



MANAGERIAL COMPETENCES, CAPITALISATION LEVEL, AND FINANCIAL PERFORMANCE OF COMMERCIAL BANKS IN UGANDA

ABSTRACT

This study sought to establish the relationship between managerial competences, capitalization level and financial performance of commercial banks in Uganda following reported persistent poor financial performance. This could be attributed to challenges of management competences and level of capitalization (Alkhatib, 2016 & Jihad, et al., 2016).

The study adopted a cross sectional design which was quantitative and correlation in nature. A sample of 24 commercial banks was selected using purposive sampling, targeting respondents in five categories, viz; Members of the Board, Chief Finance Officers, Bank Operations Managers and Senior Credit Officers. The data was tested for reliability, analyzed using SPSS and results presented based on the study objectives. The results revealed a significant positive relationship between financial performance and each of managerial competences and capitalization level. It suited to recommend that the commercial banks; 1. Hire competent executives so as to improve financial performance of their banks, 2. Raise the much needed capital in banks to boost performance 3. Follow appropriate financial management practices and regulations in their operations and 4. Monitor the financial performance indicators like liquidity, profitability level and loan performance levels in order to make timely intervention.