CEO Duality, Director Remuneration, Audit Quality, Transparency and Disclosure, Non-executive Director, Director Qualification, Gender Diversity. However different results were reported regarding the correlation between corporate governance and firm's performance. For instance, some researchers found a strong positive association between corporate governance and financial performance (Bhagat and Bolton, 2007; Sunday, 2008; Daines et al, 2008; Carline et al., 2009; Renders et al., 2010). They claimed that good corporate governance enhances firm's performance. In contrast Hutchinson (2002) and Bauer et al (2004) have reported a negative relationship between corporate governance and firm's performance and others Grove et al (2011) and Castner & Kavadis, (2013) haven't found any relationship on their studies. The main cause for inconsistent results is the methodology which the researchers used. On the studies the researchers used different number of variables and the sample sizes as well as the period of time the researcher used widely vary to evaluate the firm performance.

2.2 Theories of Corporate Governance

Cornforth (2004) stated that although there are abundant literatures on the corporate governance of business corporations, there is no sufficient literature regarding the governance of non-profit organizations, and in particular co-operatives and mutual association. The governance of cooperatives is under theorized. The most common theories of corporate governance are agency theories, stewardship theories, resource-dependence theories, and stakeholder theories.

2.2.1 Agency Theory

The development of agency theory is often traced back to Berle and Means (1932), although some writers suggest that one can go back to Adam Smith in 1776 and his influential book *The Wealth of Nations* (Wearing, 2005). Adam Smith had to say about the directors of corporation "The directors of such companies, however, being the managers rather of other people's money than of their own, it cannot well be expected, that they should watch over it with the same anxious vigilance with which the partners in a private copartnery frequently watch over their own. Negligence and profusion, therefore, must always prevail, more or less, in the management

of the affairs of such a company (Cannan: 1977:990). In joint stock companies, Smith said, shareholders know little about the status of the company and if the company went bankrupt, the shareholders lose the value of their shares (Elliot, 2007). Agency relationship is a contract in which a decision-making authority is given to the agent by the principal to carry out the business. The company manager is an agent who acts on behalf of the principals or the shareholders. The agency problems arise because the decision-making power belongs to the agents whereas the risk of these decisions is borne by the shareholders (Jensen and Meckling, 1976). Shleifer and Vishny (1997) described the agency problem as the challenges that the shareholders face in ensuring the cash is not wasted on bad projects and within this framework the shareholders also assume financial benefits from their investment.

In general, this theory arises from the distinction between the owners (shareholders) of a company called "principal" and the executives hired to manage the organization called "the agent". According to this theory, the principals of the company hire the agents to perform the company's work and delegate the work of running the business to the directors or managers, who are agents of shareholders. The shareholders expect the agents to act and make decisions in the best interest of the principal. However, the owners or the shareholders face a problem that managers are likely to act in their own interest rather than the shareholder. This suggests that the board of directors who delegates the shareholding should monitor the behavior of management to ensure it acts in the shareholders' best interest. When we look at the theory, its key feature is separation of ownership and control.

It is impossible to create a perfect contract between the agents and principals. The decision of the agent affects both his own benefits and the benefits of the principal. Hence, to control the agency problems cannot be without costs (Brennan, 1995). Moreover, Aghion and Bolton (1992) argue that due to the incompleteness nature of the contractual agreement and shortage of resources, it is impossible to solve all potential conflicts of the agent and principal.

This theory may help to sort out the various relationships within the firm. It is also possible to extend this theory to cooperative societies. In cooperative societies, the members are the owners or the principal. The cooperative societies have the Board of Directors. The Board of Directors is also the highest management body and is responsible for monitoring the management decision and representing the co-operative. It is also expected to ensure the

managers of the cooperatives are acting in the best interest of the member of the cooperatives. This study supports that good corporate governance is capable of mitigate the agency problem by monitoring the management of cooperatives through adopting various corporate governance mechanisms.

2.2.2 Stewardship Theory

Davis et al (1997:25) defined Stewardship theory as “a steward protects and maximizes shareholders wealth through firm performance, because by so doing, the steward’s utility functions are maximized”. Donaldson & Davis (1991) has stated on their study, the stewardship theory brought distinct management model, which looked managers as a good steward and work for the best interest of the owners. According to Smallman (2004) if the wealth of owners increased, the benefits of the steward’s are also increased because the firm has a clear mission. He further stated that the stewards harmonize the strain between various beneficiaries and other interested groups. This is also satisfy the interest of the parties and helps to balance the governance of the firm. Davis et al.(1997) stated that in stewardship model, if good structure put in place, manager’s work attentively to increase the return of the shareholders and they are also supposed to be good stewards of the company assets.

The stewardship theory states that a steward protects and maximizes shareholders wealth through firm Performance (Davis et al, 1997).Stewards are company’s executives and managers who are working for the shareholders. They protect the interest of the shareholders and strive to bring the maximum return to the shareholders. Stewardship theory doesn’t focus on the perspective of individualism like the Agency theory does (Donaldson & Davis, 1991). Agyris (1973) argues agency theory considers an employee or people as an economic being, which suppresses an individual’s own aspirations. However, stewardship theory recognizes the importance of structures that empower the steward and offers maximum autonomy built on trust (Donaldson and Davis, 1991).

As noted above, it is clearly elaborated that both agency theory and the stewardship theories are contradictory theories. The Agency theory views the manager as the self-seeking agent whereas the stewardship theory views the manager as stewards whose interests are complied with the objectives of the shareholders. The stewardship theory believed that managers are loyal to the

company and assumed that managers are interested in achieving high performance. As per their view, the main motive of managers to perform their job is their aspiration to perform their tasks successfully and they are motivated to get intrinsic satisfaction through accomplishing challenged tasks. By doing these they gain recognition from employees and managers. Therefore, here non- financial motivators are taking the role. This theory argues that the company should have proper structure which allows smooth relationship between the managers and shareholders and both managers and shareholders are seen as good partners.

As per this theory, in the case cooperatives, members are seen as partners of the managers of the cooperative society. Conforth (2004) called this theory as partnership model and on his study he stated that the main duty of the cooperative societies' board of directors is improving the performance of the cooperative. It is not strive to align the interest of managers with members' interests. From this perspective he advises that member of Board of Directors of cooperatives should be selected based on their qualification, expertise and contacts so that they are able to add value to cooperative society.

2.2.3 Stakeholder Theory

The traditional definition of a stakeholder is “any group or individual who can affect or is affected by the achievement of the organization’s purpose” (Freeman, 1984:53). In one of his latest definitions Freeman (2004) stated that the success of corporation is determined by stakeholders and these groups of stakeholders are the main factor for the survival of the corporations. Abdullah & Valentine (2009) stated that the stakeholder theory is not like the agency theory that managers are serving for the stakeholders. The stakeholder theorists advise that managers should create a network with suppliers, employees and partners. Freeman (1999) gives strength for this point that networking with group of stakeholders is vital than owner-manager-employees relationship of agency theory. Wearing (2005) mentioned that profit maximization is the main strategy in the agency theory where as stakeholder theory is looking the interest of all parties who are affected by the company operation. Turnbull (1997) also confirmed that in classical view the main duty of managers is to increase the value of company’s shares. On the other hand the stakeholder view argues that all the stake holders (government, unions, and social, trade and political groupings,) who affected by the company’s operation

required to be considered. Companies are working inside the community and this make things more complex. Hence, it requires some sort of framework to manage the stakeholders' needs. Sautter & Leisen (1999) all important stakeholders need attention and failure to do so may result crisis in the company.

The stakeholder theory assumes that the achievements of companies depend on the contributions of various parties. It is obvious that these stakeholders and other parties have a stake in the company. This also gives high responsibility to the management of the firm to balance the interest of all stakeholders. It is also the duty of the board of directors to keep the interest of all stakeholders by taking in to consideration the well being of surrounding communities. If the company incorporates various stakeholders in the board of directors, the company will have a chance to respond for a wider social interest. This is also very useful to resolve the potential conflicting interest of different stakeholders. In the case of cooperatives, there is an obvious limitation to include the stakeholders in the board directors of cooperatives as board members are directly elected from the member of the cooperative societies. Regarding this Itkonen (1996) also confirmed that there is a constraint in the cooperatives regarding members' participations and the involvement of women and young people in the Board of Directors. For this, Lees and Volker (1996) also emphasized that the Regional Assembly for Europe of the International Co-operative Alliance recommended that co-operatives should work hard to increase members' participation and play a great role to elect more women to the members of Board of Director.

2.2.4 Resources Dependency Theory

This theory believed that the existence of any organization is depends on its ability to acquire important resources from the external environment. The organization also should not only limit itself by responding to the external environment rather it should design various strategies to deal with and change those situations (Pfeffer, 1992). The fundamental assumption of this theory laid on the essentiality of connection between the company's management and external environment. The executive also serves the company by creating a connection with external parties to get the required resources for the survival of the company (Yusoff and Alhaji, 2012).According to Tachiwou (2016),the resource dependency model emphasizes the role of the board of directors on getting the critical resources from the external environment for the survival of the company. It further states that the board of directors of the company plays a great role in obtaining important

resources through their connection of external environment. The availability of these critical resources is vital for the survival of the company and it also helps to accomplish its objectives successfully. From this perspective, by creating important connection with external stakeholders, the board of directors is considered as significant means of minimizing risk and uncertainties.

In the case of cooperative, the board of directors is also expected to manage the external environment. The main function of the board of directors of the cooperatives is to create good relationships with external stakeholders in order to accelerate the flow of resources in to and from the cooperatives. From this assumption, one can understand that the board of directors is part of both the cooperative society and external environment. Much constraint may face the cooperatives to get high experienced board member as the board members have to be elected from the cooperatives membership. However, it is possible for co-operatives to elect board members with additional experience, contacts or skills. Moreover, offering a continuous intensive training for the board members to upgrade their managerial skills is also very helpful.

Among the theories discussed above, the agency theory is the most popular theory and has received more attention from various scholars. According to Habbash (2010), the agency theory has played a prominent role for the development of corporate governance standards, principles and codes. Campbell et al (undated) confirmed that it examines various relationships within the company and can be a good instrument to analyze organization. Shamsuddin (2015) stated that when the cooperative organization expand its business and grew in its members, the agency conflict may emerge from the management, workers or professional managers. This study therefore uses the agency theory to test the relationships of the corporate governance variables and the performance of the cooperatives.

2.3 Empirical Literature Review

This section concentrates on previous studies that have been conducted in relation to the area of study. Various academicians and researchers have studied the practice of corporate governance and firm's performance from different perspectives in different environments using a number of variables of interest. However inconsistent results were reported. The empirical studies are summarized below in this section.

2.3.1 Empirical Evidence in Foreign Countries

Studies have been conducted on effect of corporate governance on the financial performance of firms in foreign countries which including research made in India, New Zealand, Singapore, Saudi Arabia, Pakistan, Indonesia, Jordanian, Ghana, Kenya, Zimbabwe and Nigerian.

Prakash (2012) stated that consumer cooperative is an economic organization in which established by the consumers to protect their interests. The major causes for the weakness of the consumers' cooperatives are establishing the cooperatives without prior plan, lack of initiatives from the officials' side, poor management, and lack of serious follow up, malpractices, unfair competition and unhealthy procurement processes. The study has also suggested the following recommendation for the improvement of the consumers' cooperatives. Those who are responsible for the management of the cooperatives should understand the general principles of consumers' cooperatives and prepare prior detail plan to open consumer shop. They should also acquire adequate funds and design a supervision structure to follow up the members and employees of the cooperatives.

Bathula (2008) studied the association between board characteristics and firm performance. The study has investigated 156 companies listed on New Zealand stock exchange. The period of the study covered from 2004-2007. The performance of the companies was measured by return on assets (ROA) and the control variables were firm age and firm size. The study confirmed that the board characteristics such as board size, chief executive officer duality and gender diversity were positively related with firm performance, whereas director ownership, board meetings and the number of board members with PhD level education was found to be negatively related. Firm age and firm size does not have significant influence.

Vu and Nguyen (2017) have investigated the impact of corporate governance on the financial performance of Singaporean companies. The study has examined the sample data of 137 listed companies for the period of 2013-16. The study confirmed board size and firm performance had inverse relation where as board independence, CEO duality and company financial performance had no any significant relationship. Buallay et al (2017) has also studied the impact of corporate governance on the performance of 171 Saudi Arabians listed companies for the period of 2012-14. The study used the independent variables of corporate governing principals and the dependent variables of ROA, ROE and Tobin's Q. They confirmed that ownership and the size

of the board of directors had a significant impact for the firms' performance. Ibrahim et al. (2010) studied the role of corporate governance on the performance of Pakistanis' chemical and pharmaceutical companies. They made a comparative analysis and used a sample of five companies from each sectors for the period of 2005-09. Performance was measured by Return on asset (ROA) and return on equity (ROE) and; board size, board independence and ownership concentration were the corporate governance variables. On their finding they stated that corporate governance had a significant impact on return on equity, however there was no significant impact on return on asset. Regarding the sector analysis, corporate governance had insignificant impact on return on asset for both chemical and pharmaceutical companies and had significant impact on return on equity in chemical sector alone.

Herdjiono and Sari (2017) studied the impact of the corporate governance variables such as Board size, audit committee, institutional ownership and managerial ownership on the financial performance of Indonesians companies which were listed on the stock exchange. They investigated 156 companies. On the finding they confirmed that board size had a significant impact on companies' performance where as institutional ownership and managerial ownership had no any significant impact on the performance of the companies. Coleman and Biekpe (2008) analyzed the relationship between the corporate governance variables such as board size, board characteristics, board composition, CEO duality and firm performance of non-financial firms in Ghana. They studied 16 listed non-financial firms for the period 1990 -2001. Multiple regression model was used. On their finding they confirmed that board size had a positive relationship with return on asset (ROA) and they recommended that companies should have large board size.

Al-Manaseer et al. (2012) studied the effect of corporate governance on the performance of Jordanian banks for the period of 2007-09. The data was collected from fifteen banks. The study used Return on asset (ROA), return on equity (ROE), profit margin and earnings per share as dependent variables where as board size, board composition, CEO status, foreign ownership and bank size were the independent variables. On their finding they stated that board size and banks performance as measured by ROE and earnings per share had a negative relationship where as bank size had negative relationship with ROA, ROE and profit margin but only significant relationship with profit margin. Board size had also insignificant negative association with ROA and profit margin. On the other hand board composition and foreign ownership and bank performance had a positive association where as CEO status had a negative influence. David et'

al (2013) examined the effects of Corporate Governance on the financial performance of listed insurance companies in Kenya. They used the corporate governance variables such as board size, board composition, CEO duality. As of December 2012, the data of all insurance Companies which were quoted on the Nairobi Securities Exchange were taken. On their finding they confirmed that a strong relationship exist between the Corporate Governance and the firm's financial performance. Board composition and firm financial performance had a positive relationship where as Board size negatively affected the financial performance of the insurance companies. CEO duality also positively influenced the financial performance.

Shunguet al (2014) studied corporate governance and performance of Zimbabwean Banks. They used the corporate governance variables such as board size, board composition, internal board committees and board diversity. On their finding they confirmed that board composition, board diversity and bank performance had positive relationships, but board size, board committees and bank performance had a negative relationship. The causal relationship from corporate governance to bank performance was unidirectional. On their recommendation they suggested that to improve the performance of the bank, good corporate governances practice like board structures, information disclosure, and fiduciary duties of directors should be rehabilitated and get excellent status. Odinga et al (2012) studied corporate governance and performance of Nigerian Banks. The researchers depend on secondary data. On their finding they stated that board size and the financial performance of these banks had a negative but significant relationship. However directors' equity interest, level of corporate governance disclosure index and performance of the sampled banks had positive and significant relationship.

2.3.2 Empirical Evidence from Ethiopia

Shambel (2012) examined the Challenges and Opportunities of Consumer Cooperative Societies in Hawassa Town, SNNPR, and Ethiopia". He stated that members not participated in the activities of the cooperatives, they lack awareness, managers lack skills, audit and supervision not properly done and corruption were also the major challenges. The cooperatives were established quickly without prior plan. Those consumer cooperatives had also an opportunity that the government is ready to support them, consumers are also dissatisfied with local retailers and non-members are still willing to join the cooperatives. Kanagaraj & Mosisa (2015) studied the challenges, prospectus and performance of consumer cooperatives in Horogdru woreda,

Ethiopia. They collected data from a sample of 316 cooperative members and government officials who were working with cooperatives. On their findings, they confirmed that knowledge gaps, lack of women and youth participation, lack of cooperation among members, poor infrastructures and lack of skilled personnel were the major challenges and they suggested that the ownership and utilization of property, mode of membership and government initiatives to help the cooperatives is the main prospectus for the consumer cooperatives societies.

Harun (2017) studied corporate governance and financial performance of private banks in Ethiopia. He examined the corporate governance variables such as board members gender diversity, educational qualification, meeting frequency, ownership and number of sub-committee. On his finding he confirmed that gender diversity, liquidity ratio, number of sub-committee, board meeting frequency and board ownership had insignificant effect on performance, however, educational qualification was positively and significantly related to performance banks. Ashenafi et al (2013) studied the impact of corporate governance and on the performance of Ethiopians banks. The study used quantitative data analysis methods and the explanatory variables such as capital adequacy ratio, board size, bank size, ownership type, loan loss provision, existence of audit committee, square of capital adequacy ratio and loan to deposit ratio were used. The performance of the banks was also measured by Return of Equity (ROE). On their finding they stated that capital adequacy ratio, board size, existence of audit committee had significant effect on the performance of banks where as square of capital adequacy ratio, bank size had negative effect on performance. Ownership type, loan loss provision, loan to deposit ratio had no significant effect on the performance of banks.

Fekadu (2017) studied the effect of corporate governance on the performance Insurance Industry in Ethiopia. The study examined a sample of ten insurance companies and the data was covered for a period of 2007-14. Performance the insurance companies was measured by Return of Assets (ROA). On his finding, the researcher confirmed that all the corporate variables had in significant effects on the performance of the insurance companies. He gave a reason for this finding that the boards of directors of the insurance industries are highly regulated by the government and the boards of directors have limited discretionary power. On his recommendation, he suggested that the regulatory body should reconsider its stringent policy and better to delegate some of its power to the board of directors of the insurance industry.

2.4 Conceptual Framework and Definition

To illustrate the conceptual framework in figure 2.1 a relationship exist between corporate governance and performance of a consumer cooperative. Corporate governance is measured using four variables that are considered independent in this study. These variables include board size, gender diversity, meeting frequency and educational qualification. The dependent variable is the performance of the consumer cooperative and subjective measurement is also used to measure the performance the cooperatives.

Independent Variables

Dependent Variable

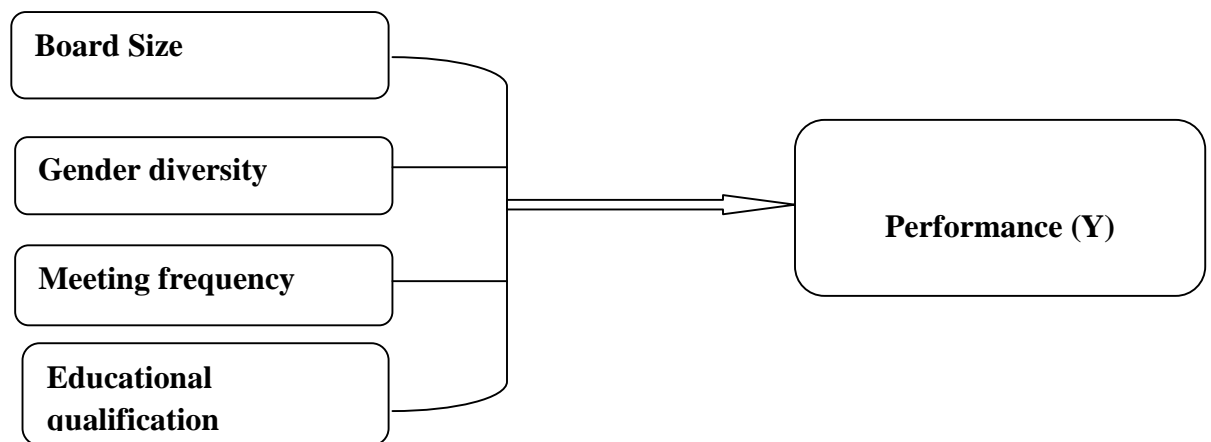


Figure 2.1 Conceptual framework (Source: Own Literature Review, 2019)

CHAPTER THREE

RESEARCH METHODOLOGY

The purpose of this study is to investigate the corporate governance practice and performance of Consumer cooperatives in Addis Ababa city. This chapter explains research design and approach, population, source of data and collection method and data analysis, and description of variables and measurement that was used in this study.

3.1 Research design and Approach

Examining the corporate governance practice and performance of consumer cooperatives in Addis Ababa city is the primary objective of this study. To achieve this objective, survey and causal type of research design with a mixed research approach has been employed. The survey method has been used to gather data to be used for determining and describing the relation between the corporate governance and the performance of consumer cooperatives in Addis Ababa. Moreover, descriptive type of research has been employed. Quantitative data has been collected using structured questionnaire.

3.2 Population

According to Addis Ababa City Administration Cooperative Agency, there are 141 basic consumer cooperative societies in the City and they have similar stages of development and exhibit high level of homogeneity in aspects such as structure and leadership. For this study it was found appropriate to use census. Census has been adopted since the total population was manageable for the researcher. The Board chairman/woman and managers of each basic consumer society has been approached to fill up the structured questioner. Profile of members of the board of directors has also been collected from secondary sources.

3.3 Source of Data and Collection Methods

The research used both primary and secondary data. Primary data has been collected through questionnaire. The board chairman and manager of each basic consumer society have also been approached to fill up the structured questioner. The respondents were chosen purposively because both the managers and board chairmen's were the right people to questions related to

corporate governance. The questionnaire was developed to collect the required data for this study to know the practice of the corporate governance they adopted and the challenges they have faced in practicing corporate governance. It also included the question to collect the data such as the total number of board of directors, number of female directors in the board, educational qualification of board members, and the frequency of the board of directors meeting.

Secondary data was collected from, internal reports, minutes, proclamation and organization bylaws, and some other related books and internets.

3.4 Data Analysis

The analysis process applied both qualitative and quantitative techniques of data presentation. It used statistical tools to analyze the data. This includes the percentages, frequencies, the mode and the mean scores. These have helped to determine the most prevalent corporate governance practices in consumer cooperatives and the challenges faced in practicing of good corporate governance. Linear regression has been used to quantify the strength of the relationship between the independent variables (Corporate governance practices) and the dependent variable (performance). The degree of influence has been tabulated in order to determine the relationship between the practices of corporate governance and the performance of consumer cooperatives. Regression analysis has also been used to establish the relationship between corporate governance and performance of consumer cooperatives. The representation of the model is given in the equation below:

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + t$$

Where:

Y = Performance

B₀= Constant

B₁-B₄= regression coefficients;

X₁= board size;

X₂= board gender diversity;

X₃= meeting frequency of board members;

X₄= educational qualification;

t = error term;

Dependent variables

Y=Performance

Independent variables

X1= board size;

X2= board gender diversity;

X3= meeting frequency of board members;

X4= board members' educational qualification;

3.5 Description of Variables and Measurements

In this study four independent variables have been selected based on theories and previous empirical studies related to corporate governance and firm performance. These are board size, board gender diversity, meeting frequency and board members' educational qualifications. In accordance with the theory and empirical studies, the independent and dependent variables of the study have been identified in order to investigate the corporate governance mechanisms and the performance of consumer cooperatives in Addis Ababa.

3.5.1 Dependent Variable (Y)

This study has performance as the dependent variable. Performance is defined as an improved product quality, productivity or technical efficiency, service capabilities of a firm, which leads to sustainable profit (Read and miller, 1990: Clark, 1991: Harrington, 1991 cited by Masuku et al, 2016). Stefanovska & Soklevski (2014) stated that in light of agency theory particularly in the industrial era financial ratio is used as the main measure of organizational performance. However, Masuku et al, (2016) stated that the financial ratios, which mostly based upon efficiency measures (profit / financial resources), do not seem adequate to estimate cooperative performances. Rolstadas (1998): has defined Performance as an intricate interrelationship between seven performance criteria: effectiveness, efficiency, and quality, and productivity, quality of work life, innovation, and profitability/budget-ability.

3.5.2Independent Variables

The independent variables which are going to be considered for this study are used as a determinant of corporate governance of consumer cooperatives. These are board's size, board's

gender diversity; board's meeting frequency and board members' educational qualification. The definition and measurements of the variables are as follows:

3.5.2.1. Board Size

Board size can be defined as the number of directors sitting on the board. The corporate governance literature gives inconsistent explanation regarding the board size when it linked with corporate performance. The number of directors on the board is an important variable, though literature does not have a consensus on the influence of board size toward increasing in firm's performance. The size of board of directors is varied between one country and another, for instance board in Europe (UK, Switzerland and Netherlands) tend to have a small board size (fewer than 10 board members), while other countries (e.g. Belgium, France, Spain, Italy and Germany) have a large board size i.e. between 13 to 19 members (Heidrick & Struggles, 2007 cited by Yusoff, 2010). In Australia, board size has an average of seven members (Korn/Ferry International & Egan Associates, 2007 cited by Yusoff, 2010).

Board size can have either a positive or negative effect on corporation performance. Some literature confirmed that a large board makes coordination and communication difficult triggering the agency issue and reducing company performance. On the contrary, the resource-dependency theory suggests that a larger board give an opportunity to get more specialists from different fields and therefore open the door for high-quality decision making (Eisenberg et al., 1998 & Kiel & Nicholson, 2003 cited in Salim et al. 2016). Topak (2011) found that there was no significant relation between the board size and firm performance (ROA). Whereas Badu and Appiah (2017) showed that board size had a positive and statistically significant relationship with company's performance. They stated that the larger board size improves monitoring function of the board and accordingly improves firm performance. They proofed that their finding is consistent with the agency theory.

3.5.2.2. Board Gender Diversity

Gender diversity of the board is measured as the percentage of number of female directors divided by the total number of board members. Board gender diversity is helpful to increase company's performance since it provides new insights and perspectives (Bathula, 2008). Female board members will bring diverse viewpoints to the boardroom that is not possible with all male

directors. Appiadjei et al (2017) confirmed that when the number of women increased on the board of listed firms, the return of equity and net profit margin also increased. Lu and Bao (2018) also found that gender diversity had a significant and positive effect on firm performance. Moreover they stated that the effect exists only when there are more than two females in board, supporting the critical mass theory.

3.5.2.3. Board Meeting Frequency

Board Meeting Frequency refers the number of meeting how much time board meets on a year during the period under review. Akpan (2015) found that board meetings negatively and significantly relate with company performance. The study stated that while the frequency of meeting increases, the shareholders earnings decreases because a company compelled to incurred various financial expenses such as sitting allowance, travelling, hotel accommodation and entertainment expenses during meetings. Whereas, Ntim (2009) confirmed that frequent board meeting positively influences the performance of the company since it helps to strengthen supervision and good management.

3.5.2.4. Educational qualification of board members

Educational qualification is important determinant of board effectiveness. According to Rose (2007) If the board members have a university degree/or equivalent skills, It is assumed that the board have adequate human capital to understand and analyze all the information presented by the company's management body. It is also believed that qualified and experienced board members can implement the strategy of the company effectively. Bathula (2008) stated that while the norms need qualified board members, the study do not show any positive link between higher education and firm performance. Rather it shows the need for firm relevant skill. Darmadi, (2013) also found that the educational qualifications of board members and the Chief Executive Officers (CEOs) influence the performance of Indonesia listed firms to some extent, in explaining either ROA or Tobin's Q and CEOs having degrees from esteemed local universities perform significantly better than those without such qualifications.

CHAPTER FOUR

DATA PRESENTATION ANALYSIS AND DISCUSSION

4.1 Introduction

The objective of the study was to establish the corporate governance practices and performance of consumers' cooperative societies in Addis Ababa city. In order to achieve this objective, statistical analysis was done for 141 basic cooperative societies. Computer software SPSS was used to extract the correlation and regression statistics of the variables. This chapter presents analysis and findings of the study as set out in the research methodology.

This chapter has three sections and presents the descriptive statistics, correlation analysis and multiple panel linear regression analysis of the study variables. The first section deals with the descriptive statistics and summarizes the main features of the study variables in terms of mean, maximum, minimum and standard deviation. The second section deals with the correlation analysis and shows the degree of association between the study variables. The third section of this chapter analyzes regression result reports of the OLS (Ordinary Least Square) estimation output of the two regression models.

4.2 Response Rate

From the 141 questionnaires that were distributed, 129 were returned. There was 91.5% response rate from the basic consumer cooperative societies in providing the primary data.

4.3 Reliability Test

Reliability refers to the measurement attribute concerned with accuracy, precision and consistency (Cooper & Schindler, 2014). Cronbach's alpha was used in the calculation to ensure the reliability of the measuring scales. Where a higher value above 0.6 indicated that the variables were reliable while the value above 0.9 were considered to be the most reliable, but anything below 0.6 was considered inconsistent with the reliability scale as stated by George Mallery (2003) that in order for the scale to be reliable the Cronbach's Alpha value should be above 0.6.

Table 4.1 Reliability Analysis Result

Variables	Cronbach's Alpha	No of Items	Reliability
Board size	0.764	5	Reliable
Gender diversity	0.700	4	Reliable
Meeting frequency	0.739	5	Reliable
Educational Qualification	0.747	4	Reliable

Source: Own Survey, SPSSv20, 2019

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.699	.711	39
Inter-Item Correlation Matrix		

Source: Own Survey, SPSSv20, 2019

The above tables shows the reliability test of the independent variables, board size, gender diversity, meeting frequency, and educational qualification and the internal consistency reliability test of all individual questions. The reliability test for board size consisted of five questions and the result is 0.764 representing a 76.4% scale reliable. This result is considered high according to the Alpha Coefficient Range and thus the researcher concludes that the questions regarding board size are acceptable. The reliability test result for gender diversity consisted of four questions and the result is 0.700, the reliability test result meeting frequency consisted of five questions and the result is about 0.739, and the reliability test for educational qualification consisted of four questions and the result is about 0.747. When we look the inter-item correlation matrix results, the reliability test of the average of all individual questions is about 0.699. Thus, all explanatory variables and all individual questions are reliable and acceptable range of Cronbach's Alpha Coefficient. Based on the examination of the research scales and constructs, it can be concluded that each variable represents a reliable construct.

4.4 Validity

Research validity refers to the correctness or truthfulness of an inference that is made from a research study (Cooper & Schindler, 2014). Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. The questionnaire was carefully designed and tested with a few members of the population for further improvements. Content validity of the survey questionnaire was validated by professionals, and the research advisor. In order to avoid invalidity most of the questionnaire contents were taken from different secondary documents.

4.5 General Information

This section presents the descriptive statistics and information regarding the general data derived from the questionnaires. The information included: the year of Registration, designation of respondents, the training programs for BODs, size of BODs, educational level of BODs, term of BODs and the number of general assembly meetings per year.

4.5.1 Year of Registration

The data showed that about Seventy-two percent (72.3%) of the consumer cooperatives were registered between 2008- 2012, approximately eighteen percent (18.4%) were registered between 2013- 2018, about Seven percent (7.8 %) registered between 2003- 2007, and about one percent (1.4%) of them was registered between 1993- 2002. The results are shown in Table 4.1

Table 4.2 Year of Registration

Year	Distribution	
	Frequency	Percent
1993-1997	1	0.7
1998-2002	1	0.7
2003-2007	11	7.8
2008-2012	102	72.3
2013-2018	26	18.4
Total	141	100

Source: Own Survey,

4.5.2 Designation of Respondents

The study results indicated that approximately eighty six percent (85.9) of the respondents were managers, followed by chairpersons at eleven percent (10.9) and others were three percent (3.1). These results are shown in table 4.2.

Table 4.3 Designation of Respondents,

Designation	Frequency	Percent	Valid Percent
Chair Person	14	10.9	10.9
Manager	110	85.3	85.9
Other	4	3.1	3.1
Total	128	99.2	100.0
System	1	.8	
Total	129	100.0	

Source: Own Survey, SPSSv20, 2019

4.5.3 The training programs for BODs

Under the sub article of guiding principle of cooperative Societies, the cooperative Societies proclamation 985/2016 article 5/7 stated that “Cooperative societies shall provide education and training for their members, elected representatives, managers and employees so as to enable them to contribute effectively to the development of their societies..”. However fifty four percent (53.5) of the consumer cooperatives do not have training programs for the board of directors.

Table 4.4 Training Program

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Having Training Program	60	46.5	46.5	46.5
	No Training Program	69	53.5	53.5	100.0
	Total	129	100.0	100.0	

Source: Own Survey, SPSSv20, 2019

4.5.4 Size of BODs

The governance body for the consumer cooperatives is the board of directors. These directors are elected at the annual general meeting. The most common size of the board of directors is seven (7) as indicated in table 4.5 below. The size of the board of directors varies from 5-11.

Table 4.5 Size of BODs

Size of BODs		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	5	20	15.5	15.7	15.7
	7	92	71.3	72.4	88.2
	9	5	3.9	3.9	92.1
	11	10	7.8	7.9	100.0
	Total	127	98.4	100.0	
Missing	System	2	1.6		
Total		129	100.0		

Statistics

Size of BODs

N	Valid	127
	Missing	2
Mean		2.0394
Median		2.0000
Mode		2.00

Source: Own Survey, SPSSv20, 2019

4.5.5 Educational level of BODs

Table 4.6 shows the highest level of education which the board of directors have reached. The highest level of education reached by the board of directors is at high school level, which is thirty nine (38.7) percent. The by-law of the consumer cooperative society stated that the elected board of directors should have at least Diploma, however the data shows that forty seven (46.5) percent of board of directors are below Diploma.

Table 4.6 Educational level of BODs

S/n	Level of Education	Frequency	Percent
1	Primary Education	69	7.8
2	High School (Grade 9 th -12 th)	344	38.7
3	College Diploma	221	24.8
4	Bachelor Degree	224	25.2
5	Masters Degree	28	3.2
6	PhD	3	0.3
	Total	889	100

Source: Own Survey, SPSSv20, 2019

4.5.6 Term of BODs

The cooperative Societies proclamation 985/2016 article 34/2 & 3 stated that “The term of the office of the board of directors shall be three years and the directors shall not be elected for more than two consecutive terms....”. Table 4.7 shows that when the research data collected, seventy one (70.5) percent of the elected board of directors term were three years and sixteen (15.8) percent of the elected board of directors were 6 years. It means they were completing the second terms.

Table 4.7 Terms of BODs

Terms of BODs In years		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	11	8.5	8.5	8.5
	1.00	2	1.6	1.6	10.1
	2.00	5	3.9	3.9	14.0
	3.00	91	70.5	70.5	84.5
	4.00	1	.8	.8	85.3
	5.00	1	.8	.8	86.0
	6.00	18	14.0	14.0	100.0
	Total	129	100.0	100.0	

Source: Own Survey, SPSSv20, 2019

4.5.7 The number of general assembly (GA) meetings per year

Table 4.8 shows most of the consumer cooperatives hold their annual general assembly once in a year. The study shows that twelve (12.4) percent of cooperatives didn't held the annual general assembly.

Table 4.8 general assembly (GA) meetings per year

Number of GA Meet Per Year		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	.00	16	12.4	12.4	12.4
	1.00 times	62	48.1	48.1	60.5
	2.00 times	50	38.8	38.8	99.2
	4.00 times	1	.8	.8	100.0
	Total	129	100.0	100.0	

Source: Own Survey, SPSSv20, 2019

4.6 Descriptive Statistics

Table 4.9 shows a summary of the descriptive statistics of the dependant and independent variables for 141 consumer cooperatives for a period of five years from 2013/14-2017/18. The table includes the mean, the median, standard deviation, minimum and maximum for the dependent and independent variables. This data was generated to give the overall description about data used in the model.

Table 4.9 Summary of the Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Mean_BSize	129	5.00	15.20	7.0595	1.52734
Board Females	129	.00	6.80	1.6638	1.27781
Board_Above_Degree	129	.00	11.00	1.8775	2.17878
Frequency Meeting	122	1.00	128.00	31.4530	18.97574
Valid N (list wise)	111				

Source: Own Survey, SPSSv20, 2019

Concerning explanatory variables, there are some important statistics that have to be mentioned. Board size of the consumer cooperatives which is measured as number of directors sit on board. The table above shows that the average board size for the cooperatives is about 7 members (mean=7.01) with a maximum of 15 and a minimum of 5 members. The standard deviation indicates that for the board size varies by 1.53 or 2 directors from the average value of 7 directors.

Regarding female participation in the board of director, on average 2 (1.67) members are females with a minimum 0 and maximum 7 (6.8) during the last five years. Zero indicates cooperatives that don't have any representation for women on their board. The standard deviation is 1.3. The result suggests that there are small numbers and high dispersion of women in the board during the study period. As per the Ethiopian Cooperative societies proclamation no. 985/2016 article 34/7 stated that 30% of any cooperative society board of director shall be held by female members and on article 12/7 instruct the cooperative societies to include requirements to encourage the participation of female members in the board of director or management committee of the society.

The educational level of director measured as the number of directors who had university degree or higher. The mean value 1.87 indicates on average directors who have university degree or above was 2 people during the study period. The maximum and the minimum value of the statistic is 11 and 0 respectively. Zero indicates the directors that don't have university degree or above academic qualification. The standard deviation for the educational level varies by 2.17 or 2 directors from the average value of 2 directors.

Furthermore, another interesting observation is that there was some what a higher variation in frequency of board of directors' meeting during the study period which is measured as number of directors meeting in a year, on average is 31.45. The maximum value is 128 time and the minimum value is 1 time with the standard deviation 18.9. The result indicates that there is a consumer's cooperative board of directors which conduct high frequent meeting in a year at a maximum of 128 times in a year and there is also a board of directors which conducts meeting only one time during a year. The result further stipulates as there is high variation in conducting a meeting among board of directors during the study period by 18.9 or 19 times.

4.6.1 Role and Function of Board of Director

Table 4.10 Frequency and Percentage Distribution for Role and Function of BOD

Constructs		Not at all	To a less extent	To a moderate Extent	To a large extent	To a very large extent	Total
Board Monitors and Evaluate the implementation of Policies, plan and performance	f	2	9	27	57	32	127
	%	1.6	7.1	21.3	44.9	25.2	100
Board Ensures that the cooperative complies with the relevant laws, regulation and code of business practice.	f	3	9	26	52	38	128
	%	2.3	7.0	20.3	40.6	29.7	100
Members of the cooperative participate in major decision of the cooperative	f	5	10	38	46	27	126
	%	4.0	7.9	30.2	36.5	21.4	100
The Board Regularly Review procedures to ensure the effectiveness of the internal control system.	f	5	12	33	45	32	127
	%	3.9	9.4	26.0	35.4	25.2	100
Board Ensures the Accounts presented in line with accepted accounting principles and standard	f	8	12	30	42	36	128
	%	6.3	9.4	23.4	32.8	28.1	100

Source: Own Survey, SPSSv20, 2019

About ninety one percent (91.4 %) of the respondents indicated that the board's was monitoring and evaluating the performance of the cooperative extensively, similarly ninety one percent (90.6%) of the respondents confirmed that board's ensured the compliance of the cooperatives with the relevant laws and regulation. In addition eighty eight (88.1%) of respondents indicated that members of the consumer cooperative participate in major decision of the cooperative. About eighty seven percent (86.6%) respondents indicated the board was regularly reviewing the procedures of the cooperatives to ensure the effectiveness of the internal control system, while

eighty four percent (84.3%) of respondents indicated the board was ensuring that the accounting system was in line with accepted accounting principles and standard.

4.6.2 Role and Function of General Assembly

Table 4.11 Frequency and Percentage Distribution for Role and Function of GA

Constructs		Not at all	To a less extent	To a moderate Extent	To a large extent	To a very large extent	Total
The General Assembly meet at least once in a year	f	7	5	9	27	79	127
	%	5.5	3.9	7.7	21.3	62.2	100
The General Assembly elect, dismiss, the member of the board, audit committee, and other subcommittee.	f	12	12	13	34	57	128
	%	9.4	9.4	10.2	26.6	44.5	100
The General assembly approves the annual work plan.	f	17	9	12	30	60	100
	%	13.3	7.0	9.4	23.4	46.9	100
The General Assembly gives decision on the audit report	f	12	4	6	34	72	128
	%	9.4	3.1	4.7	26.6	56.3	100
The general assembly decides how the annual net profit of cooperatives distributed.	f	16	8	9	32	63	128
	%	12.5	6.3	7.0	25.0	49.2	100

Source: Own Survey, SPSSv20, 2019

About ninety one percent (91.2 %) of the respondents indicated that the general assembly meet at least once in a year, while eighty percent (81.3%) of the respondents indicated that the general assembly elect, dismiss, the member of the board, audit committee and other subcommittee. Eighty (79.7%) of the respondents indicated that the general assembly approved the annual work plan. About eighty eight percent (87.6%) respondents indicated the general assembly gave decision on audit report, while eighty one percent (81.2%) of respondents indicated the general assembly decided on the distribution of annual profit.

4.6.3 Corporate Governance Challenge

Table 4.12 Frequency and Percentage Distribution for Corporate Governance Challenge

Constructs		Not at all	To a less extent	To moderate Extent	To a large extent	To a very large extent	Total
There is lack of independence within the board	f	64	13	27	18	6	128
	%	50.0	10.2	21.1	14.1	4.7	100
There is political interference in the operation of the cooperatives	f	72	12	17	19	7	127
	%	56.7	9.4	13.4	15.0	6.0	100
There is lack of commitment and leadership	f	50	26	26	12	13	127
	%	39.4	20.5	20.5	9.4	10.2	100
There is limited supplies of goods and services	f	17	14	27	34	36	128
	%	13.3	10.9	21.1	26.6	28.1	100
Boards allowing transactions that benefits a few at the expense of many members	f	102	9	8	4	5	128
	%	79.7	7.0	6.3	3.1	3.9	100
The audit committee is incompetent	f	49	32	21	15	11	128
	%	38.3	25	16.4	11.7	8.6	100
There is corruption and mismanagement of funds in the cooperatives	f	100	14	12	1	1	129
	%	77.5	10.9	9.3	.8	.8	100

Source: Own Survey, SPSSv20, 2019

About fifty percent (50 %) of the respondents indicated that there was no lack of independence within the board. Similarly fifty seven percent (56.7 %) of the respondents indicated that there was no political interference in the operation of the cooperatives while the remained forty three (43.3%) indicated there was political interference in the operation of the cooperatives. Sixty one percent (60.6%) of the respondents indicated that the board lacked commitment and leadership. About eighty seven percent (86.7%) of respondents indicated that the cooperative has been suffered with lack of supplies good and services. Eighty percent (79.7%) respondents indicated

the board didn't allow any transaction that benefits few, while sixty two percent (61.7 %) of respondents indicated the audit committee was in competent. About Seventy eight (77.5%) percent of respondents indicated that there was no corruption and miss management of funds in the cooperatives.

4.6.4 Board Size (BS)

Table 4.13 Descriptive Statistics result on Board Size

Questions	Response Category (%)				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Small board size enhances your business performance.	14(10.9%)	82(63.6%)	11(8.5%)	17(13.2%)	5(3.9%)
Small board sizes are better in the provision of resources.	17(13.2%)	79(61.2%)	14(10.9%)	12(9.3%)	7(5.4%)
Small number of board of directors is important to solve problems related to operational performance of the cooperatives.	18(14%)	74(57.4%)	14(10.9%)	17(13.2%)	6(4.7%)
The cooperative benefit from small board size since they provide effective oversight of management which leads to improvement of organizational performance.	16(12.4%)	84(65.1%)	10(7.8%)	15(11.6%)	4(3.1%)
A small board size is better to share expertise and experience to the board.	14(10.9%)	84(65.1%)	10(7.8%)	16(12.4%)	5(3.9%)

Source: Own Survey, SPSSv20, 2019

The findings indicated that most of the respondents sixty four percent(63.6%), disagree that small board size enhance performance and sixty one percent (61.2%) of respondents, disagree that small board sizes are better in the provision of resources while fifty seven percent (57.4%) of respondents disagree that small board sizes is important to solve performance problem. Sixty five percent (65.1%) of respondents disagree that the cooperative benefits from small size board

of directors and Sixty five percent (65.1%) of respondents disagree that small board size better to share expertise and experience.

4.6.5 Gender Diversity (GD)

Table 4.14 Descriptive Statistics result on Gender Diversity

Questions	Response Category				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Female board of directors' in terms of board diversity helps improve the cooperative operation and performance.	17(13.2%)	14(10.9%)	45(34.9%)	35(27.1%)	18(14%)
There is a requirement to encourage participation of female members in the board.	16(12.4%)	10(7.8%)	27(20.9%)	64(49.5%)	12(9.3%)
The cooperative strives to hold 30% sit by female members.	20(15.5%)	66(51.2%)	16(12.4%)	21(16.3%)	6(4.7%)
Gender diversity affects the monitoring role of the board of directors.	20(15.5%)	38(29.5%)	41(31.8%)	24(18.6%)	6(4.7%)

Source: Own Survey, SPSSv20, 2019

The findings indicated that most of the respondents thirty five percent (34.9%) were neutral that female board of directors helps improve performance while twenty seven percent (27.1%) of respondents agree that female board of directors helps improve the performance of the cooperatives. Fifty percent (49.5%) of respondents, agree that there is a requirement to encourage participation of female members in the board. Fifty one percent (51.2%) of respondents disagree that the cooperative strives to hold 30% sit by female members and thirty two percent (31.8%) of respondents were neutral that gender diversity affects the monitoring role of the board of directors.

4.6.6 Educational Qualification (EQ)

Table 4.15 Descriptive Statistics Result on EQ

Questions	Response Category				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
A board members academic qualification is considered before election to the cooperative board in your organization.	19(14.7%)	56(43.4%)	15(11.6%)	28(21.7%)	11(8.5%)
All board members have relevant knowledge and experience to support the cooperative.	33(25.6%)	53(41.1%)	14(10.9%)	15(11.6%)	14(10.9%)
Educational qualification of directors has any significant effect on their monitoring and controlling and their efficiency.	23(17.8%)	39(30.2%)	11(8.5%)	41(31.8%)	15(11.6%)
The board members are qualified to discharge their duties.	20(15.5%)	72(55.8%)	13(10.1%)	16(12.4%)	8(6.2%)

Source: Own Survey, SPSSv20, 2019

The findings indicated that most of the respondents forty three percent (43.4%), disagree that a board members academic qualification is considered before the election of board of director and forty one (41.1%) of respondents, disagree that all board members have relevant knowledge and experience to support the cooperative while thirty two percent (31.8%) of respondents agree that educational qualification of directors has significant effect on their efficiency. Fifty six percent (55.8%) of respondents disagree the board members are qualified to discharge their duties.

4.6.7 Meeting Frequency (MF)

Table 4.16 Descriptive statistics result on MF

Questions	Response Category				
	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
There is poor attendance in board meetings.	30(23.3%)	69(53.5%)	15(11.6%)	9(7%)	6(4.7%)
All the board meetings have not been relevant to the cooperative's performance.	64(49.6%)	26(20.2%)	14(10.9%)	9(7%)	16(12.4%)
The number of board meetings has not an influence on cooperative performance.	39(30.2%)	50(38.8%)	24(18.6%)	13(10.1%)	3(2.3%)
The board meetings haven't been chaired by board member with relevant qualification.	32(24.8%)	57(44.2%)	17(13.2%)	13(10.1%)	10(7.8%)
More frequently meeting of board can't generate higher performance.	38(29.5%)	57(44.2%)	15(11.6%)	13(10.1%)	6(4.7%)

Source: Own Survey, SPSSv20, 2019

The findings indicated that most of the respondents fifty four percent (53.5%), disagree that there is poor attendance in board meetings and fifty percent (49.6%) of respondents, strongly disagree that all the board meetings haven't been relevant to the cooperative's performance while thirty nine (38.8%) of respondents disagree that the number of board meetings hasn't an influence on cooperative performance. Forty four percent (44.2%) of respondents disagree that the board meetings haven't been chaired by board member with relevant qualification and Forty four percent (44.2%) respondents disagree that more frequently meeting of board can't generate higher performance.

4.7 Correlation Analysis of the Study Variables

The primary objective of correlation analysis is to measure the strength or degree of linear association between two variables. The correlation coefficient examines the strength and direction of the linear relationship between two variables (Christen et al. 2014). The correlation coefficient can range between -1 and +1, the larger the absolute value of the coefficient; the

stronger the relationship between the variables. Zero (0) indicates no relationship between two variables. The sign of the relationship indicates the direction of relationship. P-value : The correlation is statistically significant; if the p-value is less than or equal to the significance level, then we can conclude that the correlation is different from 0. P-value > : The correlation is not statistically significant; if the p-value is greater than the significance level, then you cannot conclude that the correlation is different from 0 (Cooper & Schindler, 2014). As such the following table shows the correlation between operational performance and corporate governance mechanisms.

Table 4.17 Correlations Analyses Result

		Board Size	Gender Diversity	Education Qualification	Meeting Frequency	Performance
Board Size	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	129				
Gender Diversity	Pearson Correlation	-.079	1			
	Sig. (2-tailed)	.372				
	N	129	129			
Education Qualification	Pearson Correlation	.460**	.009	1		
	Sig. (2-tailed)	.000	.922			
	N	129	129	129		
Meeting Frequency	Pearson Correlation	-.019	.071	-.032	1	
	Sig. (2-tailed)	.833	.426	.716		
	N	129	129	129	129	
Performance	Pearson Correlation	.628**	.211*	.716**	.202*	1
	Sig. (2-tailed)	.000	.016	.000	.022	
	N	129	129	129	129	129

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Source: Own Survey, SPSSv20, 2019

From the above correlation table, we can see that most of the independent constructed variables were correlated with consumer cooperative performance. Among the variables the highest and strong correlation coefficient was found between educational qualification and performance ($r=0.716$) and between board size and performance ($r=0.628$). The weak and significant correlation was found between gender diversity and performance ($r=0.211$) and between meeting frequency and performance ($r=0.202$). Therefore, from the above table we can conclude that all constructed variables have positive correlation with performance because the p (sig) value is less than $=.05$ level. Therefore, the constructed independent corporate governance variables correlation with consumer cooperative performance is significant.

4.8 Regression Analysis Assumption Test

Before applying regression analysis, some tests were conducted in order to ensure the appropriateness of data to assumptions regression analysis as follows.

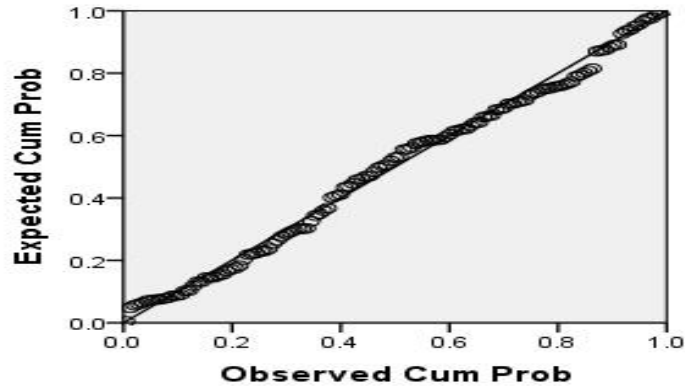
4.8.1 Linearity test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. It can be tested by through residual plots which are usually drawn by the statistical analysis software. It may be also violated by outliers and a curve shows that a linear model may not be the best fit and thus a complex model may be necessary (Saunders et al, 2012).

To determine whether the relationship between the dependent variable performance and the independent variables board size, educational qualification, meeting frequency and gender diversity, is linear; plots of the regression residuals through SPSS V20 software had been used.

Figure 4.1: Linearity test.

Normal P-P Plot of Regression Standardized Residual



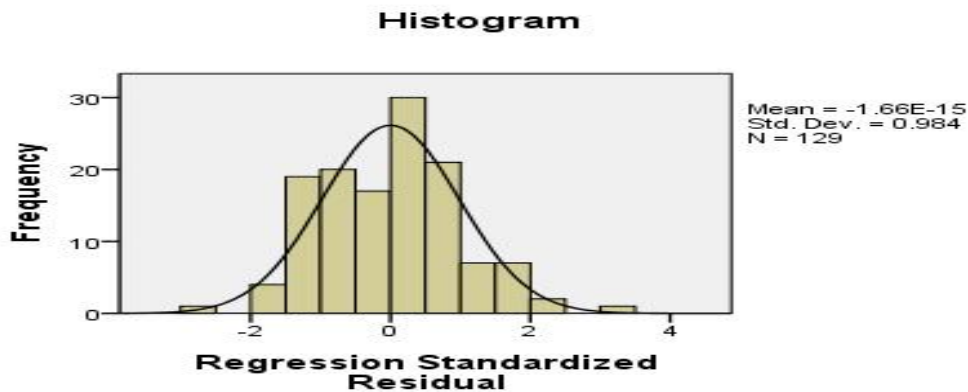
Source: Own Survey, SPSSv20, 2019

From the above figure the scatter plot of residuals shows no large difference in the spread of the residuals as you look from left to right. This result suggests that the relationship is linear. Therefore, there is no problem of linearity.

4.8.2 Normality test

The linear regression analysis requires that all variables to be multivariate normal. This assumption can best be checked with a histogram and a fitted normal curve or a Q-Q-Plot (Garson, 2012). As per the Classical Linear Regression Models assumptions, the error term should be normally distributed or expected value of the errors terms should be zero ($E(u_t) = 0$) (Kapetanious, 2014).

Figure 4.2: Normality test



Source: Own Survey, SPSSv20, 2019

The aforementioned figure shows that the frequency distribution of the standardized residuals compared to a normal distribution. As you can see from the graph, although there are some residuals (e.g., those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly close to 0. Moreover, the histogram is bell shaped which leads to infer that the residual (disturbance or errors) are normally distributed. Thus, no violations of the assumption normally distributed error term.

4.8.3 Multicollinearity Test between Study variables

Linear regression assumes that there is little or no multi-co linearity in the data. Multicollinearity is an unacceptable high level of inter correlation among the independent variables, (Garson, 2012). When the explanatory variables are very highly correlated with each other and this problem is known as “multicollinearity”. A second important independence assumption is that the error of the mean has to be independent from the independent variables (Kapetanious, 2014). Thus, we can test using the following criteria.

1. Correlation matrix – when computing the matrix of Pearson's Bivariate Correlation among all independent variables the correlation coefficients need to be smaller than 0.8 (Gregory, 2018). Thus from this research finding correlation table 4.17 indicates that all independent variables have correlation coefficient less than 0.8.
2. Tolerance – the tolerance measures the influence of one independent variable on all other independent variables; the tolerance is calculated with an initial linear regression analysis. Tolerance is defined as $T = 1 - R^2$ for these first step regression analysis. Thus from the finding in coefficient table all tolerance values were less than one (Gregory, 2018). See table 4.19
3. Variance Inflation Factor (VIF) – the variance inflation factor of the linear regression is defined as $VIF = 1/T$. Similarly, with $VIF > 10$ there is an indication for multicollinearity to be present; with $VIF > 100$ there is certainly multicollinearity in the sample (Gregory, 2018). Thus from the coefficient table all VIF values are less than 10. Simply the values are not more than 1.280(see table 4.19). This confirms us there are no violations of little or no multicollinearity between independent variables.

4.8.4 Autocorrelation Test

Linear regression analysis requires that there is little or no autocorrelation in the data. Autocorrelation occurs when the residuals are not independent from each other. While a scatter plot allows you to check for autocorrelations, you can test the linear regression model for autocorrelation with the Durbin-Watson test. The value of Durbin Watson assumes to be between 0 and 4; values around 2 indicate no autocorrelation (Gregory, 2018). From our test, the value of Durbin Watson is about 1.731. Thus it lies between $0 < 1.731 < 4$ (see table 4.18 below). The value of Durbin Watson is close to 2 indicates there is no violation of Autocorrelation.

Table 4.18 Autocorrelation test

Change Statistics					Durbin-Watson
R Square Change	F Change	df1	df2	Sig. F Change	
.727	82.551	4	124	.000	1.731

Source: Own Survey, SPSSv20, 2019

4.8.5 Homoscedasticity Test

Homoscedasticity test, which refers to whether residuals are equally distributed, or presence of equality of variance/homogeneity of variance and it assumes that the variance of the error is constant (Brooks, 2014). The following test was done in testing the problem of homoscedasticity.

Table 4.19: SPSS output result by using Glejser Test of homoscedasticity

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.374	.110		3.413	.001		
1 Board Size	.005	.030	.017	.171	.865	.781	1.280
Gender Diversity	-.006	.023	-.025	-.284	.777	.986	1.014
Educ. Qualif	-.028	.023	-.124	-1.235	.219	.785	1.274
Meeting Frequ	-.008	.023	-.031	-.348	.728	.994	1.006

Source: Own Survey, SPSSv20, 2019

Using Glejser test the following output were obtained

According to Glejser Test of Homoscedasticity: If value Sig.>.05 there is no problem of Homoscedasticity and If value Sig. <.05 there is problem of Homoscedasticity (Lely Holidia et al 2019) Thus, from the above table 4.19 all corporate governance independent variables sig. Value based on Glejser test was greater than 5% significant level i.e. p-value>.05. Therefore, from the test there is no violation of Homoscedasticity.

Thus, from an explanation presented above the entire five tests have no significant data problems that would lead to the assumptions of multiple regressions have been seriously violated.

4.9 Regression Analysis Results and Discussion

The objective of this study is to describe the corporate governance practices and challenges of the consumer cooperative societies and examine whether the governance have a significant effect on the performance of consumer cooperatives in Addis Ababa City. In order to study the relationship between the dependent and independent variables and specify the best predictors of the dependent variable (consumer cooperative performance) a multiple regression model was applied. Multiple regressions were used for testing the model and hypotheses. It provides information regarding the significance of the variables that were included in the model while the R² explains how much variance in the dependent variable is explained by the model (Kapetanious, 2014). It means how much the performance is explained by the constructed corporate governance variables. Statements of hypothesis were formulated based on the four variables used in this study in order to come up with the results.

Table 4.20 Multiple Regression Analysis Model Summary Result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.853 ^a	.727	.718	.354	.727	82.551	4	124	.000

a. Predictors: (Constant), Meeting Frequency, Board Size, Gender Diversity, Educational Qualification

b. Dependent Variable: Performance

Source: Own Survey, SPSSv20, 2019

The above table 4.20 shows two important elements, thus R, and R². From this table, R shows a significant positive relationship of 0.853 which is 85.3%. The R² value =0.727 meaning 72.7% of the variance in the model can be predicted using the independent variables or in other words 72.7% of consumer cooperative performance is explained by the constructed independent variables(corporate governance practices). However, the remaining 27.3% change in consumer cooperative performance in Addis Ababa is caused by other variables that are not included in the model. Therefore, the constructed corporate governance variables (such as board size, meeting frequency, gender diversity and educational qualification) are good explanatory variables of the consumer cooperative performance.

4.9.1 ANOVA Analysis result

Table 4.21 ANOVA analysis result

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	41.409	4	10.352	82.551	.000 ^b
Residual	15.550	124	.125		
Total	56.959	128			

a. Dependent Variable: Performance

b. Predictors :(Constant), Meeting Frequency, Board Size, Gender Diversity, Educational Qualification.

Source: Own Survey, SPSSv20, 2019

From the ANOVA test in table 4.21 it shows that the table Sig. value 0.05 is greater than the calculated sig. value of .000. This shows the statistically significant relationships between the four independent variables (board size, meeting frequency, gender diversity and educational qualification) and cooperative performance at 5% significance level. This means, the four explanatory variables have great impact on cooperative performance. But, it does not mean that all these variables influencing cooperative performance and have equally significant correlation with cooperative performance. Beside the F statistics (82.551) which is used to measure the

overall test of significance of the model was presented, and the model is well fitted at 5 percent level of significance.

4.9.2 Regression Coefficient Analysis

Table 4.22 Regression Coefficient Analysis of the Model

Model	Un-standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.239	.184		-1.301	.196
Board Size	.382	.050	.403	7.596	.000
Gender Diversity	.181	.038	.223	4.725	.000
Educ Qualif	.384	.038	.536	10.117	.000
Meeting Frequency	.174	.039	.211	4.491	.000

Source: Own Survey, SPSSv20, 2019

In the above table 4.22 above, coefficients indicated how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The Beta coefficients indicated that how and to what extent the independent variables influence the dependent variable (Kapetaniou, 2014). Accordingly, the result of coefficient value of regression analysis indicated the highest influencing corporate governance variables which influence their cooperative performance was educational qualification (at Beta value=0.536), followed by board size (Beta=0.403), and gender diversity (Beta=0.223).

Thus, from the finding all corporate governance variables have positive and statistically significant influence on consumer cooperative performance because the p (sig) value in correlation table is less than =.05 level. Therefore all corporate governance practices were statistically significant. Among the variables one can infer that educational qualification and board size have the most statistically significant and are more influencing consumer cooperative Performance in Addis Ababa.

4.9.3 Regression Equation

Based on the above table 4.22 finding we can develop the following Regression equation:

$$\text{Performance} = -0.239 + 0.382X_1 + 0.181X_2 + 0.384X_3 + 0.174X_4$$

Where, X_1 = Board Size

X_2 = Gender Diversity

X_3 = Educational Qualification

X_4 = Meeting Frequency

Based on the above model result, all the explanatory variables have significant and positive influence on consumer cooperative performance. The un-standardized B coefficient of board size =0.382 .i.e. 100% change in board size leads to 38.2% change in consumer cooperative performance, gender diversity=0.181 indicating that 100% change in gender diversity leads to 18.1% increase in consumer cooperative performance, educational qualification =0.384 implies that a one unit change in educational qualification leads to 0.384 unit increase in consumer cooperative performance, and meeting frequency= 0.174 signifies that a one unit change in meeting frequency results to 0.174 unit increase in consumer cooperative performance.

These findings provide significant support for the reliability, transaction efficiency and ease of use literature which advocates that the variables (corporate governance) have an influence on consumer cooperative performance in Addis Ababa.

4.9.4 Testing Hypothesis from the Regression Result

Using multiple regression analysis result, the following hypothesis was tested.

4.9.4.1 Board Size

H_1 : Board member size is expected to have positive relationship with consumer cooperative performance.

Based on standardized coefficient Beta value and P-value in regression table 4.22, the result shows that board size has a Beta coefficient of 0.403 and p-value of 0.000. Holding other explanatory variables constant board size was found to have a statistically significant positive relationship with consumer cooperative performance. In other words, the small number of board

members of consumer cooperatives, the lower their performance achievement is and vice versa. The result indicates that large boards are more effective in monitoring and controlling cooperative management. Therefore, the researcher accepted the H1 hypothesis.

This result is consistent with previous studies Ashenafiet al (2013); Bathula (2008); buallay et al (2017); HerdJiono and Sari (2017); Coleman and Bickpe (2008). On their finding they stated that board size was found a significant effect on the performance of the firm. Thus, these studies supported our study of board member size had positive relationship with consumer cooperative performance.

4.9.4.2 Gender Diversity

H2: Board member gender diversity is expected to have positive relationship with consumer cooperative performance.

Based on standardized coefficient Beta value and P-value in regression table 4.22 the result shows that board member gender diversity has a Beta coefficient of 0.223 and p-value of 0.000. Holding other explanatory variables constant board member gender diversity was found to have a statistically significant positive relationship with consumer cooperative performance. The descriptive analysis shows that in the board of director women were small in number and the low number of women on the boards of the cooperatives does not necessarily contradict the notion that women's presence on boards is important in general. Therefore, the researcher accepted the H2 hypothesis.

This study is supported by Bathula (2008); Al-Manaseer et al (2012); David et al (2013); Shugu et al (2014). The study found and confirmed that the board characteristics such as gender diversity were positively related with firm performance. Thus, this study supports our hypothesis that board member gender diversity had positive relationship with consumer cooperative performance.

4.9.4.3 Educational Qualification

H3: Board member educational qualification is expected to have positive relationship with consumer cooperative performance.

Based on standardized coefficient Beta value and P-value in regression table 4.22, the result shows that Educational Qualification has a Beta coefficient of 0.536 and p-value of 0.000.

Holding other explanatory variables constant educational qualification was found to have a statistically significant positive relationship with consumer cooperative performance. In other words the higher the number of directors who had higher academic qualification sitting on the board the higher the performance of consumer cooperatives and vice versa. This suggests that the presence of qualified directors on the board plays an important role in performing the boards monitoring responsibility and in improving the cooperative performance. The alternative hypothesis for board educational qualification predicts that there is a significant positive relation between board members educational qualification and consumer cooperative performance. Thus, the result is in line with the proposed alternate hypothesis. Thus, there is a significant positive relationship between board members educational qualification and performance of consumer cooperative in Addis Ababa. Therefore, the researcher accepted the H3 hypothesis.

This study is supported by Harun (2017) that studied on corporate governance and financial performance of private banks in Ethiopia. On his finding he confirmed that educational qualification was positively and significantly related to performance banks. Thus, this study also supports our hypothesis that board member educational qualification had positive relationship with consumer cooperative performance.

4.9.4.4 Meeting Frequency

H4: Board member meeting frequency is expected to have positive relationship with consumer cooperative performance.

Based on standardized coefficient Beta value and P-value in regression table 4.22, the result shows that Board member meeting frequency has a Beta coefficient of 0.211 and p-value of 0.000. Holding other explanatory variables constant board member meeting frequency was found to have a statistically significant positive relationship with consumer cooperative performance. This study is supported by Yasser (2011). Therefore; the researcher accepted the H4 hypothesis.

4.9.5 Summary Result of Hypothesis testing

Table 4.23 Summary of Hypothesis Testing Result

Hypothesis	Result
H ₁ : Board member size is expected to have positive relationship with consumer cooperative performance.	Accepted
H ₂ : Board member gender diversity is expected to have positive relationship with consumer cooperative performance.	Accepted
H ₃ : Board member educational qualification is expected to have positive relationship with consumer cooperative performance.	Accepted
H ₄ : Board member meeting frequency is expected to have positive relationship with consumer cooperative performance.	Accepted

Compiled from finding, 2019

CHAPTER FIVE

SUMMARY OF FINDING, CONCLUSION AND RECOMMENDATION

5.1. Introduction

In the previous chapter, the results of the study were presented and discussed. This chapter deals with the summary of finding, conclusions and recommendations of the study. It also includes suggested areas for further research.

5.2. Summary of Finding

In recent times, corporate governance has been viewed as a mechanism to assure investors that their capital is protected and that they will not be misappropriated by managers (Shleifer and Vishny, 1997); Like the corporate board, the cooperative board plays important role in connecting the managers' action to the members' interest of the cooperatives and both the corporate and the cooperative board of directors are responsible for controlling the performance of managers (Bond, 2009). Cooperative societies are large business and owned by their members. Similarly the key issue in co-operative is also how to control managers so they work to the best interest of the cooperative members. Among the cooperative societies, consumer cooperatives are more prone to governance failures as they tend to have many members whose relationship with the cooperative is slight and they face the risk that they are more easily affected by special interest groups or by ambitious managers without the members even noticing (Brichal, 2017).

This study investigated the practice of corporate governance on the performance of consumers' cooperative in Addis Ababa city. It also investigated the challenges faced by the consumer cooperatives societies. It tried to establish the relationship between board sizes, board gender diversity, meeting frequency and directors' educational qualification and performance of consumer cooperative societies.

From the findings the researcher found that majority of the consumer cooperatives (72%) were established in Addis Ababa in the year 2008-2012. Until this research data collected, a total of 141 consumer cooperatives are working in Addis Ababa city within 10 sub cities. A total of 414, 821 members are registered in these cooperatives. Among 414, 821 members 67.4 % are

female and the remained 32.6 % are male (Appendix II).

Finding in table 4.4 indicate that the majority of the consumer cooperatives have no a training program for board of directors. The cooperative proclamation 958/2016 stated that cooperative societies shall provide education and training for their members, elected board of directors, management and employees for the development of the societies but the practice has ignored this direction. It was also found that the cooperatives have no formal guideline how the training is offered to the members and board of directors. This has a drawback for the performance of the cooperative. Anania and Rwekaza (2018) stated that generally, the success of co-operative societies depends on cooperative education and training of members as well as the implementation of the principles, practice and methods of cooperation as a way of conducting business. Based on the findings in table 4.6 most of the consumer cooperatives don't have highly qualified directors and they lack the skill needed to execute their mandate. This result is supported by Bezabih (2012) that most of Ethiopian cooperative societies are challenged by low capacity of cooperative leadership management and inadequate capacity building support by agencies.

Based on the first objective of this study which was to describe the governance practices adopted by consumer cooperatives societies in Addis Ababa city, in this regard the study found that most of the boards of directors have evaluated the performance of the cooperative extensively and they ensured the compliance of the cooperatives with the relevant laws and regulation. The members of the consumer cooperative participated in major decision of the cooperative and the board has reviewed the procedures of the cooperatives to ensure the effectiveness of the internal control system and they ensured that the accounting system was in line with accepted accounting principles and standard.

Regarding the General Assembly, the study found that in most of the consumer cooperatives the general assembly met at least once in a year, and the general assembly elected, dismissed, the member of the board, audit committee and other subcommittee. Most of the consumer cooperatives general assembly approved the annual work plan, gave decision on audit report, and decided on the distribution of annual profit. In general, the consumer cooperatives under consideration are found, in most cases adhering the cooperative society proclamation 958/2016 and the cooperative bylaw. The board in its role adequately addressed the

governance practice of the consumer cooperative societies.

On the second objective of determining the challenges of implementing corporate governance practices, among the key challenges that this study established while the cooperatives undertaking corporate governance practices they were lacking commitment and leadership, They faced limited supplies of goods and services and challenged by the incompetence of audit committee. The researcher found out that, cases of corruption and mismanagement of funds in the cooperatives were few, the board didn't allow the transaction that benefits few at the expense of members and the cooperatives didn't receive so much political pressure from external forces to implement the activities.

The last objective of the study was to examining the relationship between corporate governance practices and performance of consumer cooperatives in Addis Ababa city. The study concentrated on the following key corporate governance practices: board sizes, board gender diversity, meeting frequency of board members, and directors' educational qualification. The Pearson correlation and regression analysis were used to find out whether there is a relationship between the variables to be measured (i.e. corporate governance and performance of consumer cooperatives) and also to find out if the relationship is significant or not. In summary the study found that all the corporate governance variables affected the performance positively and significantly. As per the result of table 4.22 among the variables educational qualification and board size have high impact on the performance of the consumer cooperatives with beta value 0.536 and 0.403 respectively and gender diversity and meeting frequency have moderate effect on the performance of consumer cooperatives with beta value 0.223 and 0.211 respectively.

With regard to educational qualification of board members, in table 4.15 the majority of respondents agree that educational qualification of directors have a significant effect on the monitoring and controlling activities the directors. However in table 4.6 the analysis reveals that consumer cooperatives don't have highly qualified directors and therefore the cooperatives lack the knowledge and skills needed so as to execute their mandate. This findings is supported by Yermack (2006) that he stated board members can add or destroy shareholders value and he added that directors' skill, competencies, experiences, backgrounds, connection and value affect the performance of the organization

When considering the board size in table 4.13 the majority of respondents disagreed with the idea of small board size. It means they supported the large board size to enhance the performance and share the expertise and experience. This idea is supported by various scholars and from the resource dependency theory perspective also large board size is very important to provide the resources to the cooperatives (Hill man et al 2000 cited by Yusoff, 2010). This connection is grounded in the view that board size is related with the organization's ability to access critical resources (Hill man et al 2000 cited by Yusoff). On the other hand Fema & Jensen (1989) cited by Yusoff, (2010) confirmed that from the agency theory perspective view, large board size provides effective monitoring by reducing the domination of the organization manager.

Regarding the gender diversity, the finding in table 4.14 indicated that the consumer cooperative has a clear regulation and requirement that encourage the participation of female member in the board. The analysis in table 4.9 indicated that there is small number of female in the board member of the cooperatives and it is evident that the cooperatives have a male dominated board. The Addis Ababa cooperative agency report (attached Appendix-II) showed that from the total member of consumer cooperatives 67.4 % are female where as the male are 32.6%. This shows that the participation of females in the board is less. The presence of female board of director has a positive contribution for the performance of the cooperative. Byrnes (1999) cited by Nakusi (2014) stated that the participation of women in the board can help to avoid too risky projects as women are generally risk-averse than men.

With regard to board of directors meeting frequency, the finding in table 4.9 show that on average 32 meeting held in a year. The result of the descriptive statistics indicates that there is a consumer's cooperative board of directors which conduct high frequent meeting in a year at a maximum of 128 times in a year and there is also a board of directors which conducts meeting only one time during a year. From the analysis we found that the frequency of meeting is the least factor to influence the performance of the consumers' cooperatives. This could be due to the relevance of the meeting agenda and the nature of the meeting in relation to performance which the boards of directors were doing.

5.3. Conclusion

This study considered that the practice of corporate governance and performance of consumer cooperatives in Addis Ababa city. Cooperative governance is essential in the activities of the consumer cooperatives. The study concludes that the consumer cooperatives are found to have operated in accordance with the country's cooperative society's proclamation and regulation. The principles of corporate governance were adequately addressed in the governance practice of consumer cooperatives.

With respect to challenges of consumer cooperatives in the implementation of corporate governance, the study concludes that the consumer cooperatives board of directors lacked commitment and leadership; the cooperatives were suffered with the supplies of goods and services and audit committees of the consumer cooperatives were incompetent to execute their duties. The study also concludes that the cases of corruption and mismanagement of funds in the cooperatives were few, the board didn't allow the transaction that benefit few at the expense of members and the cooperatives didn't receive so much political pressure from external forces to implement the activities.

The main focus of the third objective of the study was to examine the relationship between examine board sizes, board gender diversity, meeting frequency of board members, directors' educational qualification and performance of consumer cooperatives societies. Based on the findings of the study, it is concluded that the variables educational qualification and board size have high impact the performance of the consumer cooperatives where as gender diversity and meeting frequency have moderate effect on the performance of consumer cooperatives. The study concludes that consumer cooperatives don't have highly qualified directors and therefore the cooperatives lack the knowledge and skills needed so as to execute their mandate. The study established that the majority of the board had seven members and it is small to generate good performance. Even though, the cooperative proclamation encourages the participation of female member in the board, the study concludes that there is small number of female in the board member of the cooperatives. From the analysis we conclude that the frequency of meeting is the least factor that influences the performance of the consumers' cooperatives. However the outcome implies frequent meeting of board of directors is beneficial to the cooperatives performance.

5.4. Recommendation

From the above findings and conclusion the following recommendations are suggested.

- The researcher recommends that the corporate governance practices should be implemented in all consumer cooperatives societies since from the finding the researcher finds that the cooperatives strived to respect the cooperative proclamation and regulation. In this regard the researcher recommends that the cooperatives should develop a separate and detail cooperative governance code to ensure the smooth running of the cooperative societies.
- Regarding limited supplies of goods and services, the government associated with Addis Ababa Cooperative Agency should support the consumer cooperatives to distribute quality goods and services to the communities. The Addis Ababa cooperative agency should also establish a special task force to monitor and follow up the distribution of quality goods to the communities.
- The cooperative board of directors and members should be trained to improve the performance of the cooperatives. This is because qualified directors have good governance and leadership skills. Members also should be trained since trained members obviously understand the cooperative goals, understand their rights and participate fully in the cooperatives activities. The board of directors should constantly organize capacity building trainings for audit committee members.
- The female participation in the board of director was less. Therefore the Addis Ababa cooperative agency should design a policy to strengthen the female participation in the board.
- The common board size of consumer cooperatives is seven members. The study found that large board size is associated with better performance. Hence, the Addis Ababa cooperative agency should design a policy to increase the number of qualified independent directors.
- In order to increase the commitment of the board of directors, the cooperatives should provide better incentive to the members of board of directors. If the board of directors

is given better incentives, they will tend to be committed to their Job of supervising the manager of the consumer cooperatives. If the manager also understands that the boards of directors are committed to supervise him/her, then he/ she will work hard to increase the performance the cooperative.

5.5.Suggestion for further research

- This study investigated the practice of corporate governance on the performance of consumers' cooperative in Addis Ababa city. The multiple regression questions showed that all the four variables board size, directors' education qualification, gender diversity and meeting frequency influenced the performance of the cooperatives. However the multiple regression analysis model summary result shows that other than the four variables, there are other factors that determine the performance of consumers' cooperatives. Therefore further research can be done to determine such other variables that influence the performance of cooperatives.
- The study sought to investigate the relationship of corporate governance mechanism on the performance of consumers' cooperatives. The variables used in the study didn't include all corporate governance mechanisms. Thus future research could incorporate other variables like manager experience, manager and board of director remuneration amount and the availability of different sub committees on the board. This study can also be expanded to other types of cooperatives.
- This research focused on studying the practice of corporate governance on the performance of consumers' cooperative in Addis Ababa city from which the finding were analyzed and conclusions drawn. Consequently further research can be done considering all the consumers cooperatives in Ethiopia so as to compare the result.

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APPENDICES

APPENDIX-I

በየክፍለከተማ የሚገኙ መሰረታዊ ሽያጭ ስራዎች የላቸው ካፒታል መጠን የሚያሳይ ሰንጠረዥ

ተ. ቁ	ክፍለከተማ	መሰራቾች/ሰው/ማብዛት	ተንቀሳቃሽ	የማህበራዊ ሽያጭ ካፒታል		ማህበራዊ አሁን ያለው ካፒታል		
				ቋሚ	ደምር	ተንቀሳቃሽ	ቋሚ	ደምር
1	ጉለሌ ክፍለከተማ	10	1624945.76	74227.02	1699172.78	2079368.6	1643161.4	22441529.52
2	አዲስከተማ ክፍለከተማ	10	13618286.1	4063937.2	17682223.3	18872318.8	6189439.7	25061758.4
3	የካክፍለከተማ	14	4899863.06	230713.96	5130577	2444868	12527606	34972473.07
4	ቦሌ ክፍለከተማ	24	5329603	3084455	8414058	62803647	29561916	92365562
5	አቃቂቃሊቲ ክፍለከተማ	18	3434496.6	2610987	604583.6	21051430.7	7255843.5	28307274.2
6	ን/ስልክ ላፍቶ ክፍለከተማ	13	5275541	184690	5460231	33344670	7818422	41163092
7	አራዳ ክፍለከተማ	10	2564919.27	2105951.07	4670870.34	27344320.8	6557581.8	33901902.5
8	ቂርቆስ ክፍለከተማ	12	3464785.42	283864.81	3748650.23	96666195.4	8347800.8	105013996.2
9	ልደታ ክፍለከተማ	9	6359662.3	841002.62	7200664.92	41840928.6	4067957.6	45908886.18
10	ኮልፌ ቀራኒዮ ክፍለከተማ	21	6106692.24	762537.89	6869230.13	35561571.1	34041673	69603243.64
ደምር		141	52678794.8	14242366.6	66921161.3	362009319	118011401	498739717.7

Source; Addis Ababa City Administration Cooperative Agency Magazine (2016)

APPENDIX-II

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በአራዳ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረኝ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስር-ት-ፍኬት ቁጥር	የተመዘ ገበበት ዓ.ም	ወንድ	ሴት	ድምር
1	ዋስትና ሽማግሌት/የተ/የህ/ሥ/ማ	1	አ/ክ/ከ2002	2002 ዓ.ም	2276	3202	5478
2	እድገት-ሽማግሌት/የተ/የህ/ሥ/ማ	2	አ/ክ/ከ2002	2002 ዓ.ም	1774	2396	4170
3	ሀይወት ተስፋ ሽማግሌት/የተ/የህ/ሥ/ማ	3	አ/ክ/ከ2000	2000ዓ.ም	1503	2146	3649
4	ብርሃን ለህዝብ ሽማግሌት/የተ/የህ/ሥ/ማ	4	አ/ክ/ከ2000	2000ዓ.ም	2170	3100	5270
5	03/09ሽማግሌት/የተ/የህ/ሥ/ማ	5	አ/ክ/ከ2000	2000ዓ.ም	1477	2244	3721
6	አንድነት-ሽማግሌት/የተ/የህ/ሥ/ማ	6	አ/ክ/ከ2002	2002 ዓ.ም	1776	2727	4503
7	ተስፋ ብርሃንሽማግሌት/የተ/የህ/ሥ/ማ	7	አ/ክ/ከ2002	2002 ዓ.ም	3324	4748	8072
8	ልማት በህብር-ትሽማግሌት/የተ/የህ/ሥ/ማ	8	አ/ክ/ከ2000	2000 ዓ.ም	2487	2823	5310
9	እፎይታሽማግሌት/የተ/የህ/ሥ/ማ	9	አ/ክ/ከ2000	2000 ዓ.ም	1238	1768	3006
10	ፋናሽማግሌት/የተ/የህ/ሥ/ማ	10	አ/ክ/ከ2000	2000 ዓ.ም	1793	1842	3635

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በንፋስ ስልክ ላፍቶ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረኝ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስር-ት-ፍኬት ቁጥር	የተመዘ ገበበት ዓ.ም	ወንድ	ሴት	ድምር
1	ነገንዘብ-ሽማግሌት/የተ/የህ/ሥ/ማ	01	2003ዓ.ም	09(01)4(1)522/2003	786	1149	1935
2	ትኩረት-ለሴቶች የሽማግሌት/የተ/የህ/ሥ/ማ	01	1998ዓ.ም	08(1)04(1)187/1999	39	225	264
3	ጥረት-ለዕድገት-ሽማግሌት/የተ/የህ/ሥ/ማ	ጀም	2008ዓ.ም	09(01)4(1)718/2009	371	218	589
4	ለወገንደራሽማግሌት/የተ/የህ/ሥ/ማ	2	2000ዓ.ም	09(02)2(1)444/2001	875	1654	2529
5	ሀብረት-ሽማግሌት/የተ/የህ/ሥ/ማ	3	2001ዓ.ም	09(03)3(1)605/2006	336	275	611
6	የትግልፍሬሽማግሌት/የተ/የህ/ሥ/ማ	4	2006ዓ.ም	09(01)4(1)522/2003	281	836	1117
7	ለመኖር መተሳሰብ-ሽማግሌት/የተ/የህ/ሥ/ማ	5	2000ዓ.ም	09(01)1(1)569/2006	1036	2892	3928
8	ሰላምሽማግሌት/የተ/የህ/ሥ/ማ	6	2000ዓ.ም	09(09)144(1)432/2001	1536	3092	4628
9	ትንሳኤሽማግሌት/የተ/የህ/ሥ/ማ	7	2005ዓ.ም	09(07)02(01)588/2005	623	990	1613
10	ሀይወት-ሽማግሌት/የተ/የህ/ሥ/ማ	8	2006ዓ.ም	09(08)2(2)652/2006	290	317	607
11	ኮከብሽማግሌት/የተ/የህ/ሥ/ማ	9	2000ዓ.ም	09(12/13)4(1)464/2002	569	1505	2074
12	ተቀናሽሽማግሌት/የተ/የህ/ሥ/ማ	10	2000ዓ.ም	09(10/18)4(1)464/2002	393	918	1311
13	በረከት-ሽማግሌት/የተ/የህ/ሥ/ማ	11	2000ዓ.ም	09(16/17)2(1)445/2001	524	989	1513
14	ላፍቶ 2000 የሽማግሌት/የተ/የህ/ሥ/ማ	12	2003ዓ.ም	09(01)4(1)718/2009	468	1301	1769

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በአቃቂ ቃሊቲ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረኝ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስር-ት-ፍኬት ቁጥር	የተመዘ ገበበት ዓ.ም	ወንድ	ሴት	ድምር
1	ቀበሌ 01/03 ሽማግሌት /የተ/የህ/ሥ/ማ	1	4/11/666/00	13/07/2003 ዓ.ም	514	629	1143
2	ቱሎ ዲንቱ ሽማግሌት /የተ/የህ/ሥ/ማ	1	4/137/96	18/12/1996 ዓ.ም	377	494	871
3	ቀበሌ 02/04 ሽማግሌት /የተ/የህ/ሥ/ማ	2	4/1667/00	1/11/2000 ዓ.ም	1709	2399	4108

4	ቀበሌ 05/06 ሽማግሌ /ኃላ/የተ/የህ/ሥ/ማ	3	4/1/671/00	10/11/2000 ዓ.ም	1311	2079	3390
5	የኢትዮጵያ ያ ቆረቆሪና ጣሣየሰራተኞች ሽ/ኃላ/የተ/የህ/ሥ/ማ	3	4/1/761/01	23/11/2001 ዓ.ም	312	30	342
6	ወረዳ 4 ሽማግሌ /ኃላ/የተ/የህ/ሥ/ማ	4	4/1/802/01	28/08/2003 ዓ.ም	3029	2865	5894
7	አቃሊቲ ብረታ ብረት ሽ/ኃላ/የተ/የህ/ሥ/ማ	4	4/1/794//02	28/10/2002ዓ.ም	149	34	183
8	ወረዳ 5 ሽማግሌ /ኃላ/የተ/የህ/ሥ/ማ	5	4/1/810/03	16/9/2003ዓ.ም	106	840	946
9	አቃሊቲ ብረታ ብረት ሽ/ኃላ/የተ/የህ/ሥ/ማ	4	4/1/794/02	28/10/2002ዓ.ም	149	34	183
10	አሮሚያ ውሃ ስራዎች ሽ/ኃላ/የተ/የህ/ሥ/ማ	6	4/1/968	27/12/2006 ዓ.ም	1194	195	1389
11	ጽናት ቀበሌ12/13 ሽ/ኃላ/የተ/የህ/ሥ/ማ	6	2/1/822	1/10/2000 ዓ.ም	627	1601	2228
12	ፋፋ ምግብ አ.ማ ሰራተኞች ሽ/ኃላ/የተ/የህ/ሥ/ማ	6		8/9/2000ዓ.ም	232	108	340
13	ወረዳ 7 ሽ/ኃላ/የተ/የህ/ሥ/ማ	7	4/1/10/71	14/9/2000ዓ.ም	3634	5202	8836
14	ማስተዋል የሽ/ኃላ/የተ/የህ/ሥ/ማ	8	4/1657/00	18/09/2000ዓ.ም	3293	3713	7006
15	ቃሊቲ ኮ/ሲ/ የሽ/ኃላ/የተ/የህ/ሥ/ማ	8	4/1/707/01	2/3/2001ዓ.ም	121	31	152
16	ቁ/ፈ/ኮ/ የሽ/ኃላ/የተ/የህ/ሥ/ማ	9	26/7/2006	25/7/2006 ዓ.ም			
17	ወረዳ 10 የሽ/ኃላ/የተ/የህ/ሥ/ማ	10	4/1/979	26/7/2007 ዓ.ም	210	90	300
18	ዕድገት በህብረት የሽ/ኃላ/የተ/የህ/ሥ/ማ	11	4/1955	26/7/2006ዓ.ም	120	95	215
19	አ/አ/ሳ/ቲ/ዩ ሽ/ኃላ/የተ/የህ/ሥ/ማ	9	4/1/960/06	2007 ዓ .ም	175	25	200

**በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በልደታ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ህብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረዥ**

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስርትፍኬት ቁጥር	የተመዘ ዝቦት ዓ.ም	ወንድ	ሴት	ድምር
1	ዕድገት ተስፋ ሽ/ኃላ/የተ/የህ/ሥ/ማ	01	ል/ክ/ክ 1/1/199	1/1/199 ዓ.ም	851	1431	2282
2	መፍትሄ ሽ/ኃላ/የተ/የህ/ሥ/ማ	02	ል/ክ/ክ 2000	21/1/2000ዓ.ም	576	1275	1851
3	ዕድገት በአንድነት ሽ/ኃላ/የተ/የህ/ሥ/ማ	03	ል/ክ/ክ 2000	21/1/2000ዓ.ም	375	1964	2339
4	አዲስ ሚሊኒየም ሽ/ኃላ/የተ/የህ/ሥ/ማ	04	ል/ክ/ክ 2000	2000 ዓ. ም	915	1420	2335
5	ጮራ ሽማግሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	ል/ክ/ክ 20009	2000 ዓ.ም	1036	3913	4949
6	ሰላምና ፍቅር ሽ/ኃላ/የተ/የህ/ሥ/ማ	07	ል/ክ/ክ 2000	5/12/2000ዓ.ም	349	4249	4598
7	ያዋጣናል ሽ/ኃላ/የተ/የህ/ሥ/ማ	8/9	ል/ክ/ክ 20001	14/12/2001ዓ.ም	1500	2851	4351
8	ቀበሌ15/16/17 ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	ል/ክ/ክ 20001	6/11/2001ዓ.ም	521	4222	4743

**በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በአዲስ ከተማ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ህብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረዥ**

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስርትፍኬት ቁጥር	የተመዘ ዝቦት ዓ.ም	ወንድ	ሴት	ድምር
1	ሚዛን ሽ/ኃላ/የተ/የህ/ሥ/ማ	01	አ/ክ/ክ//ክ567/04	12/11/2004 ዓ.ም	1244	3296	4540
2	ዕናት ሁለገብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	02	አ/ክ/ክ//ክ508/00	13/13/2000ዓ.ም	585	2432	3017
3	መተባበር ሁለገብ 06/07 ሽ/ኃላ/የተ/የህ/ሥ/ማ	03	አ/ክ/ክ//ክ499/00	11/11/2000ዓ.ም	1264	2100	3364
4	መሳለሚያ ሽ/ኃላ/የተ/የህ/ሥ/ማ	04	አ/ክ/ክ//ክ708//07	17/6/2007 ዓ.ም	2015	4570	6585
5	አበበ ቢቀላ ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	አ/ክ/ክ//ክ491/00	8/9/2007 ዓ.ም	778	1625	2403
6	ህብር በጋራ እንደግ ሽ/ኃላ/የተ/የህ/ሥ/ማ	06	አ/ክ/ክ//ክ902//06	5/12/20006ዓ.ም	793	1619	2412
7	አዉቶብስ ተራ ሽ/ኃላ/የተ/የህ/ሥ/ማ	07	አ/ክ/ክ//ክ707//07	13/04/2007ዓ.ም	1984	3838	5822
8	ደራሽ ለመርካቶ ሽ/ኃላ/የተ/የህ/ሥ/ማ	8	አ/ክ/ክ//ክ703/07	12/01/2007ዓ.ም	1464	3307	4771
9	ኪስ ሜዳ ሽ/ኃላ/የተ/የህ/ሥ/ማ	9	አ/ክ/ክ//ክ710//07	26/08/2007ዓ.ም	635	2037	2672

10	አጠና ተራ ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	አ/ክ/ክ/ክ/709//07	15/07/2007ዓ.ም	1428	2255	3683
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በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በኮልሬ ቀራኒዮ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረዥ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስር-ት-ፍ-ኤ-ት ቁጥር	የተመዘ ዝባት ዓ.ም	ወንድ	ሴት	ድምር
1	ወይራ ቤቴል ሽ/ኃላ/የተ/የህ/ሥ/ማ	6	ኮ/ክ/ክ/ክ/567/200	2000 ዓ.ም	1607	1009	2616
2	በሀብርት ስርቶ ማሥያ ሽ/ኃላ/የተ/የህ/ሥ/ማ	11	ኮ/ክ/ክ/ክ/508/00	2000 ዓ.ም	1124	1641	2765
3	ኮከብ ሁለገብሽ/ኃላ/የተ/የህ/ሥ/ማ	13	ኮ/ክ/ክ/ክ/499/00	2000 ዓ.ም	1345	3067	4412
4	ተሃድሶ ሽ/ኃላ/የተ/የህ/ሥ/ማ	11	ኮ/ክ/ክ/ክ/708//00	2000 ዓ.ም	1120	2333	3453
5	ፍለጎት ሽ/ኃላ/የተ/የህ/ሥ/ማ	15	ኮ/ክ/ክ/ክ/491/00	2000 ዓ.ም	1264	3240	4504
6	ብርሀን ሽ/ኃላ/የተ/የህ/ሥ/ማ	8	ኮ/ክ/ክ/ክ/902//06	2000 ዓ.ም	2151	2467	4618
7	ቤዛ ለአንድነት ሽ/ኃላ/የተ/የህ/ሥ/ማ	9	ኮ/ክ/ክ/ክ/707//070	2000 ዓ.ም	731	1098	1829
8	ዋልያሁለገብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	1	ኮ/ክ/ክ/ክ/703/00	2000 ዓ.ም	513	1050	1563
9	አስኮ አዲስ ስፍር ሽ/ኃላ/የተ/የህ/ሥ/ማ	14	ኮ/ክ/ክ/ክ/710//00	2000 ዓ.ም	577	904	1481
10	ራዲዮ ሽ/ኃላ/የተ/የህ/ሥ/ማ	5	ኮ/ክ/ክ/ክ/709//00	2000 ዓ.ም	880	2478	3358
11	አንድነት ሽ/ኃላ/የተ/የህ/ሥ/ማ	3	ኮ/ክ/ክ/ክ/2008	2008 ዓ.ም	1292	1255	2547
12	ጀሞ ሀለገብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	4	ኮ/ክ/ክ/ክ/1996	1996 ዓ.ም	564	336	900
13	ቤተል ሀለገብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	7	ኮ/ክ/ክ/ክ/2000	2000 ዓ.ም	633	709	1342
14	ስላም ለአንድነት ሽ/ኃላ/የተ/የህ/ሥ/ማ	3	ኮ/ክ/ክ/ክ/2008	2008 ዓ.ም	1919	3809	5728
15	አጋር ሁለገብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	ኮ/ክ/ክ/ክ/2000	2000 ዓ.ም	1683	5084	6767
16	ሠራተኛች ሽ/ኃላ/የተ/የህ/ሥ/ማ	13	ኮ/ክ/ክ/ክ/1999	1999 ዓ.ም	373	418	791
17	የሴፍብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	1	ኮ/ክ/ክ/ክ/2000	2000 ዓ.ም	205	2445	2650
18	ፍጣን ሽ/ኃላ/የተ/የህ/ሥ/ማ	4	ኮ/ክ/ክ/ክ/2003	2003 ዓ.ም	496	1389	1885
19	ፋና ሽ/ኃላ/የተ/የህ/ሥ/ማ	15	ኮ/ክ/ክ/ክ/2000	2000 ዓ.ም	468	668	1136
20	ኮልሬ ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	ኮ/ክ/ክ/ክ/1985	1985 ዓ.ም	15	5	20
21	ማለዳ ሽ/ኃላ/የተ/የህ/ሥ/ማ	2	ኮ/ክ/ክ/ክ/1998	1998 ዓ.ም	210	102	312
22	ቅርሳችን ሽ/ኃላ/የተ/የህ/ሥ/ማ	5	ኮ/ክ/ክ/ክ/2002	2002 ዓ.ም	150	94	244
23	አቋቋ ሽ/ኃላ/የተ/የህ/ሥ/ማ	4	ኮ/ክ/ክ/ክ/1985	1985 ዓ.ም	12	1	13

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በቂርቆስ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረዥ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ስር-ት-ፍ-ኤ-ት ቁጥር	የተመዘ ዝባት ዓ.ም	ወንድ	ሴት	ድምር
1	ታታሪ ሽ/ኃላ/የተ/የህ/ሥ/ማ	01	ቂ/04/01/444/00	26/10/2000ዓ.ም	950	4436	5386
2	እድገት በህብረት ሽ/ኃላ/የተ/የህ/ሥ/ማ	02	ቂ/04/01/449/00	14/11/2000 ዓ.ም	908	4511	5419
3	የነገዉ ተስፋ ሽ/ኃላ/የተ/የህ/ሥ/ማ	03	ቂ/04/01/446/00	26/10/2000ዓ.ም	403	2566	2969
4	አንድነት ሽ/ኃላ/የተ/የህ/ሥ/ማ	04	ቂ/04/01/441/00	4/10/2000ዓ.ም	1393	6500	7893
5	ተስፋ ብርሃን ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	ቂ/04/01/445/00	21/11/2000ዓ.ም	314	5526	5840
6	ሀብርት 2000 ሽ/ኃላ/የተ/የህ/ሥ/ማ	06	ቂ/04/01/498/00	19/12/2000ዓ.ም	376	2992	3368
7	ወገን ለወገን ሽ/ኃላ/የተ/የህ/ሥ/ማ	07	ቂ/04/01/445/00	5/12/2000ዓ.ም	349	4249	4598
8	ካዛንቲስ ሽማግሌት ሽ/ኃላ/የተ/የህ/ሥ/ማ	08	ቂ/04/01/451/00	14/12/2001ዓ.ም	1500	2851	4351
9	ኮንጎ ሽ/ኃላ/የተ/የህ/ሥ/ማ	09	ቂ/04/01/453/01	6/11/2001ዓ.ም	521	4222	4743
10	ብሩህ ፋና ሽ/ኃላ/የተ/የህ/ሥ/ማ	010	ቂ/04/01/513/02	17/7/2002ዓ.ም	899	4810	5709
11	ራስ አገዝ ሽ/ኃላ/የተ/የህ/ሥ/ማ	011	ቂ/04/01/445/00	11/10/2000ዓ.ም	771	4233	5004

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በጉላሌ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረኝ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ቁጥር	የተመዘ ገበባ ቀን	ወንድ	ሴት	ድምር
1	አንጦጦ ፋና ሽ/ኃላ/የተ/የህ/ሥ/ማ	01	ጉ/3/8/ሸ5/2000	26/09/2000ዓ.ም	2640	3984	6624
2	አንጆሪ ለእድገት ሽ/ኃላ/የተ/የህ/ሥ/ማ	02	ጉ/3/8/ሸ3/2000	16/07/2000ዓ.ም	1205	2818	4023
3	ጥረት በጋራ ሽ/ኃላ/የተ/የህ/ሥ/ማ	03	ጉ/3/8/ሸ2/2000	25/06/2000ዓ.ም	112	1404	1516
4	አንደግ በጋራ ሽ/ኃላ/የተ/የህ/ሥ/ማ	04	ጉ/3/8/ሸ11/2000	21/12/2000ዓ.ም	591	1065	1656
5	ብርሃን ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	ጉ/3/8/ሸ4/2000	23/07/2000ዓ.ም	1104	2348	3452
6	ንጋት ኮከብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	06	ጉ/3/8/ሸ1/2000	14/06/2000ዓ.ም	1867	2086	3953
7	ሀይወት ሽ/ኃላ/የተ/የህ/ሥ/ማ	07	ጉ/3/8/ሸ9/2000	1/12/2000ዓ.ም	1151	3539	4690
8	አዲሱ ገበያ ሽ/ኃላ/የተ/የህ/ሥ/ማ	08	ጉ/3/8/ሸ10/2000	1/12/2000ዓ.ም	1776	4152	5928
9	አባይ ምንጭ ሽ/ኃላ/የተ/የህ/ሥ/ማ	09	ጉ/3/8/ሸ6/2000	7/11/2000ዓ.ም	1650	4700	6350
10	አሽት ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	ጉ/3/8/ሸ7/2000	7/11/2000ዓ.ም	760	1071	1831

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
በቦሌ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረኝ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ቁጥር	የተመዘ ገበባ ቀን	ወንድ	ሴት	ድምር
1	ሀብር ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	07	ቦሌ/4/1/577/200	25/09/200ዓ.ም	2493	4737	7230
2	ሀብረ ቃል ሽ/ኃላ/የተ/የህ/ሥ/ማ	14	ቦሌ/4/1/588/200	5/10/2000ዓ.ም	615	1447	2062
3	አንገረዳዳ ሀ-ሰገብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	03	ቦሌ/4/1/8097/1997	10/3/1997ዓ.ም	150	40	190
4	አንድነት ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	ቦሌ/4/1/608/2001	13/1/2001ዓ.ም	809	1665	2474
5	የተባበሩት ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	ቦሌ/4/1/571/200	18/9/2000ዓ.ም	13	2551	2564
6	ፈና ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	06	ቦሌ/4/1507/200	2/10/2000ዓ.ም	2439	1614	4053
7	ንስር ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	01	ቦሌ/4/1/6091/2001	22/1/2001ዓ.ም	445	178	623
8	መሪ ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	ቦሌ/4/1/5861/200	2/10/2000ዓ.ም	1479	1924	3403
9	አፎጆታ ሽ/ኃላ/የተ/የህ/ሥ/ማ	09	ቦሌ/4/1/582/200	27/9/2000ዓ.ም	963	1496	2459
10	ራዕይ ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	11	ቦሌ/4/1/578/200	25/9/2000ዓ.ም	1032	1945	2977
11	ሠላም ሠፈር ሽ/ኃላ/የተ/የህ/ሥ/ማ		ቦሌ/3/1/12/1996	30/11/1996ዓ.ም	373	151	524
12	አልታድ /ኃላ/የተ/የህ/ሥ/ማ(ዩኒዩን)	08	ቦሌ/4/1/890/200	26/9/2006ዓ.ም	192	323	515
13	ብርሃን ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	14	ቦሌ/4/1/574/200	22/9/2000ዓ.ም	1696	3144	4840
14	የቡልቡላ እድገት ሽ/ኃላ/የተ/የህ/ሥ/ማ	12	ቦሌ/4/1/801/2004	8/3/2004ዓ.ም	621	1121	1742
15	ሠላም ቦሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	02	ቦሌ/4/1/835/2005	5/4/2005ዓ.ም	480	649	1129
16	የአ/ሲ/ሸ/ሽ/ኃላ/የተ/የህ/ሥ/ማ	02	ቦሌ/4/1/776/2003	24/5/2003ዓ.ም	299	68	367
17	ቦሌ አንድነት ሽ/ኃላ/የተ/የህ/ሥ/ማ	04	ቦሌ/4/1/8097/1997	10/3/1997ዓ.ም	846	1889	2735
18	የረር በር ሽ/ኃላ/የተ/የህ/ሥ/ማ		ቦሌ/4/1/107/1997	30/10/1997ዓ.ም	344	261	605
19	ገሳይ ሽ/ኃላ/የተ/የህ/ሥ/ማ	08	ቦሌ/4/1/872/2006	8/2/2006ዓ.ም	1007	1752	2759
20	ሀዳሴ ሽ/ኃላ/የተ/የህ/ሥ/ማ	09	ቦሌ/4/1/850/2005	26/10/2005ዓ.ም	2910	5319	8229
21	ንጋት ሽ/ኃላ/የተ/የህ/ሥ/ማ	08	ቦሌ/4/1/604/2/2000	25/12/2000ዓ.ም	128	197	325

በአዲስ አበባ ከተማ አስተዳደር የህብረት ሥራ ኤጀንሲ
የካ ክፍለ ከተማ ሥር የሚገኙ የሽማግሌት ሕብረት ሥራ ማህበራት ሥም ዝርዝር ስጠረኝ

ተ. ቁ	የሽማግሌት የህብረት ሥራ ማህበሩ ስም	ወረዳ	የመዝገብ ቁጥር	የተመዘ ገበባ ቀን	ወንድ	ሴት	ድምር
1	ሚሊኒም መተሳሰብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	1	የ/ክ/ክ 2010	2010ዓ.ም	1513	3824	5337
2	መተሳሰብ ሽ/ኃላ/የተ/የህ/ሥ/ማ	2	የ/ክ/ክ 2010	2001ዓ.ም	1453	1663	3116

3	ቀበሌ06/07 ሽ/ኃላ/የተ/የህ/ሥ/ማ	03	የ/ክ/ክ 2001	2000 ዓ.ም	843	2584	3427
4	ቁምነገር ሽ/ኃላ/የተ/የህ/ሥ/ማ	04	የ/ክ/ክ 2004	2004ዓ.ም	5	25	30
5	ወረዳ 4 ኮሪያ ሰፈር ሽ/ኃላ/የተ/የህ/ሥ/ማ	05	የ/ክ/ክ2002	2002 ዓ.ም	1136	3664	4800
6	ፋና ሽማግሌ ሽ/ኃላ/የተ/የህ/ሥ/ማ	06	የ/ክ/ክ2002	2002 ዓ.ም	38	33	71
7	የየካ/ቀ/11/12/08/ ሽ/ኃላ/የተ/የህ/ሥ/ማ	07	የ/ክ/ክ2010	2010 ዓ.ም	381	797	1178
8	ዕድገት በሕብረት ሽ/ኃላ/የተ/የህ/ሥ/ማ	08	የ/ክ/ክ2010	2010 ዓ.ም	754	1743	2497
9	ጥረት መሀል ኮተቤ ሽ/ኃላ/የተ/የህ/ሥ/ማ	09	የ/ክ/ክ2001	2001 ዓ.ም	970	1563	2533
10	አዲስ ጮራ ሽ/ኃላ/የተ/የህ/ሥ/ማ	10	የ/ክ/ክ2004	2004 ዓ.ም	1079	1846	2925
11	ቀበሌ 19 ሎቁ ሽ/ኃላ/የተ/የህ/ሥ/ማ	11	የ/ክ/ክ2000	2000 ዓ.ም	704	1447	2151
12	ዕድገት በጋራ ሽ/ኃላ/የተ/የህ/ሥ/ማ	12	የ/ክ/ክ2000	2000 ዓ.ም	1511	3341	4852
13	አያት መንደር ሽ/ኃላ/የተ/የህ/ሥ/ማ	13	የ/ክ/ክ2007	2007 ዓ.ም	441	562	1003
14	ሀዳሴ ሽ/ኃላ/የተ/የህ/ሥ/ማ	13	የ/ክ/ክ2004	2004 ዓ.ም	1183	1931	3114
	ጠቅላላ ድምር				135437	279384	414821

Source; Addis Ababa City Administration Cooperative Agency,unpublished report (2018)

- 7.1- Elementary/Junior School (Grade 1-8th) -----
- 7.2 -High School (Grade 9th -12th) -----
- 7.3 -College Diploma Completed-----
- 7.4- University Degree (BA/BSc.) Completed-----
- 7.5- University Second Degree (MA/MSc.) Completed-----
- 7.6 - University third Degree (PhD.) Completed-----
- 7.7-Any other-----

- 5. How many years are the terms of board of directors? -----years
- 6. How many times in a year the General Assembly conduct meetings? -----Years

Part Two

The following are corporate governance Practices regarding Function of Board of Director. To what extent do they apply to your cooperative? Please tick [] in the appropriate column.

Note: - kindly tick (√) you feel appropriate for your feedback’.

Corporate Governance Practice

S/n	Role and Function of Board of Director	Not at all 1	To a less extent 2	To a moderate extent 3	To a large extent 4	To a very large extent 5
7	The Board monitors and evaluate the implementation of policies, plans and performance					
8	The Board ensures that the cooperative complies with the relevant laws, regulation and code of business practice.					
9	Members of the cooperative participate in major decision of the cooperative					
10	The Board regularly review procedures to ensure the effectiveness of					

	the internal control system					
11	The Board ensures that the accounts presented in line with accepted accounting principle and standards.					
	The Roles and Function of General Assembly (GA)					
12	The General Assembly meet at least Once in Year					
13	The General Assembly elect, dismiss, the member the Board , Audit committee, and other sub-committee					
14	The General Assembly Approves the annual work plan					
15	The General Assembly gives decision on the audit report					
16	The General Assembly decides how the annual net profit of the cooperatives distributed.					

Part Three

The following questions are related with the challenges faced in the implementation of the corporate governance Practices. To what extent do they apply to your cooperative?

Please tick [] in the appropriate column

Corporate Governance Challenges

S/n	challenges faced in the implementation of the corporate governance Practices	Not at all 1	To a less extent 2	To a moderate extent 3	To a large extent 4	To a very large extent 5
17	There is lack of independence within the Board					

18	There is political interference in the operation of the cooperatives					
19	There is lack of commitment and leadership					
20	There is limited supplies of goods and services					
21	Boards allowing transactions that benefits a few at the expense of many members					
22	The Audit Committee is incompetent					
23	There is corruption and mismanagement of funds in the cooperatives					

Part Four

Corporate Governance Variables

Section A: BOARD SIZE

S/n		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	Small board size enhances your business performance.					
2	Small board sizes are better in the provision of resources.					
3	Small number of board of directors is important to solve problems related to operational performance of the cooperatives.					

4	The cooperative benefit from small board size since they provide effective oversight of management which leads to improvement of organizational performance.					
5	A small board size is better to share expertise and experience to the board.					

Section B: BOARD GENDER DIVERSITY

S/n		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	Female board of directors' in terms of board diversity helps improve the cooperative operation and performance.					
2	There is a requirement to encourage participation of female members in the board.					
3	The cooperative strives to hold 30% sit by female members.					
4	Gender diversity affects the monitoring role of the board of directors.					

Section C: BOARD MEMBERS EDUCATIONAL QUALIFICATION

S/n		Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
-----	--	--------------------------------------	-----------------------------	----------------------------	--------------------------	-----------------------------------

						5
1	Board members academic qualifications have been considered before election to the cooperative board.					
2	All board members have relevant knowledge and experience to support the cooperative.					
3	Educational qualification of directors has any significant effect on their monitoring and controlling and their efficiency.					
4.	The board members are qualified to discharge their duties.					

Section D: BOARD MEMBERS MEETING FREQUENCY

S/n		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
1	There is poor attendance in board meetings.					
2	All the board meetings have not been relevant to the cooperative's performance.					
3	The number of board meetings has not an influence on cooperative performance.					
4	The board meetings haven't been chaired by board member with					

	relevant qualification.					
5	More frequently meeting of board can't generate higher performance.					

Section E: PERFORMNACE OF CONSUMERS COOPERATIVE

S/n	Items	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
	Membership Base					
1.	The cooperative has done adequate work to increase the number of members					
	Administration and Democracy					
2.	Women and youth are sufficiently represented in the elected body of the cooperative					
	Management & Human Resources					
3.	The board/committee members have adequate competencies and skills to perform their tasks.					
	Services Provision to Members					
4.	The cooperative provides adequate and quality consumer goods and services to the community and its members.					

Section F: ADDITIONAL INFORMATION

➤ Please use number only to fill the table below for each period

		Fiscal Years in Gregorian Calendar				
S/n	Variables	2013/14	2014/15	2015/16	2016/17	2017/18
1	Total number of Board of Directors.					
2	Total number of females in the Board.					
3	Total number of Directors who have degrees and above.					
4	How many times does the board members conduct meeting in a year					