



Influence of Corporate Governance on the Performance of Educational Institutions

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Abstract. The purpose of the study was to explore the influence of corporate governance practices on the performance of educational institutions. The study was underpinned by resource dependence, agency and stakeholders' theories. The study adopted a doctrinal and statutory research method to examine the existing management literature. The units of examination and analysis were transparency, Boards, Chief Executive Officers' (CEOs) attributes and the control environment. The study findings revealed that corporate governance practices affect the performance of educational institutions in emerging economies. The study recommended systemic reforms to enhance institutional governance and operational effectiveness, adoption of holistic governance structures, including the creation of independent entities devoid of government or sponsor interference, implementation of robust accountability measures, transparency, control, communication strategy, specialization anchored on qualified personnel, and stakeholder involvement in decision-making processes. The result of this study is also intended to provide valuable insights for practitioners and researchers in the field of corporate governance. Additionally, it is intended to provide a foundation for future investigations focusing on the governance of low- and middle-level educational institutions in developing countries.

Keywords: *Corporate Governance; Educational Institutions; Performance*

1. Introduction

Educational institutions globally are faced with several challenges, some of which emanate from the competing interests of the various stakeholders, including the management, customers, suppliers, financiers, governments, the community, students and shareholders. Issues of ownership, funding, developments in communication, technology, and innovation are equally affecting the competitiveness and sustainability of the institutions.

Education sector institutions in many developing countries are largely under the state and hence subject to the influence of the politicians. As a result, the boards of such entities are not only denied their independence, but the appointments to the boards are also influenced

by political patronage. This limits the institutions from accessing quality leadership. Nyarugwe et al. (2021), in their study on the application of corporate governance principles in faith-based education institutions in Zimbabwe, cited sponsors' undue interference with the running of educational institutions, harassment and intimidation, and conflicts between the management and the sponsors based on issues of faith. Similarly, Mwelwa & Phiri (2025) argue that violent political changes in the developing countries continue to be an impediment to consistency in the implementation of the policies and disrupt the functioning of school programs.

The other impediment to the performance of educational institutions, especially those at the lower and middle levels, relates to mismanagement due to their inability to attract specialized manpower. Whereas many of the managers of these institutions lack the necessary financial and managerial capabilities, they also double responsibilities, that is, undertaking both administrative and academic roles, consequently, barring transparency and accountability in the conduct of the operations of such institutions. The International Labor Organization points out that specialized labor is key to efficient and effective management and utilization of resources, as well as other productive processes (International Labor Organization, 2023).

Many of these challenges facing the education sector institutions could be attributed to questionable governance practices. Agili et al. (2020), in their investigation on the relationship between corporate governance and performance of universities in Kenya, argue that weak performance by the higher learning institutions in Kenya was heavily influenced by insufficient institutionalization of accountability, transparency, and ethics, as well as limited stakeholder participation in the management of the institutions and therefore, the need for effective governance frameworks.

The management literature documents a strong relationship between corporate governance and organizational performance (Mwangi & Nyaribo, 2022). According to OECD (2023), corporate governance practices contribute to sanity and orderliness in the management of organizations. It serves to create the right relationships between the various stakeholders in the organization, which in turn leads to the realization of the organizational goals (Supatmin, 2025).

However, some studies have pointed to mixed results or the non-existence of a relationship between some aspects of corporate governance practices and institutional performance. The variations in the studies, therefore, indicate the need for more investigations on the relationship. Further, the studies on corporate governance and organizational performance over the years have tended to focus more on corporate entities, with educational institutions and more so, those at the lower and middle levels remaining largely underexplored.

This study, therefore, is designed to understand the impact of corporate governance on the performance of educational institutions at all levels with reference to emerging countries. It aims at guiding the leadership of educational institutions and other stakeholders on the

importance of good corporate governance practices in organizations and encourages the culture of openness and unity.

1.1 Corporate governance

At the institutional level, governance is about providing certainty in leadership through processes and systems of rules and practices by which an organization is directed and controlled. Corporate governance defines the rules and procedures for decision-making and the structures for determining the objective, implementation, and monitoring of performance. It looks at the checks and balances, distribution of responsibilities among the different stakeholders in the organization, and the powers to execute the responsibilities. It also delineates the structures through which objectives are set, executed, and monitored (Ismail, 2019). However, the definition of corporate governance remains largely varied from country to country, given the differences in countries' legal systems, culture, and levels of development (Abun et al., 2022).

The practice of corporate governance has gained traction internationally due to globalization and is acknowledged as an important tool for leveraging quality in all sectors of the economy in both developed and developing countries. Equally important is the fact that good corporate governance improves efficiency in the service delivery, equitable resource allocation, bridging the information asymmetry, and overall organizational performance.

Considering the principal-agent conflicts in organizations arising from stakeholder interests, institutional dynamics, and the impact on institutional performance, the implementation of corporate governance practices has become critical to institutional survival and competitiveness. Every party must appreciate that its interests have been honored. The agency theory suggests that unless corporate governance structures are put in place, managers will not safeguard the interests of shareholders. Good corporate governance practices can assist the board in functioning effectively and the institution runs efficiently (Teixeira & Carvalho, 2023).

As revealed by the literature, corporate governance practices cannot be uniform in all countries. Similarly, there is no ideal corporate governance model suitable for all organizations. Therefore, countries adopt the corporate governance practices that are unique to their circumstances based on moral standards and conduct (Mwangi & Nyaribo, 2022).

2. Theoretical framework for corporate governance

Given the lack of consensus in the definition of corporate governance, different theoretical views have emerged from the varying backgrounds of the researchers aimed at understanding the concept. Therefore, resource dependence, agency, and stakeholder theories were adopted for understanding the relationship between organizational performance and corporate governance.

2.1 The Resource Dependence Theory

This stems from how external resources affect the organization. It emphasizes optimal utilization of resources available to the firm. It focuses on the board's responsibility in raising external resources that the organization requires through its capabilities. An organization's resources constitute a competitive advantage, an important element for its survival and the realization of its objectives. As argued by Madhani (2017), the board, through its connections, helps in accessing resources for the organization and therefore, contributes to its performance. The Board in this case is the representative of the shareholders and is responsible for raising adequate resources to run the organization. Therefore, the board has the right to demand results from the executive once they deliver on their part of the bargain by contributing their experience, expertise, and networks.

In this regard, the corporate governance structure should be designed to ensure the board's composition includes capabilities that can be leveraged for the organization's competitiveness and sustainability. This investigation aims to look at the centrality of quality and diversity in board membership to organizations.

2.2 Agency theory

The agency theory is premised on the differences in interests existing among the various players in the conduct of any business. These include the owners, the managers, suppliers, and other stakeholders. It revolves around the fact that human action is shaped by selfishness and self-preservation. Since a business has no life of its own, its preservation requires structures that can help in preserving its life. The theory rests on the assumption that organizations are established for the purpose of maximizing benefits (wealth) for their owners. Given the varying interests, the professional managers or agents are expected to manage the firm on behalf of the owners (principals). Conflict in this case arises when the owners perceive that the managers are not running the firm in their best interest.

Conflict also emerges from the fact that the managers, due to their experiences and skills, have more access to information than the owners and the uncertain situation regarding the future action of either party, and even more critically, whether the agent truly represents their ability to do the work or is spending all efforts on the work for which remuneration is dispensed. The agents' access to superior information may allow them to take advantage of the principal for their own selfish interests. To reduce the dissimilarity of information between the contractual parties, voluntary disclosure is necessary. Agency theory, therefore, advocates for a corporate governance structure that minimizes the acts of the managers that would be contrary to those of the owners. The agency theory argues that the relationship between the directors and shareholders is of a contract nature where the directors are agents of the shareholders. Therefore, the actions of the directors must also be controlled to ensure they align with those of the shareholders.

Although it may naturally appear and generally be accepted that the owners or shareholders are the principal, the organization as a corporate with a separate legal identity can also be the principal. There are also situations where the shareholders only serve their interests at

the expense of the greater good of the organization. For instance, where the shareholders insist on austerity measures to avoid ploughing more resources, whereas the organization urgently requires capital injection. Such actions may negatively impact the interests of some of the stakeholders, such as the employees. Because of these conflicting interests, there is a need to establish structures that would protect the interests of all the players. This study is therefore intended to look at whether agency issues negatively impact the organization's attainment of its objectives.

2.3 Stakeholder's theory

The theory is anchored on the premise that all the players in an organization – the board, executives, suppliers, employees, customers, and community- have no conflicting interests. That all are working for the common good of the organization, whose main objective is to benefit all stakeholders. In this context, all the entities whose actions affect or are affected by the actions of the organization constitute the stakeholders. The theory incorporates corporate accountability, institutional ethics, and management by all stakeholders. All stakeholders have the right to access information on the organization's activities that are important to their decision-making. As argued by Kaur & Lodhia (2018), since the stakeholders control important resources for the institution, the institution will respond in ways that meet the desires of the stakeholders.

The theory proposes that the board of directors and the top management (CEO) act as stewards in the best interest of the firm and not their own interests, and therefore, are inspired and pleased when the organization succeeds. The argument here is that organizations' top management is motivated to care more about the organization's sustainability (Tore, 2017). This is because the organization is the priority. Consequently, the interests of all the parties must be protected through involvement in the decision-making processes. The theory calls for a clear mechanism for staff recruitment, accountability, and operations auditing. The theory also advocates for social accountability in all the organization's activities. Since all believe in the organization's activities, there is also a greater demand for transparency and disclosure.

Whereas, the director's expertise is expected to contribute towards managing the impact of the external environment, the Board's role is to train and guide the executive, which in turn implements the decisions, as well as provide the board with well-reasoned situational analysis to further inform the boards decisions, and also align the organizational goals and the stakeholders demands, (Tore, 2017). The organization's success, therefore, depends on the convergence of purpose where everyone feels the benefit. The argument here is that as the organization strives to serve the interests of the wider group, over time it creates more value and high performance. A good corporate governance structure, in this case, is expected to provide the mechanism for synchronizing the varying roles and expectations.

3. Performance of educational sector institutions in developing countries

Education is a central pillar in the development of any country. As creators of equity and producers of knowledge, educational institutions are key to the knowledge-based economy.

Education determines the political, social, and human resource development and increases the attractiveness of the labor force. Education, therefore, enables a state to maintain competitiveness and social transformation (World Development Report, 2018).

Despite the importance of education, for developing countries, education indicators are comparatively low. The same trend is witnessed with the institutions that register the lowest performance indicators of institutional quality, such as accountability, rule of law, and regulatory quality.

According to Fomba et al. (2023), from their investigation on the relationship between institutional quality and educational quality in developing countries, using a sample of 82 developing countries distributed across the globe, they found that institutional quality influences educational quality. The argument is that since the institution can affect inputs, system, and process, good institutional quality creates an enabling environment for the attainment of the educational objectives. That is, when the quality of the institutions is compromised by poor governance, among other factors, the performance of the institution is also affected.

Educational institutions in the developing countries are faced with a myriad of challenges that compromise their performance. The increased demand for education occasioned by increased population, institutionalization of universal free primary and secondary education, and demand for more qualified labor force has led to increased enrolments and exponential expansion of educational institutions, as witnessed in countries such as Kenya. Whereas institutions have continued to grow at all levels, conversely, financial resources have dwindled leading to deterioration in the quality of management of the institutions, as well as their inability to achieve their goals, including quality teaching and research and operational effectiveness. To bridge the gap in the financing, some educational institutions have introduced business ventures, but still, such initiatives have equally met with managerial problems.

Education, being a public good, has remained largely under the authority of the state. However, there is still substantial participation of non-state actors in the sector (Mwangi & Nyaribo, 2022). The involvement of the different players has necessitated countries to adopt a hybrid framework in the management of educational institutions. This encompasses the government retaining the policy issues and some elements of control, while leaving the institutions, in most cases, to operate independently. In this case, the management of the institutions is anchored on the principle of institutional autonomy and academic freedom (OECD, 2019). But still, state interference has been witnessed in the management of the institutions, particularly in developing countries. Other challenges facing the sector stem from bureaucratic systems, centralization of decision-making, poor stakeholder participation in the decision-making processes, resistance to change by educational institutions, and lack of capacity by the educational institutions to cope with advances in technology and globalization (Nyarugwe et al., 2021).

Whereas effective and efficient management of the educational sector institutions has become a major concern, on the one hand, on the other hand, educational institutions, like any other public sector entity, are increasingly being subjected to accountability for their performance (Mwelwa & Phiri, 2025). Public sector institutions are being called upon to justify their existence, issues of value for money, productivity, customer, and result-based management are taking prominence in the management of the public and private sector institutions in the developing countries (Abun et al., 2022). Therefore, to survive, the organizations must reinvent ways to improve their operations given the challenges, as well as the dynamic environments under which they operate.

4. Methodology

The paper is based on a doctrinal study. This methodology involves critical analysis of an issue in question as a coherent system of discourse. Whereas the emphasis is placed on the examination of relevant information, a comprehensive understanding of the issue is sought by identifying, organizing, interpreting, and critiquing the information to arrive at a conclusion (Pradeep, M. D., 2019). Doctrinal research is basically library-based research involving the acquisition of information on a systematic basis, examining and evaluating to arrive at a conclusion. Although the method provides a valuable framework for examining an issue, it has limitations, particularly when examining complex issues, since it fails to consider all dimensions, such as social, cultural, and political, relevant to the matter. Additionally, the methodology is too conservative as it limits the researcher to only the available information.

This method was found relevant in addressing the objectives of the study, which aimed at an in-depth theoretical understanding of the relationship between corporate governance structures and ideals on performance of educational institutions with a view to identifying gaps and suggestions for action and further study.

The study thoroughly reviewed the existing literature to evaluate the effect of corporate governance on the performance of educational institutions with the goal of creating a theoretical model based on the findings of the previous studies. The idea here is to unify the current knowledge, at the same time, identify areas for future study.

The aim of the study is to identify gaps in existing knowledge by examining the management literature as a basis for establishing a foundation for further research on corporate governance and performance of education sector institutions.

The data used were collected through a literature review of a selection of recent relevant literature from both printed and online sources to identify study opportunities. The study looked at the models of governance structure in educational institutions and the theories that underpin corporate governance.

5. Study findings

5.1 Control environment and institutional performance

The internal control framework encompasses a range of policies and includes factors such as integrity, values and ethics, management philosophy, competence, operating modalities, organizational structure, directives, policies, and procedures that are implemented by management for the effective running of the organization. The control environment establishes the tone for ethical behavior and accountability and is embodied throughout the organization. When accountability is lacking or reduced, employees cannot effectively align their efforts with the goals of the organization; instead, individual interests begin to supersede organizational priorities. The report by OECD (2023) points out that organizations that lack robust internal controls expose themselves to a variety of risks. As argued by several studies, institutions with definitive and robust financial accountability systems are more financially disciplined, experience reduced financial mismanagement cases, and tend to be prudent in their budget utilization (Mwelwa & Phiri, 2025; Kariuki et al., 2021; OECD, 2023).

However, it is not just a question of compliance, but even more important is the fact that governance must be made congruent with the statutes and regulations that promote transparency, autonomy, and accountability. In fact, governance is seen to work better when it is an integral part of an organization (Dodd et al., 2023). Accountability, therefore, should encompass all resources in the organization for efficiency and effectiveness.

The study also revealed that to ensure compliance with the relevant statutes and regulations, mechanisms for monitoring and evaluation are necessary. However, institutions, particularly those at the middle and the lower levels, lack strong internal control frameworks and other performance monitoring and control tools, including audits (Mwelwa & Phiri, 2025). This has exposed such organizations to compromised financial accountability and management. To address these challenges, some developing countries, such as Kenya, Rwanda, and Uganda, have adopted approaches such as performance contracting and activity-based management practices, as well as entrenching risk management frameworks and internal control procedures as a mechanism for increasing accountability, transparency, and efficiency. However, the implementation of these corporate governance practices has not had an impact since they have not been adequately backed by effective legal frameworks (Antoninis & UNESCO, 2017). Therefore, it is important to consider regulating some aspect of corporate governance, for instance, issues related to the roles of the various stakeholders in the education sector.

5.2 Chief Executive Officer (CEOs) attributes and organizational performance

The chief executive officer (CEO) of an organization is the highest-ranking in the management, oversees the management decisions, and ensures efficient functioning and sustainability of the organization. Consequently, their attributes and leadership styles have an impact on the organization's performance. According to Dodd et al. (2023), organizational outcomes reflect the values, as well as the cognitive biases of the top leadership. A study by Nguyen et al. (2023) on listed companies in Vietnam involving 1240

firm-year observations between 2016 and 2020 found the existence of a relationship between the CEOs' attributes, such as age, gender, education, tenure, duality, and organizational performance. Similarly, Elsharkawy et al. (2018) used a citation mapping method to investigate CEO attributes and bank performance, taking CEO qualifications, board diversity, and bank performance as the variables. The study involved fifty-four listed banks in the United Kingdom. The results indicated a relationship between gender diversity and banks' success.

However, regarding the relationship between CEO education and bank performance, the study returned no statistical correlation. A study by Saidu (2019), to the contrary, pointed out that CEOs with economic, administrative, or functional education perform better than those without and that CEO education improves profitability. The study also revealed a positive relationship between long-tenure CEOs and performance. Similarly, a study by Kusumasari (2018) indicated a relationship between CEO tenure and organizational performance. The argument here is that when a CEO spends a long time in an organization, they gain more internal and external experience and therefore, the ability to make better decisions.

It is evident from the studies that, while recruiting the CEOs and leadership at the top echelon of the organization, it is imperative to consider the observable attributes, as well as experience, skills, and education, while aligning with the organization's existing governance structures.

5.3 Boards and organizational performance

The relevance of the board in the context of educational institutions' performance has been analyzed from several perspectives, with board size and composition constituting the most studied aspects. The Board of Directors or Councils serve to guide and validate strategic decision-making in institutions and, therefore, are an important element of corporate governance (Githaiga et al., 2022). The quality of an organization is judged by the quality of the Board (Elsharkawy et al., 2018; Githaiga et al., 2022; Omenihu & Nwafor, 2025). Several studies anchored by agency theory and empirical findings point out that boards play a mediating role between internal management, supervising policies, and advising.

It is also evident from the study that appropriate board size, diversity, skills, and institutional ownership affect organizational performance (Githaiga et al., 2022). This is supported by the findings of the study by Omenihu & Nwafor, (2025), using a panel of dataset from 1604 firms from 41 developed and developing economies to investigate the relationship between board composition with focus on board independence and board size and firm performance between 2013 to 2023, concluded that there was a significant relationship between board size and board independence and firm performance. However, this relationship weakens with countries with good governance. In other words, countries with weak institutional frameworks, a strong internal governance system may be a compensating function, as well as alleviating agency on issues related to weak external oversight.

Boards bring with them a wide range of education, experiences, and expertise, and access to external resources, which are proxies for human capital, knowledge base, and intellectual competence, critical elements in organizational performance and competitiveness. Additionally, board independence can curtail insider opportunism. As presented by agency theory, as much as larger boards could lower agency costs through enhancement of oversight, it also portends coordination issues, distribution of responsibility, and lack of commitment by some of the board members.

The study pointed out that, in situations where there is homogeneity in the Board, creativity and new ideas are often lacking, and growth is negatively impacted. Several studies also pointed out that boards should be independent enough to adequately undertake their responsibilities regarding strategy, governance, and economic performance. This finding is in line with Ndanu et al. (2017) investigating the influence of corporate governance practices on management of public technical training institutes in Nairobi, the study used a descriptive design and involved board of management members, accountants, and Principals (Heads) of the institutes. The study concluded that boards give educational institutions a personality of their own and a means of decentralizing authority.

Some studies have also indicated that organizations with a high number of females on the boards performed better than those with fewer numbers (Teixeira & Carvalho, 2023). These studies pointed out that gender diversity potentially induces efficiency since female directors improve the independence of the boards, as they are risk-averse and reticent in decision-making. The finding is consistent with the idea that the greater the number of female board members, the lower the likelihood of adopting risky policies. The studies also revealed that the age of board members does not influence the financial performance of the institution. In this context, the selection of board members should focus more on the ability to raise operational effectiveness, which ultimately improves the organization's performance, and the inclusion of women should be based on qualification and experience.

A significant number of authors also believe that politics affects institutional performance. Therefore, Board members with political connections could provide a competitive edge to the organization. As concluded by the study by Maaloul et al. (2018) on the effect of political connections on the financial and stock performance and market value of non-financial companies listed in the Tunisian Stock Exchange. The study, which was anchored on resource dependency theory, discovered that political connections improve companies' performance and market value. The results were attributed to the favors and benefits an organization can get from the political ties in terms of loan guarantees, tax exemptions, and grants. Investors, therefore, get attracted to such politically connected firms with a view to benefiting from the favors. However, the findings of Eissa & Eliwa (2021), while examining the relationship between political connection and firm profitability and market value of Egyptian firms, based on 284 firm-year observations for non-financial listed companies for the period 2014 to 2017, concluded that political connection does not contribute to firms' financial performance. These findings are consistent with the view that the education sector, the world over, is influenced by the state in terms of policy, regulation, and funding;

therefore, political patronage still plays an important role in the decision-making processes, including the appointment of boards.

The study also revealed that specialization contributes to institutions' operational efficiency. As stated by Ndanu et al. (2017), given the complexity of the educational sector, timeliness in the decision-making process is imperative. The study argues that as the boards take charge of the administrative issues, the faculty can address the academic outcomes and remain accountable for academic programs and the quality of education. However, the responsibilities of the board must be clearly defined to minimize conflicts between the principals and agents and facilitate collaborations between the organization and stakeholders.

5.4 Transparency and institutional performance

Transparency measures, such as disclosure, reporting regimes, accounting, and auditing practices, promote accountability and risk awareness among stakeholders. Disclosures create confidence among stakeholders and ensure more equitable resource allocation. Where disclosure is compromised, accountability is inhibited, and independent monitoring is truncated, creating room for corruption. Ideally, stakeholders can only make decisions based on the extent to which they are informed. However, in several developing countries, control and bureaucracy have tended to hold sway in the governance of institutions instead of transparency (*Annual Report 2024 - Publications*). Transparency International has consistently pointed out in its reports that corruption is prevalent in the education sector in many countries and that it is a major obstacle to the realization of Sustainable Development Goal 4 (SDG4) by 2030. Further, corruption not only undermines public trust but has far-reaching consequences on the social and economic development of the country (*Annual Report, 2024- Publications, 2025*).

Several studies have established a relationship between transparency and organizational performance. As argued by Mwelwa & Phiri (2025), transparency is known to foster accountability and, therefore, is fundamental in fighting corruption in all sectors of the economy. (Bett et al., 2024), looking at the role of transparency as a corporate governance strategy in the financial output of state-owned commercial enterprises in Kenya, the study involved 46 state-owned commercial enterprises and adopted an explanatory research design. The study revealed that transparency positively and significantly influenced the financial performance of the enterprises. Therefore, implementation of transparency practices such as sound accounting and auditing, timely publishing of financial and related reports, governance audit, oversight, and sound communication strategies improves operational efficiency and organizational legitimacy and consequently organizational performance.

Fernandez (2025) investigated the relationship between transparency and governance of secondary schools in Digos City, Philippines, and found a strong positive correlation between transparency and governance. This indicated that enhanced transparency contributes to effective governance structures and practices. On the contrary, a study by

Hassouna et al. (2017) on the effect of the transparency and disclosure level on performance of Egyptian listed companies, involving 85 companies, showed an insignificant relationship between transparency and disclosure and firm performance in an emerging market. The finding was attributed to deteriorating law and order, an underdeveloped corporate culture, and less corporate governance awareness. In other words, the relevance of transparency and disclosure to firm performance is equally dependent on the effectiveness and adequacy of the regulatory framework and other factors. Therefore, there is a need for cultural and professional cooperation among all stakeholders. The findings demonstrate that contextual dynamics affect transparency-performance relationships. Consequently, disclosure of timely and credible information, stakeholder involvement, and effective communication are critical to the performance of educational institutions.

6. Conclusion

The purpose of the paper is to explore the effects of corporate governance practices on the performance of educational institutions, particularly in developing countries. The study was doctrinal in approach. This involved a thorough examination of relevant literature on corporate governance and educational institutions with a focus on developing countries. The results indicated that the practice of corporate governance among the educational institutions in the developing countries is weak, and therefore, there is a need for strengthening. Additionally, corporate governance, particularly for middle and lower-level institutions in developing countries, has not been well researched, and therefore, there is a need for more studies.

The study revealed that corporate governance significantly affects the performance of educational institutions in developing countries and that some of the challenges facing the institutions, such as corruption, delivery of low-quality educational service, accountability, strikes, and other forms of disruption, can be directly attributed to poor governance structures. However, the results are mixed, pointing to the fact that the effects of elements of corporate governance on organizational performance are not uniform.

The results confirm the centrality of effective governance structure for educational institutions in building investor and stakeholder confidence, attracting necessary financial resources, and a source of competitiveness for educational institutions in developing countries.

The study contributes to the literature on corporate governance in educational sector institutions, especially as it pertains to performance improvement. Additionally, the issues that have been identified could constitute research issues for the future.

7. Recommendations

As policy, education sector institutions in collaboration with the state should seek to implement governance mechanisms, including putting in place robust accountability and transparency frameworks, including audit departments and other oversight committees that

are well-resourced, independent, and transparent. Such controls would enhance risk identification, assessment, and mitigation, and tighten enforcement mechanisms to ensure compliance. The reform initiatives should also include the enactment of enabling legislation to facilitate the establishment of autonomous and independent entities, including the creation of funding models that allow for more autonomy and accountability for the institutions, and the adoption of transparent communication strategies.

Overall, the state should, as far as appropriate, divest from control and management functions in the educational institutions. Considering the uniqueness of educational sector institutions, there is a need to develop models of corporate governance that consider the peculiarities of the sectors and levels of development, as opposed to the tendency to duplicate models borrowed from developed countries in developing countries or adopting the same governance system across the sectors, resulting in resistance or failure to meet the intended objectives.

The management should prioritize institutionalization of corporate governance practices, including adherence to corporate governance practices, building the capacity of the management boards on governance, undertaking regular board evaluations to ensure the members are adequately informed to leverage their individual and collective unique capabilities for effective decision processes and resource mobilization, and establishing mechanisms for stakeholder engagements.

Conflict of Interest Statement

The authors are affiliated with John Von Neumann University, which may benefit from the findings of this study. However, all analyses were conducted objectively, and the institution had no influence on the research process or the reporting of results. No additional conflicts of interest are declared.

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