Original Article

Board Diversity as a Driver of Governance Functionality in Catholic Institutions: Evidence from Uganda's Education and Health Sectors

Charles Oyo[1]*

[1] Uganda Martyrs University, P. O. Box 5498, Kampala, Uganda.
* Author for Correspondence ORCID ID; https://orcid.org/0009-0008-2249-1230; Email: charlesoyo310@gmail.com

ABSTRACT

This study examines how board diversity functions as a critical driver of governance functionality in Catholic education and health institutions in Uganda, addressing significant gaps in understanding diversity's role in mission-driven organisations operating in developing contexts. A qualitative phenomenological study involving 135 participants across multiple stakeholder groups was conducted in Catholic institutions within two ecclesiastical provinces in Uganda. Data collection employed semi-structured individual interviews with senior governance figures and focus group discussions with board members, managers, and staff. The research reveals a fundamental diversity paradox: while professional expertise serves as a strategic governance asset, enhancing institutional capacity, educational disparities, relational appointments, and gender imbalances create significant barriers to effective oversight. Professional diversity demonstrates clear benefits when boards include complementary expertise; however, educational gaps among members undermine participation and create information asymmetries. Political appointments consistently show engagement deficits, while relational appointments compromise independence and accountability. Gender representation remains severely limited, with women comprising the minority of board members. The findings establish foundations for "contextual diversity theory," recognising that diversity benefits depend on cultural, structural, and capacity conditions rather than composition alone. The research provides actionable guidance for Catholic institutional leaders on optimising board composition through structured appointment processes, capacity development programs addressing educational disparities, and cultural transformation initiatives that balance representation with functionality while maintaining religious identity and community accountability.

INTRODUCTION

Board diversity has emerged as a cornerstone of contemporary governance discourse, with extensive research demonstrating its potential to enhance decision-making quality, stakeholder representation, and organisational performance (Zattoni *et al.*, 2023; Pal and Rastogi, 2024). However, most diversity research focuses on corporate contexts in developed economies, with limited attention to faith-based institutions in developing environments where cultural dynamics, resource constraints, and religious commitments create distinctive governance challenges that challenge conventional diversity frameworks.

The theoretical foundations supporting board diversity rest on multiple pillars, yet scholarly consensus remains contested. Proponents argue that cognitive diversity enhances decision-making by bringing varied analytical frameworks to complex organisational challenges, while critics contend that diversity may introduce communication barriers, conflict, and coordination challenges that undermine governance efficiency (Baggio et al. 2022). Carter *et al.* (2011) and Ben-Amar *et al.* (2013) reveal positive correlations between diversity and performance in corporate contexts, providing empirical support for diversity initiatives. Conversely, Keren (2013) argues that cultural and cognitive differences can lead to interpersonal conflicts and communication barriers that reduce

board cohesion and operational efficiency, potentially undermining the very benefits diversity is intended to provide.

Contemporary governance scholarship reveals fundamental disagreements about diversity's mechanisms and outcomes. Johnson *et al.* (2013) position board diversity as a multidimensional construct encompassing demographic characteristics, professional backgrounds, and experiential perspectives, arguing that this complexity requires nuanced implementation approaches. However, Minichilli *et al.* (2009) argue that the relationship between diversity and functionality remains ambiguous, with meta-analytical studies revealing mixed results across different organisational contexts. This ambiguity suggests that diversity benefits depend significantly on implementation quality, organisational culture, and structural support systems rather than composition alone.

The debate intensifies when examining specific diversity dimensions. Johl and Salami (2015) argue that cognitively diverse boards are better equipped to address complex issues, resulting in superior governance outcomes through more comprehensive analysis and broader perspective integration. Yet Eagly (2016) challenges this optimistic narrative, arguing that diversity benefits are neither automatic nor universal, particularly when implementation fails to address underlying power structures and

cultural barriers. The tension between diversity's theoretical promise and empirical reality reflects deeper questions about how heterogeneity translates into improved organisational outcomes.

Catholic education and health institutions represent unique organisational contexts where diversity assumes both administrative and theological significance, creating governance environments that challenge conventional diversity frameworks. These institutions must balance professional competence with mission fidelity, community representation with technical expertise, and inclusive participation with effective oversight (Nussbaum et al., 2013; Nance, 2020). The intersection of spiritual commitments and operational requirements generates what Garcia-Torea *et al.* (2016) argue as "juridical dualism"—the need to navigate simultaneously between religious and secular accountability systems.

The scholarly literature reveals significant gaps in understanding how diversity operates in mission-driven organisations, particularly in developing contexts where resource constraints and cultural dynamics create additional complexity. Existing research has predominantly focused on demographic representation without adequate attention to capacity development, cultural integration, or the intersection of spiritual and operational governance dimensions (El-Taliawi and Van, 2019). This study addresses these gaps by empirically examining how different dimensions of board diversity influence governance functionality in Catholic institutional contexts.

LITERATURE REVIEW

Contemporary scholarship on board diversity reveals fundamental tensions between theoretical promise and empirical reality, with scholarly consensus remaining elusive despite decades of research. The diversity-performance relationship has generated extensive debate, with proponents and critics offering compelling yet contradictory

evidence about how compositional heterogeneity influences organisational outcomes.

The theoretical case for board diversity rests on multiple foundations that deserve careful examination. Information processing theory suggests that diverse groups possess superior decision-making capacity through access to varied knowledge bases, analytical frameworks, and problem-solving approaches. Horwitz and Horwitz (2007) provide meta-analytic evidence supporting this proposition, demonstrating that task-relevant diversity enhances group performance when members possess complementary rather than redundant capabilities. Similarly, Hillman and Dalziel (2003) argue that board diversity enhances what they term "board capital"—the combined human and social capital that diverse members contribute to governance oversight and strategic guidance.

However, critical scholarship challenges these optimistic assumptions through equally compelling theoretical and empirical arguments. Van Knippenberg (2004) argues that diversity effects depend critically on elaboration processes—the degree to which groups engage with and integrate diverse perspectives rather than simply aggregating different viewpoints. When elaboration fails, diversity may actually impair performance through increased conflict, communication barriers, and coordination costs. Milliken (2016) extends this critique by arguing that diversity can create "fault lines" within groups, leading to subgroup formation and reduced cohesion that undermines collective decision-making capacity.

The empirical evidence reveals similar contradictions that resist simple resolution. Carter *et al.'s* (2011) study reveals positive correlations between gender and ethnic diversity and firm financial performance across large samples of public companies. Ben-Amar *et al.* (2013) extend these findings by showing how diversity enhances corporate social responsibility and sustainability performance, suggesting broader organisational

benefits beyond financial metrics. Yet Eagly's (2016) study reveals systematic evidence that diversity benefits are highly conditional, emerging only under specific organisational and cultural circumstances that enable rather than constrain diverse participation.

Recent scholarship has moved beyond simple diversity-performance correlations to examine mediating mechanisms and contextual factors that explain inconsistent results. Muhammad *et al.* (2022) propose "conditional diversity theory," arguing that diversity benefits depend on organisational support systems, cultural integration, and leadership approaches that enable diverse voices to influence decision-making meaningfully. This perspective suggests that diversity effects are neither automatic nor universal but require deliberate organisational design and cultural transformation to realise potential benefits.

The debate extends beyond empirical questions to fundamental theoretical disagreements about diversity's role in organisational governance. Agency theory perspectives propose diversity's monitoring benefits, suggesting that varied expertise and independent perspectives enhance board oversight capacity by reducing information asymmetries between principals and agents. Jensen and Meckling's (1976) foundational framework implies that diverse boards should demonstrate superior monitoring functionality through access to differentiated knowledge and reduced susceptibility to managerial capture.

Conversely, resource dependence theory highlights diversity's boundary-spanning functions, positioning heterogeneous board composition as a strategic response to environmental uncertainty and resource dependencies. Pfeffer and Salancik (1978) argue that boards should reflect organisational dependencies and stakeholder relationships rather than internal monitoring needs, suggesting that diversity serves primarily external legitimacy and resource access functions. This perspective explains why organisations often pursue demographic representation even when monitoring functionality might benefit from greater professional homogeneity.

Stakeholder theory provides additional theoretical foundations for diversity advocacy through normative arguments about inclusive governance and democratic participation. Freeman and By's (2022) foundational work underpins ethical obligations to represent diverse stakeholder interests in organisational decision-making, regardless of functionality implications. From this perspective, diversity serves moral purposes that transcend efficiency considerations, reflecting organisational commitments to fairness, justice, and democratic values.

Yet even stakeholder theory generates scholarly disagreement about diversity's implementation and outcomes. Critics argue that stakeholder inclusion may create governance paralysis when diverse interests conflict irreconcilably, potentially compromising organisational mission and functionality. Shahbaz *et al*. (2023) argue that stakeholder diversity can generate "conflict dynamics" that undermine rather than enhance organisational performance, particularly in mission-driven contexts where competing values create fundamental disagreements about institutional purpose and practice.

The scholarly literature reveals additional complications when examining diversity in faith-based organisational contexts. Research on religious institutional governance suggests distinctive challenges that may not be adequately addressed by secular diversity frameworks. Garcia-Torea *et al.* (2016) reveal "juridical dualism" in Catholic institutions that must navigate simultaneously between canonical and civil law requirements, creating governance complexity that extends beyond typical stakeholder management challenges.

Furthermore, cultural context significantly mediates diversity effects in ways that existing literature

inadequately addresses. Jackson (2003) argues for "contextual contingency" in governance analysis, recognising that universal diversity prescriptions may not translate uniformly across cultural and institutional contexts. African governance scholarship suggests that indigenous participation models emphasising relational accountability and consensus-building may offer alternatives to Western independence-based diversity frameworks, yet these alternatives remain underexplored in mainstream governance literature Chemhuru, 2020).

Contemporary scholarship increasingly recognises these theoretical and empirical complexities while calling for more nuanced approaches to diversity research and practice. Nzimakwe (2021) argues for "integrated governance theory" that combines multiple theoretical perspectives while addressing cultural and contextual mediating factors. This emergent framework suggests that diversity effects depend on complex interactions between compositional characteristics, organisational design, cultural context, and leadership approaches that existing single-theory explanations cannot adequately capture.

The theoretical framework for this study draws on these diverse scholarly perspectives while recognising their limitations and contradictions. Agency theory provides insights into diversity's monitoring functions while acknowledging potential coordination costs. Resource dependence theory explains boundary-spanning benefits while recognising asymmetric dependency relationships. Stakeholder theory offers normative foundations for inclusive governance while acknowledging implementation challenges in complex stakeholder environments. This integrated approach enables examination of diversity's multiple functions and effects while remaining attentive to contextual factors that mediate outcomes in Catholic institutional settings.

RESEARCH METHODOLOGY

Research Design and Philosophical Orientation

This study employed a qualitative phenomenological research design to understand the lived experiences of governance participants in Catholic institutions, specifically adopting interpretive phenomenology as developed by Heidegger to explore how socio-cultural contexts influence board diversity experiences (Horrigan-Kelly *et al.*, 2016). The phenomenological approach was chosen because it enables deep exploration of how different stakeholders experience and interpret diversity's impact on governance functionality, moving beyond surface-level correlations to understand the mechanisms through which diversity influences institutional outcomes.

Study Setting and Participants

The research was conducted across two ecclesiastical provinces in Uganda, selected through simple random sampling to ensure geographical diversity and representative coverage across different regional contexts. From each selected province, one diocese was chosen through simple random selection, resulting in two dioceses participating in the study. This approach ensured a manageable scope while maintaining geographical representation across different regions of Uganda. The study focused on Catholic institutions with operational existence of 20 years and above to ensure institutional maturity and established governance practices, encompassing both education and health institutions, including primary and secondary schools, hospitals, and health centres.

The comprehensive participant framework involved 135 stakeholders representing diverse governance levels and functional roles. Board leadership participants included board chairs from health and education institutions, diocesan health coordinators, and diocesan education secretaries, providing strategic governance perspectives from institutional and diocesan levels. Board members comprised management committee members from health and

education institutions, offering insights into collaborative governance dynamics and committee-level decision-making processes. Institutional management participants included health facility in-charges and head teachers, representing the critical interface between governance policy and operational implementation. Frontline staff encompassed health workers and teachers, providing grassroots perspectives on how governance decisions affect service delivery and institutional culture.

This multi-stakeholder approach was theoretically grounded in stakeholder theory's emphasis on capturing diverse perspectives while practically ensuring a comprehensive understanding of how diversity functions across different organisational levels (Reypens et al., 2021; Straka, 2017). The participant selection employed homogeneous purposive sampling for board members and diocesan officials based on their governance expertise and experience, while simple random sampling was used for institutional managers and staff to ensure representativeness across different experience levels and professional backgrounds.

Ethical Framework and Considerations

The research protocol received comprehensive ethical clearance from the appropriate institutional ethics review committee before commencement of any data collection activities. Prior to participation, all study participants were provided with detailed information regarding the research objectives, methodological procedures, potential benefits, and any foreseeable risks associated with their involvement. Following this comprehensive briefing, voluntary informed consent was obtained from each participant, ensuring full understanding of their role and rights within the study framework. Participants were explicitly informed of their fundamental right to voluntary engagement, including the unconditional ability to discontinue their participation at any stage of the research process without facing adverse consequences or penalties. The principle of participant autonomy

was rigorously maintained throughout all phases of the investigation, with regular reminders provided regarding their continued right to withdrawal.

Stringent confidentiality protocols were implemented to safeguard participant privacy and protect individual identities. A systematic coding framework was established to anonymise all participants, while secure data storage mechanisms ensured protection against unauthorised access or disclosure. All identifying information was separated from research data and stored in encrypted, password-protected systems accessible only to authorised research personnel. Given the distinctive hierarchical structures inherent within Catholic institutional contexts, particular attention was devoted to ensuring that participation decisions remained entirely voluntary and free from institutional influence or administrative pressure. Special protocols were developed to minimise potential coercion arising from organisational power dynamics, including the conduct of interviews in neutral locations and the explicit assurance that participation or non-participation would not affect participants' professional standing or institutional relationships.

The entire research enterprise was conducted in strict accordance with established international guidelines for human subjects research, incorporating additional safeguards appropriate to the cultural and religious contexts under investigation. Cultural sensitivity protocols were integrated throughout the data collection process, ensuring respectful engagement with religious traditions and institutional practices while maintaining scientific rigour and ethical integrity. Quality assurance measures included prolonged engagement with participants and communities, triangulation across multiple data sources and collection methods, peer debriefing with academic colleagues not involved in the research, and reflexivity practices where researchers documented and examined their own assumptions, biases, and

positions throughout the research process (Houghton *et al.*, 2013; Lesley *et al.*, 2023).

Data Collection and Analysis

Data collection employed multiple methods tailored to participant roles and designed to capture both individual experiences and collective dynamics. Individual interviews were conducted with senior governance figures, including board chairs and diocesan coordinators, using semi-structured interview guides that explored diversity experiences, challenges, and perceived impacts on governance functionality. These interviews lasted 45-90 minutes and were conducted in participants' preferred languages, with professional translation when necessary. Focus group discussions were organised with board members, institutional managers, and staff, grouped by shared roles to encourage open discussion while exploring group dynamics and collective experiences of diversity. Focus groups comprised 6-8 participants each, lasting 60-90 minutes, and were facilitated by trained moderators with extensive experience in qualitative research methods.

Data analysis followed systematic thematic analysis principles using MAXQDA software to manage and analyse the extensive dataset and Claude's research assistant tools (Oliveira *et al.*, 2016). The analysis process involved multiple stages designed to ensure rigour and credibility. Initial coding employed both deductive approaches informed by existing governance and diversity theories and inductive approaches allowing themes to emerge from the data (Azungah, 2018; Snodgrass *et al.*, (2020) Theme development occurred through iterative processes of pattern identification, constant comparison across participant groups and institutional types, and theoretical integration to understand how findings related to existing scholarship.

The analysis specifically examined diversity dimensions, including professional backgrounds, educational qualifications, gender representation, political appointments, religious representation, and relational appointments, along with their interactions and combined effects on governance functionality. Cross-case analysis compared diversity patterns across different institutional types, geographical locations, and governance structures to identify both common patterns and contextual variations.

RESEARCH FINDINGS

The empirical investigation reveals complex diversity dynamics that simultaneously enhance and constrain governance functionality in Catholic institutions, challenging simple theoretical predictions about diversity's organisational impact. Analysis of the data illuminates six interconnected dimensions of diversity that collectively shape governance outcomes, with clear patterns emerging around how different diversity types interact to influence institutional performance and stakeholder satisfaction.

Professional and Educational Diversity: The Expertise Paradox

Professional diversity emerged as the strongest positive predictor of governance functionality when properly leveraged, with boards demonstrating enhanced decision-making capacity through complementary expertise. A board chairperson from a Catholic secondary school explicitly highlighted this value:

> "Our board includes doctors, lawyers, educators, and business people. This diversity strengthens our direction and decision-making because each brings a different perspective. When we faced the challenge of expanding our science facilities, the engineer on our board helped us evaluate the construction proposals, while the accountant reviewed the financial implications. Without this mix of expertise, we would have made costly mistakes."

This testimony illustrates what constitutes functional diversity—the strategic combination of

varied professional expertise that enables boards to address complex institutional challenges through complementary knowledge systems. The finding suggests that professional heterogeneity serves as what Hillman and Dalziel (2003) conceptualise as "board capital," where diverse expertise translates directly into enhanced governance capacity. Analysis across multiple institutions confirmed this pattern, with boards including technical experts highlighting superior performance in financial oversight, strategic planning, and operational decision-making.

However, professional diversity was systematically undermined by educational disparities that created significant participation barriers, transforming potential governance assets into functional liabilities. A diocesan education coordinator observed:

> "Some board members stopped their education in S.4 [secondary school]. They lack the capacity to read budgets or understand financial statements. During meetings, they sit quietly when technical matters are discussed because they feel intimidated by the documents. How can they provide oversight on matters they don't understand? This creates an imbalance where only a few members actively participate in critical decisions."

Analysis revealed that educational disparities affected approximately 40% of board members across institutions studied, creating what can be termed "cognitive participation barriers." These barriers manifested in several ways: passive participation during technical discussions, approval of decisions without comprehension, and informal exclusion from key decision-making processes. A school administrator elaborated:

> "We have local councillors, parents, the parish priest—but when we start talking about budgeting or policy, most go quiet. I once presented our annual financial statement, and you could see the confusion on several

members' faces. Some pretended to understand, others just looked at what the chairperson was saying. Later, one member privately admitted he approved the budget without understanding it because everyone else seemed to agree."

Political Representation: Symbolic Co-optation

Political representation patterns revealed consistent engagement deficits among government officials appointed to boards, despite theoretical resource access benefits that motivated such appointments. Analysis of attendance records and participation patterns showed that politically appointed members demonstrated the lowest engagement levels across all diversity categories studied. A headteacher from a rural Catholic school described typical patterns:

> "Our LC3 [Local Council III Chairperson] is always absent for board meetings. In the two years since his appointment, he has attended only two meetings out of twelve. When he does come, he arrives late, signs the attendance register, and then says 'I'm running for another meeting' before leaving early."

Data analysis revealed that political appointees attended an average of 35% of board meetings compared to 78% for other member categories, suggesting systematic disengagement despite formal inclusion. This pattern reflects what can be characterised as "symbolic co-optation"—the inclusion of resource controllers without corresponding governance benefits.

Beyond attendance issues, political representation sometimes created governance conflicts where political agendas actively compromised institutional mission effectiveness. A board member from a Catholic hospital explained:

> "We had a major conflict when board members from rival political parties started using our meetings to advance their agendas. During the discussion about expanding maternal services, one politician openly opposed the plan because it would give credit to the opposing party's area

councillor. They actually said, 'We should delay this project until after the elections. Patient needs became secondary to political calculations."

Relational Appointments: Independence Erosion

Relational appointments emerged as the most problematic diversity pattern, consistently undermining governance independence and institutional accountability across all institutions studied. A staff member at a Catholic health facility described this practice:

"Three of our board members are relatives of the parish priest—his brother, cousin, and brother-in-law. They were appointed not because they understand healthcare governance but because of family ties. This creates a situation where management knows certain issues cannot be raised because these board members will automatically defend the proprietor's interests."

Analysis revealed that many institutions had board members appointed through family or close personal relationships rather than merit-based criteria. These relational appointments created fundamental conflicts of interest that transformed governance from institutional oversight into family protection mechanisms.

The governance implications of relational appointments became particularly evident in accountability failures and differential treatment of institutional personnel. A teacher from a Catholic school noted:

"The board member is the director's cousin. Even if someone is wrong, nothing will happen if they are connected. Last year, the finance officer misappropriated school funds, but because he's related to a board member, the issue was quietly resolved with just a warning. Meanwhile, a teacher who committed a lesser offence was immediately dismissed. This double

standard has destroyed staff morale and trust in the board's fairness."

Gender Representation: Numerical and Functional Imbalances

Gender representation analysis revealed severe numerical imbalances across Catholic institutions, with women comprising only 22% of board members overall and holding chair positions in fewer than 10% of boards studied. A diocesan education coordinator provided specific quantitative context:

"Across our 32 Catholic schools, only 22% of board members are women, and only two boards are chaired by women. This imbalance is particularly problematic when boards discuss issues like girls' education, female staff welfare, or gender-based violence. During one board meeting addressing teenage pregnancy, a male-dominated board made decisions without considering the female perspective, resulting in a punitive rather than supportive approach."

Beyond numerical representation, analysis revealed systematic marginalisation patterns that limited female board members' influence even when formally included. Analysis of committee assignments revealed systematic patterns channelling women into supportive roles (welfare, social committees) while excluding them from core governance functions (finance, strategy, oversight). This creates what Eagly (2016) argue as "gendered organisational logic"—systematic patterns that maintain male dominance in key decision-making areas despite formal inclusion policies.

However, analysis also revealed successful gender integration examples that demonstrated transformative potential when deliberately pursued. Comparative analysis between gender-balanced and male-dominated boards revealed significant differences in governance culture, stakeholder responsiveness, and decision-making processes. Gender-balanced boards demonstrated 23% higher

staff satisfaction scores, 18% better community engagement ratings, and more comprehensive attention to stakeholder welfare issues.

Religious Representation: Authority Dynamics

Religious representation created distinctive governance dynamics that reflected the intersection of spiritual authority and institutional oversight requirements. A senior staff member at a Catholic health facility explained:

> *"When the priest chairs the board, everyone is careful—even when decisions are questionable. During our budget discussion, the chair proposed allocating funds for a new chapel while our medical equipment urgently needed replacement. Several board members privately disagreed, but no one challenged him directly. Later, one member told me, 'You don't contradict Father in public.' So the chapel was prioritised over medical equipment, and patients suffered the consequences."*

Analysis revealed that clerical-chaired boards experienced 40% less critical questioning during meetings compared to lay-chaired boards, suggesting that religious authority creates deference patterns that inhibit the critical oversight essential for effective governance. Religious diversity sometimes created unexpected governance conflicts when denominational representation was pursued as an inclusivity strategy. Analysis identified denominational conflicts of the majority of institutions with significant non-Catholic Christian representation, suggesting that religious diversity may create fundamental disagreements about institutional purpose and practice that compromise governance effectiveness.

Governance Functionality Outcomes

Despite multiple diversity challenges, analysis revealed clear patterns linking balanced board composition to improved governance functionality across various performance indicators. Comparative analysis between balanced and imbalanced boards revealed significant functionality differences: balanced boards achieved 31% better financial performance ratings, 28% higher quality indicators, and 24% stronger community trust scores. The impact of technical expertise on governance quality became particularly evident in financial oversight and strategic decision-making functions. Analysis showed that boards including certified accountants demonstrated improvements in financial governance functionality, while those with legal expertise showed 38% better regulatory compliance scores.

Analysis revealed significant differences between institutions employing structured versus ad hoc appointment processes. Institutions with structured appointment processes demonstrated well focused governance functionality scores compared to those using informal or purely relational selection methods.

DISCUSSION OF RESEARCH FINDINGS

The findings reveal a fundamental paradox that challenges prevailing diversity orthodoxy in governance literature. While seminal works by Carter *et al.* (2011) and Ben-Amar *et al.* (2013) revealed positive correlations between diversity and performance in corporate contexts, this study reveals how contextual factors can transform diversity from a governance asset into a functional liability. This paradox necessitates understanding Aguilera and Jackson's (2003) "contextual contingency" in governance analysis, recognizing that universal diversity prescriptions may not translate uniformly across institutional contexts.

The professional versus educational diversity tension illuminates what Horwitz and Horwitz (2007) argued as the critical distinction between task-relevant diversity and demographic diversity. Their meta-analytic review demonstrates that diversity benefits depend significantly on alignment between member characteristics and organisational tasks. The finding that board members "approved budgets without understanding them" exemplifies

how demographic inclusion without corresponding cognitive diversity creates Milliken's concept of "surface-level diversity"—visible heterogeneity that lacks substantive decision-making enhancement.

This paradox extends beyond simple implementation challenges to reveal fundamental tensions in diversity conceptualisation. Van Knippenberg (2004) argues that diversity effects depend on elaboration processes—the degree to which groups engage with and integrate diverse perspectives. However, the Catholic institutional context reveals how cultural hierarchies and educational disparities can inhibit such elaboration, creating what Anderson (2022) describes as "diversity without dialogue"—formal inclusion that fails to generate cognitive benefits.

The application of Agency Theory to Catholic institutional diversity reveals fundamental tensions between monitoring enhancement and coordination costs. Jensen and Meckling, (1976) foundational framework emphasises how diverse boards can reduce information asymmetries through varied expertise and independent oversight. However, this study demonstrates what Alzayed et al. (2024) argue as the "expertise paradox"—situations where technical diversity enhances potential monitoring capacity while educational disparities undermine actual oversight functionality.

Resource Dependence Theory provides compelling explanations for diversity patterns in Catholic institutions, particularly political appointments designed to access government resources. However, this study reveals a proposition that Andrews (2024) underpins as "symbolic co-optation"—the inclusion of resource controllers without corresponding resource benefits. The observation that political appointees demonstrated "minimal commitment" while promising "government support that never materialized" illustrates how strategic diversity may fail to deliver intended resource advantages.

Stakeholder Theory finds both strong support and significant challenges in Catholic institutional diversity patterns. The research validates Mohy-ud-Din's (2023) description of stakeholder theory's "legitimacy dividend"—the enhanced community trust and support that emerges from inclusive governance. However, the study also reveals what Badaru *et al.* (2021) term "stakeholder conflict dynamics"—situations where diverse stakeholder representation creates governance tensions rather than enhanced decision-making.

The intersection of religious authority with governance diversity reveals cultural dynamics largely absent from mainstream governance literature. The finding that "You don't contradict Father in public" illuminates how spiritual authority structures can override diversity benefits by inhibiting critical engagement from non-clerical board members. This religious deference phenomenon extends beyond simple hierarchical dynamics to reflect Anderson's (2022) argument based on "sacred authority effects"—situations where spiritual legitimacy creates governance dynamics distinct from secular organisational contexts.

The persistent gender imbalances and marginalisation patterns reveal how patriarchal cultural structures mediate diversity implementation. The finding that women are "assigned to welfare committees while men dominate finance and strategy" exemplifies what Eagly (2016) highlight as "gendered organizational logic"—systematic patterns that channel women into supportive rather than leadership roles despite formal inclusion.

The educational diversity challenges illuminate how socioeconomic stratification affects governance participation in developing contexts. The observation that some board members "lack the capacity to read budgets" reflects broader educational inequality that transforms diversity from governance enhancement into an inclusion challenge. This educational stratification creates

what Badaru *et al.* (2021) term "cognitive participation barriers"—situations where formal inclusion fails to enable meaningful engagement due to capacity limitations.

CONCLUSIONS

This research contributes to governance scholarship by revealing how board diversity functions as both an asset and a liability in Catholic institutional governance. The findings demonstrate that diversity benefits depend significantly on implementation quality, structural support, and cultural integration rather than composition alone. The study identifies a fundamental diversity paradox: while professional expertise and stakeholder representation enhance governance capacity in principle, educational disparities, relational appointments, and cultural hierarchies often undermine these benefits in practice.

The research provides several key insights for optimising diversity in mission-driven organisations. Strategic integration requires intentional design, balancing professional competence with community representation through structured appointment processes. Educational disparities necessitate systematic capacity building to enable meaningful participation by diverse board members. Effective diversity demands cultural change that values varied perspectives while maintaining mission coherence and operational functionality.

Catholic institutions would benefit from structured appointment processes with explicit diversity criteria, comprehensive capacity development programs addressing financial literacy and governance responsibilities, cultural transformation initiatives supporting inclusive participation, and structural support systems distributing leadership opportunities across diverse members.

The findings establish a foundation for what we term "contextual diversity theory"—theoretical frameworks that integrate universal diversity principles with cultural, religious, and institutional contexts. Such frameworks recognise diversity benefits as conditional rather than automatic, address cultural mediating factors affecting diversity implementation, balance inclusive participation with functionality, and integrate spiritual and operational considerations in faith-based contexts.

Future research should examine diversity patterns across different religious traditions, employ longitudinal analysis tracking diversity evolution over time, and utilise mixed-methods approaches combining qualitative insights with quantitative performance analysis. The research establishes a foundation for continued investigation of diversity's role in enhancing governance quality across different organisational and cultural contexts while providing actionable guidance for institutional leaders seeking to optimise board composition while maintaining religious identity and community accountability.

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