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The Effect of Corporate Governance on the Performance of Telecommunication Industry in Rwanda: Case Study of MTN Rwanda

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Abstract:
This study is intended to determine how corporate governance affects the performance of the telecommunication industry in Rwanda. examine how board roles of policy making, monitoring and control affect the performance of the telecommunication industry in Rwanda, Assess how strategizing as a board role affect the performance of the telecommunication industry in Rwanda, examine how administrative and management practices and processes of policy implementation and decision making affect the performance of the telecommunication industry in Rwanda and finally administrative and management practice affect the performance of the telecommunication industry in Rwanda. One of the Vision 2020 of the Rwandan government is to become an industrial and knowledge-based economy. In order to achieve this, the government needs to create a sustainable industrial and economic environment that includes proper management. Nicholson, G. J. & Kiel, G. C. (2007) empirically demonstrate that poor corporate governance can lead to serious problems among others is low utilization of employed resources and as a result, the inability of companies to attract investment, revenue and growth. This study was to prove whether corporate management affects performance as some scholars tend to point out. The study employed both qualitative and quantitative techniques. The target population included MTN general managers, MTN chief of departments and MTN senior managers. Purposive and simple random sampling techniques employed to sample the participants for the study. Questionnaires were used to collect the required data and analysis were involved the use of both qualitative and quantitative methodologies focusing on descriptive statistics. Data presentation in the form of tables and figures to help interpret findings and generate conclusions that aid solutions to the identified problems. In this study, the sample was chosen to assist the researcher to understand the phenomenon under investigation. The sample for this study was therefore derived from the target population who comprised of MTN Rwanda employees who are at the management level of hierarchy. Basing on the total population at MTN of 49, Slovin's formula was used to derive the sample size of 44. Data for the research was collected using two methods. These included self-administered questionnaires and document review. Self-administered questionnaires were used since it enabled the researcher obtain first-hand information from the field (MTN Rwanda). Self administered questionnaires are appropriate for managers since they can read and write effectively and they can still put the questionnaire aside and consult for information before completion. Data obtained from respondent categories already indicated.

Keywords: *Corporate Governance and Organisational Perfomance.*

1. Introduction

1.1. Background of the Study

Implementation and enforcement of proper corporate governance practices is vital for enhancing the development of firms (as well as of an economy as a whole) and their long-term prosperity Khiari, Karaa, and Omri, (2007).If a firm has a multiple ownership, it may result in corporate governance problems. The owners/investors want to ensure that the professional managers they hire run the company in line with the best interests of its owners, working with greatest possible efficiency that consequently maximizes the added value of the firm and the welfare of all of the owners. If on the other hand, the governance is not properly conducted, the firm can face serious problems to do with its operations.

The major consequences of poor corporate governance practices, which today persist in transitional countries, are low utilization of employed resources (for instance due to the lack of appropriate incentive system, underdeveloped trust, wrong control and accountability system, etc.) and as a result, the inability of companies to attract investment.

According to Khanchel, I. (2007). corporate governance is the system used to operate and control a company. It can be thought of as a framework used to balance the roles of the management, board of directors and shareholders. The style of corporate governance should help to meet the goals of the owners, while also caring for the interests of employees, the needs of customers and the local environment.

Studies related to corporate governance practice and organizational performance have differed both in content and findings, Some Like Khanchel, I. (2007), have come up with summaries of ways to define management styles of corporate governance, which are: Chaos management (where the top management has little involvement in the strategic management process and focuses on operational policies, the board of directors may also be only minimally involved in strategy, which can occur in a company that was founded by a strong leader who is no longer involved with the company.

Finally, Partnership Management provides that the board of directors and the top management work closely together to develop the company's strategies, mission and operational policies. Board members may be active in some day-to-day operations and committees. This style may also involve mechanisms to increase shareholder representation on the board, and is most common in companies in the financing stage, when both management and the board must show they can be trusted to make decisions that will lead to business success Coles, J. W., McWilliams, V. B., & Sen, N. (2001).

A further set of studies by Coles, J. W., McWilliams, V. B., & Sen, N. (2001). not only delineates the corporate governance principles, but also determine their effects on organizational performance: Control: management-controlled companies have better sales growth performance:- Trust: companies with corporate governance practices that help shareholders establish trust enjoy higher valuations; Sovereignty - companies with truly independent boards, both from management and shareholders, are more profitable (return on equity and profit margins); and Influence – companies with boards that are strongly influenced by management and where shareholders have fewer rights pay out more to shareholders in dividends and stock repurchases.

From the foregoing preview of literature, it can be concluded that corporate governance effect on organizational performance is not granted. What matter are the specific dimensions of the governance and the chosen measure of organizational performance.

1.2. Statement of the Problem

One of the Vision 2020 of the Rwandan government is to become an industrial and knowledge-based economy. In order to achieve this, the government created a sustainable industrial and economic environment GoR, (2014). So many organization in Rwanda have been involved in poor customer services and the economy is not vaibalante as the wishes of the Government of Rwanda.

Nicholson, G. J. & Kiel, G. C. (2007) empirically demonstrate that poor corporate governance can lead to serious problems. The including low utilization of employed resources and as a result, the inability of companies to attract investment. The authors also argue that the extent of these consequences can vary from organization and country to another, and with the non-uniformity of the implications, only the direction of causality is foreseeable, not the extent.

The problem of this research is hence the lack of empirical evidence on Rwanda, which has the possible implications of uninformed strategic planning for organizational growth.

1.3. Research Objectives

The overall objective of this study is to assess the effect of corporate governance on the performance of the telecommunication industry in Rwanda.

1.3.1. Specific Objectives

In order to adequately address the overall objective, this study will be guided by the following specific objectives:

1. To examine how board roles of policy making, monitoring and control affect the performance of the telecommunication industry in Rwanda
2. To Assess how strategizing as a board role affect the performance of the telecommunication industry in Rwanda
3. To examine how administrative and management practices and processes of policy implementation and decision making affect the performance of the telecommunication industry in Rwanda
4. To identify how administration practices affect customer satisfaction.
5. practice affect the performance of the telecommunication industry in Rwanda

1.4. Research Questions

1. How do board roles of policy making, monitoring and control affect the performance of the telecommunication industry in Rwanda?
2. Does strategizing as a board role affect the performance of the telecommunication industry in Rwanda?
3. How do administrative and management practices and processes of policy implementation and decision making affect the performance of the telecommunication industry in Rwanda
4. Does customer or stakeholder satisfaction as an administrative and management practice affect the performance of the telecommunication industry in Rwanda

2. Literature Review

2.1. Introduction

2.2. Theoretical Review

The study was based on the corporate internal control theory. This theory is concerned with managing the relationship among various corporate stakeholders and employees. Roe Mark J. (1994), states that the American corporate governance system emerged as a result of both economic evolution and its democratic philosophy. Internal control is designed to promote efficiency or assure the implementation of a policy or safeguard assets or avoid fraud and error. Internal Control is a major part of managing an organization. It comprises the plans, methods, and procedures used to meet missions, goals, and objectives and in doing so performance-based management is realized.

With the view of this theory, in this study the researcher looked at how the MTN Rwanda board makes policies, monitors and controls MTN operations and strategizes with the sole aim of goal attainment. The researcher also analyzed internal control measures by the administrative and management personnel within MTN Rwanda. These include how the administrators and managers ensure that policies of the organization are implemented, objectively verifiable decisions are made and how customer and stakeholder satisfaction is put at the fore front. The researcher then analyzed the effect of this on the performance of the company.

This theory has been considered for this study because Internal Control helps managers achieve desired results through effective stewardship of resources; internal controls reduce the risks associated with un-detected errors or irregularities and are a goal oriented theory.

2.2.1. The Concept of Corporate Governance

Researchers, scholars and governments, are increasingly playing a greater role developing and formulating corporate governance practices, especially after the financial crisis 2008 that lead to

Collapse of many financial institutions and virtually brought many industries to bankruptcy. Cheffins (2011) said "corporate governance first came into vogue in the 1970s in the United States. With the collapse of Enron and Arthur Andersen in the U.S and similar disasters in the

U.K such as Marconi, corporate governance has become increasingly important. As a result, international organizations have shown concerns about governance issues." The international monetary fund in its debt relief programs insisted governance improvements as a prerequisite for their programs Khanchel, (2007). In order to assist member and non-member countries in the pursuit of either developing or enhancing corporate governance standards, the Organization of

Economic and Development issued its OECD principle of corporate governance in 1999 (Nestor, & Thompson, 2001).

The concept of corporate governance arises out of the agency problem. At the culmination of every financial crisis academicians, regulators, governments tend to focus on the corporate governance more vigorously in order to enhance investors' confidence that would attract investments.

According the OECD Principles of Corporate Governance (2004), "The corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly state the division of responsibilities among different supervisory, regulatory and enforcement authorities". Corporate governance describes "the structure of rights and responsibilities among the parties that have a stake in a firm" (Aguilera and Jackson, 2003). According to Mcconomy et al. (2000), System of corporate governance could be defined as "a set of processes and structures used to direct a corporation's business.

Once implemented, an effective corporate governance system can help to ensure an appropriate division of power among shareholders, the board of directors, and management".

Whereas Bairathi V. (2009) said "Corporate governance is not just corporate management; it is something much broader to include a fair, efficient and transparent administration to meet certain well-defined objectives. It is a system of structuring, operating and controlling a company with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers, and complying with the legal and regulatory requirements, apart from meeting environmental and local community needs. When it is practiced under a well-laid out system, it leads to the building of a legal, commercial and institutional framework and demarcates the boundaries within which these functions are performed." Good corporate governance should help

Local companies to gain access to foreign capital and foreign companies tend to gain investment opportunities providing portfolio diversification opportunities.

2.3. Empirical Literature

2.3.1. Corporate Governance Measures and Firm Performance

The effect of corporate governance on organizational performance has been studied in a diversity of dimensions. Under each of these studies, the studies have yielded necessarily different results, since the variables used were different. This review covers some of these.

According to LaPorta et al (1999) "Evidence suggests that firms in emerging economies

(compared with their counterparts in developed countries) are discounted in financial markets because of weak governance". Rajagopalan and Zhang (2009) firmly felt that investors gain confidence in those firms that practice good corporate governance and these firms are at added advantage in accessing capital compared to firms that lack good corporate governance.

One of the recent conceptual studies for developing countries was conducted in Nigeria by Ujunwa and Modebe (2012), advocated for the adoption of strategic management approach in ensuring capital market efficiency following the perceived pivotal role the capital market in economic development. The strategic measure they reviewed ranged from effective regulation to achieving favourable macroeconomic environment. The researchers posited that these strategies would not only promote the efficiency of the capital market, but will leverage the role of the capital market in promoting economic growth.

Askarany and Yazdifar (2012), investigating the diffusion of six proposed strategic management tools of the past few decades through the lens of organizational change theory, examined the relationship between the adoption of these techniques and organizational performance in both manufacturing and non-manufacturing organizations in New Zealand. The findings suggest a significant association between the diffusion of these relatively new strategic management tools and organizational performance.

Gichunge (2007) examined the effect of formal strategic management on organizational performance of medium sized manufacturing enterprises in Nairobi, Kenya. It examined the extent to which formal strategic management is adopted by medium sized manufacturing enterprises in Kenya and investigated the effect of various administrative/legal factors on the extent to which formal strategic management are adopted. It also determined the relationship between level of competition and adoption of formal strategic management and investigated the effect of administrative/legal factors on organizational performance. Finally the study assessed the relationship between adoption of formal strategic management and organizational performance. The data was analyzed statistically using the SPSS and R packages through tabulation, proportions and logic analysis. Results showed that the organizations had not adopted any formal strategic management.

This finding was consistent with past studies which had found that administrative/legal factors affected both adoption of formal strategic management and organizational performance. Competition also influenced adoption of formal strategic management and organizations with formal strategic management performed better than those without formal strategic management.

Chaochharia and Grinstein (2007) find that firms that were less compliant with the rules imposed by SOX and the Exchanges earned positive abnormal returns on the announcement of the rules, relative to firms that were more compliant. They conclude that while the explicit objective of the SOX and exchange regulations is increasing and improving board independence, it is possible that the firm's entire corporate governance environment changes, regardless of how corporate governance is measured.

They show that firms with strong shareholder rights outperform firms with weak shareholder rights by 8.50 percent per year during the 1990s. They further show that firms with strong shareholder rights have higher firm value, higher profits and higher sales growth.

Core, Guay and Rusticus (2007) extend this work and show that firms with weaker governance as measured by ***G-Index*** have lower operating performance (but that this is expected by the market). BCF modify the ***G-Index*** using only six of the 24 provisions to create an Entrenchment Index (***E-Index***), and find that firms with higher ***E- Index*** scores (associated with weaker governance) have lower firm valuation.

The size of a company's Board of Directors has also been a central corporate governance study issue. One of the most consistent empirical relationships about boards of directors is that board size is negatively related to firm performance (Hermalin and Weisbach, 2003). Yermack (1996) finds a statistically significant negative relationship between board size and firm performance as measured by Tobin's Q with a sample of 452 large U.S. industrial corporations for the period of 1984-1991. In the same study Yermack also exhibited that companies with small boards have more favourable values for financial ratios. Similarly Eisenberg, Sundgren and Wells (1998) concluded the negative relationship between firm board size and performance measured by return on assets (ROA) for a sample of 879 small private firms in Finland.

Jensen (1993) argued that the preference for smaller board size stems from technological and organizational change which ultimately leads to cost cutting and downsizing. Hermalin and Weisbach (2003) argued the possibility that larger boards can be less effective than small boards. When boards consist of too many members agency problems may increase, as some directors may tag along as free-riders. Lipton and Lorch (1992) recommended limiting the number of directors on a board to seven or eight, as numbers beyond that it would be difficult for the CEO to control. However, Linck et al., (2008) provides evidence that smaller boards are not necessarily better than larger boards, and add that the U.S. corporate boards are overcrowded which causes shareholders to lose money, employees to lose their jobs and the corporation to lose its competitive market position. Lipton and Lorsch (1992) argue for smaller boards and recommend that board size should be limited to seven or eight members. The disadvantages of large boards lean on the idea that tasks like communication, coordination and decision making is much harder and costlier among a large group of people than in smaller groups.

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Another important and widely research area regarding corporate governance is board composition. The issue here surrounds the mix of inside and outside directors constituting the board. Baysinger and Butler (1985) found that companies perform better if boards include more outsiders. Similarly, Rosenstein and Wyatt (1990) found that a clearly identifiable announcement of the appointment of an outside director led to an increase in shareholder wealth. There have been differences in findings related to the dominance of outside directors on performance when different measures of firm performance have been utilized in academic research. For instance, studies utilizing Tobin's Q as a measure of performance (e.g., Agrawal & Knoeber, 1996) and Market Value Added (e.g., Coles, McWilliams, & Sen, 2001) have found that greater representation of outside directors has a negative impact on

firm performance. Other studies, (Dalton, Daily, Ellstrand, and Johnson, 1998), found no significant association between board composition and firm performance using moderator analyses incorporating firm size, the nature of financial performance indicator and operationalisation aspects of board composition.
Siagian and Tresnaningsih (2011) outline the five measures of corporate governance as: CEO duality, Independent and non-executive directors, Ownership structure, Audit committee; Leverage. Regarding audit committee, the author also notes that "Directors and audit committees that are independent from management should improve the firms' reporting system and the quality of reported earnings because they are not subject to potential conflicts of interest that reduce their monitoring capacity". The committee should contain independent board of directors as they are persons of experience & repute and would more concern about their ethical reputation having greater capability of taking right decisions in firms' interest along with other members (See also Islam et al., 2009).

2.3.2. Measurement of Organizational Performance
Velnampy (2013) identifies two measures of organizational performance for private and public companies as Return on Assets (ROA) and Return on Equity (ROE). They use these two in their analysis of the effect of corporate governance on the performance of 127 Sri-Lankan manufacturing companies. Using correlation and multiple regressions, they find that corporate governance to have no significant effect on firm performance.
Consistent with Barber and Lyon (1996) and Core, Guay and Rusticus (2005), consider Return on Assets (*ROA*) as our primary measure of firm operating performance. In supplementary tests, they also use stock return (*Return*) and Tobin's Q (*TobinsQ*) as alternative measures of firm performance. They consider other endogenous and control variables as the percentage of stock owned by the CEO, Leverage (the capital structure measure, calculated as the long term debt-to-assets ratio). They presume both of these variables to be endogenously determined.
They also consider the organization's Z score, which is the modified Altman's Z-Score (1968); this variable is used as the instrument for leverage. The results using the variables are qualitatively similar to the results using the primary instruments.
Other measures of organizational performance include Profit and Return on Assets (Staw & Epstein, 2000; Wan & Hoskisson, 2003). Roughly, return on assets is the annual profit or net income divided by the average assets over the year. More precisely, to compute the numerator, researchers usually subtract the interest expense and the interest tax savings from the annual profit. As van Dyck, Frese, Baer, and Sonnentag (2005) highlight, return on assets is a measure of operating efficiency, reflecting the long term financial strength of organizations.
A firm's productivity is also viewed as a performance measure: Although related to profit, some researchers instead compute the productivity of employees. Roughly, productivity is the revenue divided by the total number of employees. Many researchers, however, prefer to compute the natural log of revenue divided by the total number of employees (e.g., Huselid, 1995; Subramony, Krause, Norton, & Burns, 2008). Subramony, Krause, Norton, and Burns (2008), for example, showed that perceptions of pay affected productivity. That is, productivity, as measured by the natural log of revenue divided by the total number of employees, increased if employees, one year earlier, had reported they felt their pay was competitive.
Another set of measures of organizational performance, according to *Coles, J. W., McWilliams, V. B., & Sen, N. (2001).* Are Sales and market share: Sales are often used to gauge the performance of organizations. Nevertheless, several variants of sales have been utilized. In one study, for example, conducted by *Coles, J. W., McWilliams, V. B., & Sen, N. (2001),* sales relative to targets were calculated. That is, senior management had estimated the sales target of each site, depending on the product lines, characteristics of the clientele, and other factors. To compute sales performance, actual sales was divided by target sales, and then multiplied by 100.
Many related measures of sales are also used. Typical examples are total sales growth, rather than merely sales, as well as market share.
Customer service is also important in measuring performance. In lieu of more objective measures of workplace performance, some researchers also assess subjective indices. One of the most common subjective indices is customer service.
To illustrate, in the study undertaken by *Coles, J. W., McWilliams, V. B., & Sen, N. (2001),* customer surveys were conducted. This particular survey comprised 10 questions, such as whether customers were assisted or greeted appropriately. Customer service was rated more favourably if employees felt trusted by management.
Some researchers utilize a measure that, in essence, combines the benefits of objectives indices with the merits of subjective indices. Specifically, participants are asked to complete a series of subjective questions, which are intended to gauge objective indices (Delaney & Huselid, 1996; Rhodes, Hung, Lok, Ya-Hui Lien, & Wu, 2008). These measures have been shown to correlate appreciably with objective measures (Delaney & Huselid, 1996).
In order to gauge workplace performance, some researchers examine the extent to which the organization has fulfilled its goals. In one study, for example, conducted by van Dyck, Frese, Baer, and Sonnentag (2005), participants rated the extent to which their "...organization achieved its most important goal in the last year" and the degree to which the organization was successful "...in comparison to other companies in the same line of industry and of (about) the same size?".
As the authors predicted, organizations that manage errors effectively were more likely to fulfill their goals (van Dyck, Frese, Baer, & Sonnentag, 2005).
Regarding company directorship, Mak and Kusnadi (2005) differentiated between the executive and none executives: The main role of the executive directors is to implement the strategy agreed by the board and they are the full time managers of the business who are the true custodians of the business and not the non-executives. Mak and Kusnadi (2005) felt that executives are perceived to be honest but if they choose they can blind and deceive the organization. Mak and Kusnadi (2005) further reveal that proportion of independent directors on the board helps in enhancing firms' value. On the contrary Vafeas and Theodorou (1998) posited that "the relationship

between non-executive directors (including independent directors and grey directors) and firm valuation is not significant". Yammeesri, J., & Herath, S. K. (2010) raised doubts about the ability of non-executive directors in monitoring firm management and found no conclusive evidence in their capabilities either in increasing or decreasing in corporate performance. In the case of Thai firms, there is no evidence to confirm that independent directors are significantly related to firm value.

Nicholson and Kiel (2007) argue that" inside directors live in the company they govern; they better understand the business than outside directors and so can make better decisions." Rashid et al. (2010)argue that there is a greater information asymmetry between inside and outside independent directors due to the lack of day to day inside knowledge that would effectively limit the outside independent directors in controlling the firm due to the lack of support by the inside directors.

2.4. Challenges in Strategic Management

Performance management is a process for setting up a shared understanding of what is to be achieved at an organization level. It involves the alignment of organizational objectives with the individual's agreed measures, skills, competency requirements, development plans and the delivery of results. The focus is on performance improvement through learning and development in order to achieve the overall business strategy of the organization. Holistically, performance management integrates a multitude of elements that contribute to effective management of the human resource (Baysinger, B., and H. Butler. 1985).

Performance management is a systematic process which a manager can use to get the team members to achieve the team's objectives and targets, improve overall team effectiveness, develop performance capabilities, review and assess team and individual performance, and reward and motivate.

Effective performance management requires (Bairathi, V. (2009).): Identifying tasks and accountabilities, defining competencies necessary to be successful in a position, ensuring that team members have the required competencies, having in place a system to develop competencies, providing timely feedback on how effectively the team members are applying their respective competencies to accomplish their tasks and achieve the goals, rewarding and motivating effective performance, understanding the corrective processes and methods that can help improve employee performance.

Bairathi, V. (2009) also underscored that the basic objective of performance management is to develop and improve the performance effectiveness of team members. The manager and the team member work together to plan, monitor, review and appraise the latter's work objectives and overall contribution to achieving the organization's goals. Various types of tools are used in this process, ranging from traits based or behavior based to result based. Both formal and informal communications are used to provide feedback. The feedback could be regular or irregular. A lot of time and energy is spent in getting the goals and measures right, reviewing performance, and appraising it. Akinyele and Fasogbo (2007) however, opine that things could go wrong and the required effectiveness of employee performance is not obtained. To the researchers, some of the major challenges in managing performance could be as follows:

2.5. Critical Review

According to the literature reviewed, it is clear that corporate governance has important implications on organizational management and performance, ultimately. Ultimately, the most critical description of corporate government from the literature reviewed is that of Bairathi, (2009); also cited in Mcconomy et al. (2000) which looks at corporate governance as a set of processes and structures used to direct a corporation's business.

Indeed different authors in the literature found different relationships between corporate governance practice and organizational performance. The differences in the findings are purely based on the different variables of concern by the different authors; for instance, the citation of corporate governance as: Compliance with the universal governance rules with emphasis on; shareholders' rights (Guay and Rsaticus 2007), governance index, entrenchment index, board size, board composition (Hermalin and Weisbach 2003, Yermack 1996) CEO duality and audit committee (Sigian and Tresnaningsih 2011)

Regarding organizational performance, several measures were advanced and applied to empirical studies. These included: Return on Assets and Return on Equity, Stock return, Daily. C.M (1995). CEO percentage of stock ownership Delaney & Huselid, (1996), leverage measured by Debt to equity ratio. Altman's Z score (1968) which summarizes all financial ratios, profit, measured in different ways employee productivity measured by revenue divided by the number of employees. Revenue and sales volume, employee trust in the organization; and customer service, measured by the treatment of the customers. The research findings in each case were not necessarily the same due to difference in measurements themselves and the number of measurements used.

The foregoing empirical literature also suggests multi-directional relationships between corporate governance practice and organizational performance. In most part of the available literature on corporate governance and organisation performance, five variables stand out and these are: Board size, Board composition- the inclusion of executive and non executive directors in the board, CEO duality-having a CEO who has investment in the company, the presence of an audit committee and compliance with the OECD good governance rules. Available literature however does not clearly analyse board roles and administrative and management practices and processes as corporate management practices and how they affect performance of organisations. This study will therefore focus on these two broad variables; board roles (policy making, monitoring and control and strategizing) and administrative and management practices and processes (policy implementation, decision making and customer and stakeholder satisfaction) and how these affect performance of organisations.

In the previous studies, organizational performance was analysed in the form of profitability, employee productivity, revenue, sales volume, and customer treatment. This study will consider measures of organisational performance to include; customer and stakeholder satisfaction, profitability, institutional efficiency and the achievement of targets and goals.

Empirically none of the studies in the reviewed literature was carried out in the context of Rwanda and in the telecommunication industry in particular. This is the gap that this study seeks to fill.

2.6. Conceptual Framework

In this study, board roles and administrative and management practices and processes have been conceptualised to influence the performance of organisations and they are postulated to be independent variables, while organisational performance is the dependent variable that are influenced by the above stated factors in the conceptual framework illustrated below.

Corporate governance is conceptualised to enhance customer and stakeholder satisfaction, profitability, institutional efficiency and achievement of goals and targets.

This is conceptualised to be enhanced through board roles of policy making, monitoring and control and strategizing as well as administrative and management practices and processes of policy implementation, decision making and customer and stakeholder satisfaction. This has been conceptualised in figure 1 below:

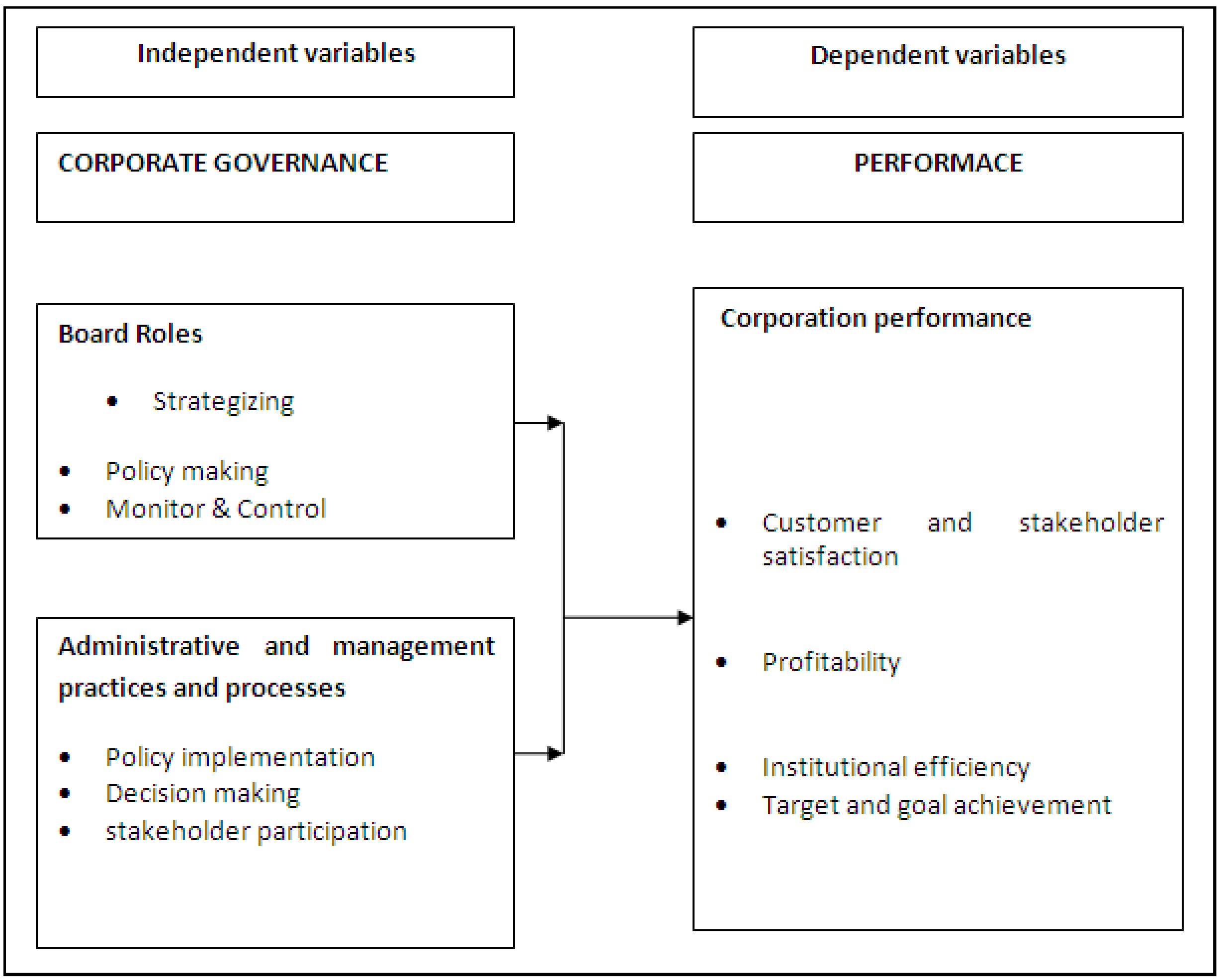

Figure 1: Conceptual Framework Diagram
Source: Researcher's conceptualisation (2015)

3. Research Methodology

3.1. Introduction

This chapter presents the methodology that used during the study. It involves the Research design, study population, sample size and selection, sampling techniques, data collection methods, Data collection instruments, procedure of data collection and data analysis techniques as well as how to ensure validity and reliability.

3.2. Research Design

Kombo (2006) asserts that a research design is an outline that is used to generate answers to research problems/questions. A research design is an arrangement of conditions of data collection and analysis. For this study the researcher embraced descriptive survey methodology designed to assess how corporate governance affects the performance of telecommunication industry in Rwanda. The design employed self administration of questionnaires to a sample of individuals. The questionnaires aimed at finding peoples' attitudes, and opinion about how corporate governance affects the performance of the telecommunication industry in Rwanda. The researcher was both primary and secondary data. Primary data was obtained using questionnaires while secondary data was gathered from the documents available at the washing stations and journals.

3.3. Study Population

The study focused on the general managers (2), senior managers (4), and managers (38) of MTN Rwanda. Table 3.3 on page 24 below gives the full break down of this population.

3.4. Sampling Procedure

The study used both probability and non probability modes of sampling. General Managers and senior managers purposively selected using the non probability mode while the managers was randomly selected using the simple random sampling technique to participate in the study.

3.5. Sample Size and Distribution

Sampling is the act of choosing the number of observations to include in a statistical sample.

In this study, the sample was chosen to assist the researcher to understand the phenomenon under investigation. The sample for this study was therefore derived from the target population who comprised of MTN Rwanda employees who are at the management level of hierarchy. Basing on the total population at MTN of 49, Slovin's formula was used to derive the sample size of 44 as can be seen below.

n=N/(1+(N*e2)

where

n=number of samples

N=total population (N=49)

e=margin of error (e=5% thus 5 / 100 = 0.05)

n=49/ (1+49 x 0.0025)

n= 49/ (1+0.1225)

n = 49/1.1225

n = 43.65256125 Approx 44

Category	Total Population	Sample Size Determination	Sampling Techniques
General managers	3	2	Purposive sampling
Senior managers	7	4	Purposive sampling
Managers	39	38	Simple random sampling
Total	49	44	

Table 1: Category, target population, sample size and sampling technique that will be used in the study
Source: Field research.

3.6. Procedures for Data Collection

An introductory letter shall be collected from the JKUAT offices authorising the researcher to go for data collection. Self administered questionnaires will be delivered to the sampled elements at MTN offices for completion by the managers, general managers and senior managers who either purposively or randomly sampled. Available management styles and results documents and journals at the MTN was also be reviewed.

3.7. Source of Data

Data was collected from primary and secondary sources. Primary data derived from the questionnaires while secondary data was derived from available literature reviewed

3.8. Data Collection Methods

Data for the research was collected using two methods. These included self-administered questionnaires and document review. Self-administered questionnaires was used since itenabled the researcher obtain first-hand information from the field (MTN Rwanda). Self administered questionnaires are appropriate for managers since they can read and write effectively and they can still put the questionnaire aside and consult for information before completion. Data obtained from respondent categories already indicated earlier (3.5 above). The type of data included social demographic characteristics of the respondents (age, gender, level of education etc), perceptions about the study variable etc. Document review enabled the researcher obtain information on already existing literature about how corporate governance affects the performance of MTN Rwanda This information was collected from reports, circulars, journals and internet.

3.8.1. Questionnaire Survey

A self-administered questionnaire used in the study and was targeted all respondents. Mugenda and Mugenda (2003) states that questionnaires are used to obtain vital information about the population and ensure a wide coverage of the population in a short time. In addition Sekaran (2003) states that questionnaires are an efficient data collection mechanisms where the researcher knows exactly what is required and how to measure the variables of interest. He further asserts that administering questionnaires to number of interest simultaneously is less expensive and time consuming and does not require much skill to administer as compared to conducting interviews. Closed ended question were used with detailed guiding instructions as regards the manner in which respondents required to fill them independently with minimal supervision. This made it possible due to the fact all the respondents are able to read and write. Closed ended questionnaire will have pre-coded answers according to themes from which respondents will be asked to choose the appropriate responses. Respondents will be given ample time to fill and return questionnaires later when they are through.

3.8.2. Document Reviews

The study also involved library and office research where secondary sources about the research questions were considered.
This included related literature on annual and quarterly MTN Rwanda progress reports, budgets, newspapers, and telecommunication implementation guidelines in Rwanda, MTN management briefs, internet, circulars policies and regulations of government. This was useful to cross validate primary data and provide basis for explaining certain concepts.

3.9. Data Collection Instruments

The data collection instruments included structured questionnaires and document review check list.

3.9.1. Structured Questionnaire

The researcher used close ended questionnaire for all respondents. The use of questionnaire enabled the collection of data from a large number of respondents and also enabled respondents to give sensitive information without fear as their personal identity were not needed on the questionnaire. This supports Amin M.E (2005) contention that questionnaires Offer greater assurance of anonymity thus enabling the respondents to give sensitive information without fear. RensisLikert's scale statement having five category response continuum of 5 – 1 used where 1 would mean "strongly disagree", 2 mean "Disagree; 3 would mean "No comment" 4 mean "Agree" and 5 mean "strongly agree" with assertion. This was designed to establish the extent to which respondents are in agreement with statements and it was used to measure the variables under study. In using this, each respondent selected a response most suitable to him / her in describing each statement and the response categories weighed from 5 – 1 and average for all items computed accordingly.

4. Research Results and Discussion

4.0. Introduction

This chapter brings out the research results and discussions. Data is hereby presented in line with the methodology of the study described in chapter three above while the discussions are guided by the results of the study.

4.1 Presentation and Discussion of the Data

4.1.0 Demographic Characteristics of Respondents

4.1.1. Sex of Respondents

The study considered both the male and female respondents. Males made up 68% while females made up 32%. The figure 2 below shows percentage distribution of respondents by sex.

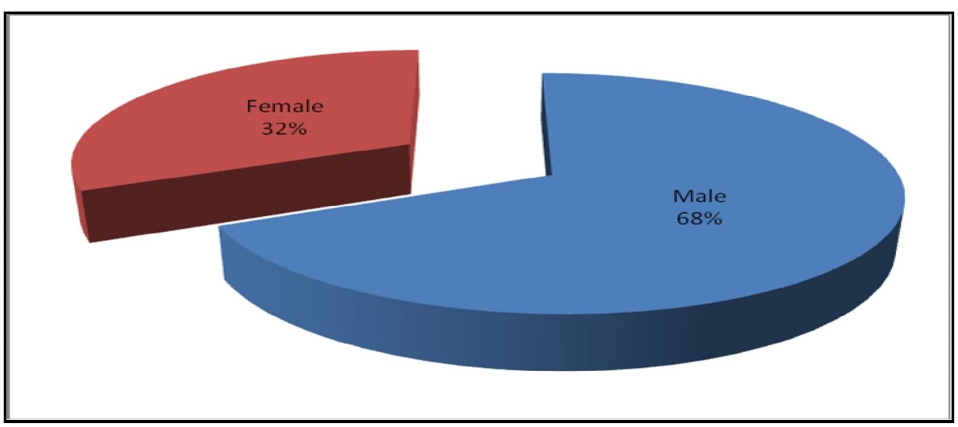

Figure 2: Sex of respondents

4.1.2. Age Group of Respondents

In analysing the age of respondents, the researcher categorised age in groups as follows; 20-29, 30-49 and 50 year +. Findings reveal that 60 percent of the respondents were aged between 39 and 49. Very few respondents were aged 50 years and above represented by only 10percent. This information has also been elaborated below in Table 2 (below) and Figure 2 above respectively.

Age group (years)	Number (no)	Percentage (%)
20-29	15	30
30-49	30	60
50 years +	5	10
Total	50	100

Table 2: Age of respondents

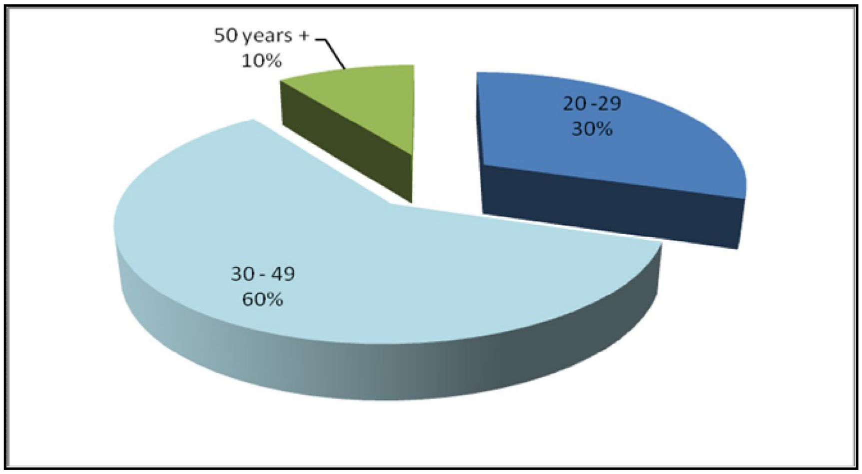

Figure 3: Age of respondents

4.1.3. Level of Education of Respondents

The level of education of respondents was also analysed. The researcher considered primary, secondary, college /university levels as well as post graduate education level.

Findings of the study show that 82 percent of respondents had attained university level education while 18 percent had attained a post graduate level education. Table 3 below shows the percentage distribution of respondents by education level.

Level of Education	Number (no)	Percentage (%)
Primary	00	00
Secondary	00	00
University/Collage	41	82
Post graduate	9	18
Total	50	100

Table 3: Level of education
Source: Field data (2015)

4.1.4. Length of Service

The researcher further analysed the length of period respondents had served. The researcher categorised the period in terms of years as follows: 1 – 5 years, 5 – 10 years, and 10 years +.

Findings show that a larger proportion of the respondents had worked between 5 – 10 years. This proportion was represented by 75 percent while a little proportion had worked more than 10 years represented by 4 percent.

Table 4 and chart 4.3 below illustrated the percentage distribution of respondents by the period of service in the respective work places.

Length of service (years)	Number (no)	Percentage (%)
1 – 5	11	22
5 – 10	37	74
10 years +	2	4
Total	50	100

Table 4: Length of service
Source: Field data (2015)

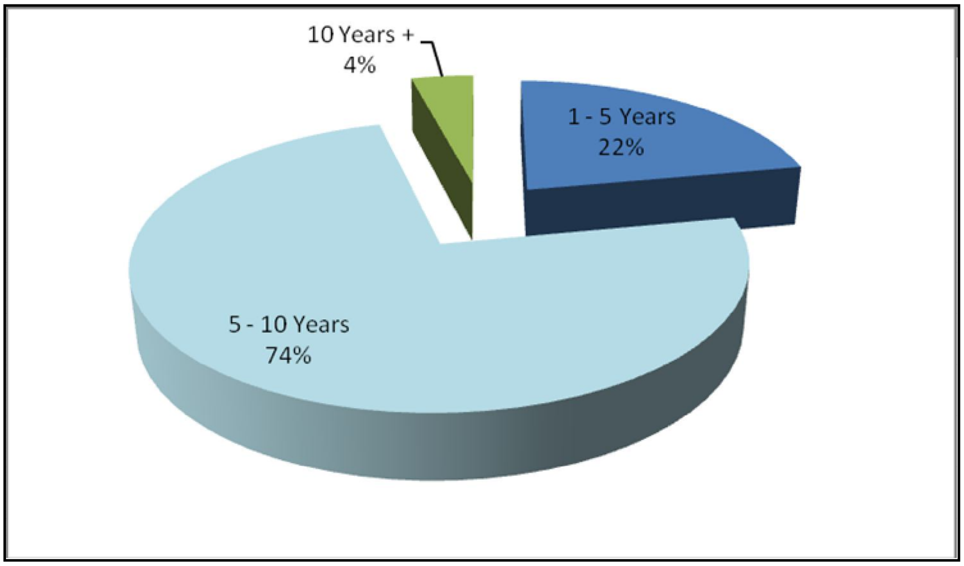

Figure 4: Length of service

4.2. Board Roles

4.2.1. Board Role of Policy Making and Corporate Performance

Under policy making process, the researcher investigated the availability of a functional board, the role of the board with regard to policy making, whether the policies made are for the good of the company, whether the staff are consulted about the policies being enacted, and whether the policy makers are mindful of the customers and stakeholders in the process of policy making.

Findings show that 33% of the respondents strongly agree that there is a functional board, 13% agree while no respondent said that there was no board. On whether the boards makes policies, 13% strongly agreed, another 13% agreed, 8% were not sure, as another 8% disagreed. On whether the policies made are for the good of the company, 20% strongly agreed as 5% were not sure. On whether the staffs are consulted about the policies made, 18% agree while 15% disagree. On whether the bard is mindful of customers and stakeholders during the policy making process, 20% strongly agree while 10% disagree.

Findings reveal that there is minimum staff consultations about the policies made and there is a doubt over the consideration of customers and stakeholders in the policy making process or the policies made.

Table 5 below illustrates the percentage distribution with regard to policy making.

Variables	**Percentage Distribution of Responses**									
	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Number	%	Number	%	Number	%	Number	%	Number	%
Functional board	13	33	5	13	0		0		0	
Board makes policies	5	13	5	13	3	8	3	8	0	
Policies made are good for the company	8	20	7	18	2	5	0	0	0	
Staff are consulted about the policies	2	5	7	18	3	8	6	15	1	3
Board is mindful of customers and stakeholders when making policies	8	20	3	8	3	8	4	10	0	

Table 5: Board role of policy making affecting performance
Source: Field data (2015)

Qualitative analysis from the interviews shows that there is a big relationship between the policy making and performance of the company. Respondents noted that policies;

Define direction of the company, put good controls in place to efficient and effective operations, policies also help guide the decisions made.

Policies further help create order at the work place, streamline the decision making process, and may also be for customer satisfaction and staff motivation.

4.2.2. Board Role of Monitoring and Control and Corporate Performance

Under the board role of monitoring and control, the researcher investigated the status of board function of monitoring the work of the company, checking decision making, meetings, board members understanding of the company and whether the board unduly delays decisions of the company.

Findings show that 58% of the respondents strongly agree that the board monitors the work of the company against only 5% who are not sure whether the board monitors the work of the company or not. On whether the board checks decisions of the company, 42% strongly agree and 52% agree while only 5% were not sure. On whether the board meets regularly, 53% agree and 5% were not sure. On whether board members understand what the company is about, 63% strongly agree as only 5% were not sure. On whether the board does not unduly delay decisions of the company, 37% strongly agree, another 37% agree while 29% were not sure.

Findings show that the board is effective when it comes to monitoring and control however there is a sign that the board unduly delays the decisions of the company.

Table 6 below illustrates the percentage distribution with regard to monitoring and control.

Variables	**Percentage Distribution of Responses**									
	Strongly agree		**Agree**		**Not sure**		**Disagree**		**Strongly disagree**	
	Number	%	Number	%	Number	%	Number	%	Number	%
Board monitors work of the company	11	58	6	32	1	5	0		0	
Board checks decision making	8	42	10	53	1	5	0		0	
Board meets regularly	8	42	10	53	1	5	0		0	
Board members understand what the company stands for	12	63	6	32	1	5	0		0	
Board does not unduly delay decisions	7	37	7	37	4	20	0		0	

Table 6: Board role of monitoring and control affecting performance
Source: Field data (2015)

4.2.3. Board Role of Strategizing

Under the board role of strategizing, the researcher investigated the board's ability to recommend new strategies, whether board is considerate of long term future of the company in strategizing, whether board is considerate of customers and stakeholders when strategizing, whether all strategies by the board have been successful, and whether employees have been consulted about new strategies.

On whether the board is considerate of the long term future of the company, 53% agree while 5% were not sure, on whether the board is considerate of customers and clients in the process of strategizing, 63% strongly agree. On whether all strategies made have been successful, 21% agree but 58% were not sure. On whether employees were consulted about the strategies made, 37% agree while 32% were not sure.

Findings show that strategy making is a successful process but the gap seems to be in turning the strategies made into action. Seems most strategies made are not successful as can be seen from the 58% who are not sure about the success rate of the strategies.

Table 7 below illustrates the percentage distribution with regard to strategizing.

Variables	**Percentage distribution of responses**									
	Strongly agree		**Agree**		**Not sure**		**Disagree**		**Strongly disagree**	
	Number	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**
Board recommends new strategies	9	47	10	53	0		0		0	
Board is considerate of long term future of company	10	53	8	42	1	5	0		0	
Board is considerate of customers and state holders in strategizing	12	63	6	32	0		0		0	
All strategies by the board have been successful	3	16	4	21	11	58	0		0	
Employees are consulted about the new strategies	2	11	7	37	6	32	3		0	

Table 7: Board role of strategizing affecting performance
Source: Field data (2015)

- The correlation test for relationship between independent variables and dependent variable (Board roles and corporate performance):

Tests for the relationship between board roles and corporate performance has been revealed in the table below revealed negative correlation for the relationship between board role of policy making and corporate performance: (-0.072, p-value = 0.5), board role of strategizing (0.037, p-value = 0.734). Since the Pearson correlation coefficients are close to 0 (less than 0.1) and the probability values are greater than the significance level of 0.05, deductions can be made that these aspects do not have significant negative relationship with the adequacy of the performance of the company.
There was a small positive relationship (correlation = 0.101) between Board role of monitoring and control and corporate performance. This relationship was however not significant since the p-value was high. (0.348).

		Policy making	**Strategizing**	**Monitoring and control**
Board roles of policy making	Pearson Correlation	-.072	-.037	.101
	Sig. (2-tailed)	.500	.734	.348
	N	89	88	89
*. Correlation is significant at the 0.05 level (2-tailed).				

Table 8

4.3. Administrative and Management Practices and Processes

4.3.1. Policy Implementation
Under policy implementation, the researcher investigated whether employees are aware of the policies, whether employees are trained on policies and procedures, whether there is consistence in policy implementation, whether policies are relevant to company, and whether policies are realistic.
Findings show that 32% of the respondents strongly agree that employees are aware of policies as 21% were not sure while 5% disagree. On whether employees are trained on policies and procedures, 37% agree, 21% were not sure and 10& disagree. On consistencies in policy implementation, 26% agree, 26% were not sure while 5% disagree. On relevance of policies, 42% strongly agree as 5% were not sure. On whether policies are realistic, 42% agree while 10% were not sure.
Findings here show that policy implementation sill had gaps. A number of employees were still unaware of the policies, resulting from the lack of training on the policies, as some policies lacked inconsistencies in implementation. Other respondents did not think that the policies were realistic.
Table 9 below illustrates the percentage distribution with regard to policy implementation.

Variables	**Percentage Distribution of Responses**									
	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Number	%	Number	%	Number	%	Number	%	Number	%
Employees are aware of policies	6	32	5	26	4	21	1	5	0	
Employees are trained on policies and procedures	3	16	7	37	4	21	2	10	0	
There is consistence in policy implementation	5	26	5	26	5	26	1	5	0	
Policies are relevant	8	42	7	37	1	5	00		0	
Policies are realistic	5	26	8	42	2	10			0	

Table 9: Board role of policy implementation and corporate performance
Source: Field data (2015)

4.3.2. Decision Making and Corporate Performance
Under decision making, the researcher investigated whether decisions made were based on data, whether decisions were unnecessarily costly to the company, whether decisions were assessed before implementation, whether there was availability of plan "B" just in case the decisions made were not the right ones, and whether staffs were involved in decision making.
Findings show that 42% of the respondents strongly agree that decisions were based on data as 10% were not sure whether decisions were based on data or not. On whether decisions were not unnecessarily costly to the company, 37% strongly agreed while 21% disagreed. On whether decisions were assessed before implementation, 47% strongly agreed. On availability of plan "B", 53% agreed while 5% were not sure. On involvement of the staffs in decision making, 42% agreed while 26% were not sure.
Findings show that decisions tend to be unnecessarily costly for the company, and that the staff team were not fully involved in decision making process
Table 10 below illustrates the percentage distribution with regard to decision making.

Variables	Percentage distribution of responses									
	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Number	%	Number	%	Number	%	Number	%	Number	%
Decisions are based on data	8	42	8	42	2	10				
Decisions are unnecessarily costly	7	37	6	32	1	5	4	21		
Decisions are assessed before implementation	9	47	8	42						
Availability of plan "B"	7	37	10	53	1	5				
Staff team is involved in decision making	3	16	8	42	5	26				

Table 10: Board role of decision making and performance
Source: Field data (2015)

4.3.3. Stakeholder Practices Corporate Performance

Under customer satisfaction, the researcher investigated whether customer satisfaction is often exceeded, customer complaints are presented in meetings, emails from clients are responded to urgently, staffs listen to the complaints from customers and respond as a matter of urgency, and whether all departments understand their role on customer satisfaction.

Findings with regard to whether customer satisfaction is exceeded reveal that 52% agree while 32% were not sure. With regard to whether customer complaints are presented in meetings, 58% agree. On whether emails from clients are responded to urgently 42% strongly agree, 5% were not sure while another 5% disagreed. On whether customer complaints were listened to and addressed urgently, 52% agreed while only 5% disagreed. On if all departments understood their part in customer service, 37% agreed, 32% were not sure and 10% disagreed

Findings show that emails from clients were not answered urgently, unsatisfied customers were not listened to and their needs addressed urgently and all departments did not understand their part in customer service.

Table 11 below illustrates the percentage distribution with regard customer satisfaction.

Variables	Percentage distribution of responses									
	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Number	%	Number	%	Number	%	Number	%	Number	%
Customer satisfaction is exceeded	1	5	10	52	6	32	0			
Customer complaint is presented in meetings	6	32	11	58	0		0			
e-mails from clients are responded to urgently	8	42	7	37	1	5	1	5		
Listen to unsatisfied customers and act	6	32	10	52	0		1	5		
All departments understand their part in customer service	5	26	7	37	6	32	2	10		

Table 11: stakeholder practice and corporate performance
Source: Field data (2015)

- The correlation test for relationship between independent variables and dependent variable (administration and management practices and processed and corporate performance):

Tests for the relationship between administration and management practices and processed and corporate performance has been revealed in the table below revealed positive correlation for the relationship between policy implementation and corporate performance: (0.324, p-value = 0.002), decision making (0.392, p-value = 0.000), customer/stakeholder satisfaction (0.467, p-value = 0.000).

- Test of Correlation for the relationship between Administrative and management practices and processes and corporate performance

		Policy implementation	Decision making	Customer/stakeholder satisfaction
Administration and management practices and processed and corporate performance	Pearson Correlation	0.324**	0.392**	0.467**
	Sig. (2-tailed)	0.002	0.000	0.000
	N	89	88	89
**. Correlation is significant at the 0.01 level (2-tailed).				

Table 12

This finding therefore implies that there are significant relationships between Administrative and management practices and processes with corporate performance.

4.4. Corporate Success and Performance

4.4.1. Performance

Under performance, the researcher investigated whether ccustomers' are always satisfied, company has posted increased profits in the last three years, output exceeds inputs – the company is efficient, 2014 goals were achieved, 2014 annual targets were achieved, the staff is highly motivated, the company is a leader in the telecommunication industry in Rwanda, competitors are catching up with the company, company success can be attributed to corporate governance

Findings show on ccustomers' always being satisfied 53% agreed as 32% disagreed. On whether the company has posted increased profits in the last three years 27% agreed, 42% were not sure while 10% disagreed. On whether output exceeds inputs, 47% agreed, 42% were not sure while 10% disagreed. With regards to whether 2014 goals of the company were achieved, 68% agreed, 10% were not sure 5% disagreed. On whether the 2014 annual targets were achieved, 68% agreed, 10% were not sure and 10%disagreed. With regards to whether the staff is highly motivated, 32%agreed, 10% were not sure and 21%disagreed. On whether the company is a leader in the telecommunication industry in Rwanda, 27% strongly agreed and 53% also agreed. On whether the competitors were catching up with the company, 58%agreed, 26% were not sure and 5% disagreed. On attribution of the success of the company to corporate governance, 26% strongly agreed, 53%agreed and 10% were not sure.

Findings reveal that there are gaps in customer satisfaction, profitability especially that the team does not know whether the company made profits or not, staff motivation is low, targets were not achieved, goals were not achieved, and the competitors were catching up with the company.

Table 13 below illustrates the percentage distribution with regard to corporate performance.

Variables	Percentage Distribution of Responses									
	Strongly agree		Agree		Not sure		Disagree		Strongly disagree	
	Number	%	Number	%	Number	%	Number	%	Number	%
Customers are always satisfied	0		10	53	2	10	6	32	0	
Company has posted increased profits in the last three years	1	5	7	27	8	42	2	10	0	
Output exceeds inputs – the company is efficient	1	5	9	47	8	42	2	10	0	
2014 goals were achieved	1	5	13	68	2	10	1	5	0	
2014 annual targets were achieved	0		13	68	2	10	2	10	0	
The staff is highly motivated	0		6	32	5	10	4	21	2	10
We are leaders in the telecommunication industry in Rwanda	7	27	10	53	0		0		0	
Our competitors are catching up with us	0		11	58	5	26	1	5	0	
Our success is attributed to corporate governance	5	26	10	53	2	10	0		0	

Table 13: corporate performance
Source: Field data (2015)

5. Summary, Conclusions & Recommendations

5.1. Introduction
This chapter brings out the research results and discussions. Data is hereby presented in line with the methodology of the study described in chapter three above while the discussions are guided by the study objectives.

5.2. Summary

5.3. Board Roles

5.3.1. Board Role of Policy Making
There is a functional board at MTN Rwanda and the board effectively makes policies, the policies made are for the good of the company. However, there is minimum staff consultations about the policies made and there is as well minimum consideration of customers and stakeholders in the policy making process or the policies made. Board role of policy making therefore affects performance with regards to less engagement of the staff and the customers. Less engagement of the staff means that they do not easily own the policies made.

5.3.2. Board Role of Monitoring and Control
The board at MTN Rwanda monitors the work of the company, checks decisions of the company, meets regularly, and board members understand what the company objectives are. On the other hand however, findings reveal that there is a sign of undue delays of decisions of the company by the board. Performance and output quantity is affected due to the undue delays emanating from the board. This also affects performance.

5.3.3. Board Role of Strategizing
The board at MTN Rwanda is considerate of the long term future of the company and is considerate of customers and clients in the process of strategizing. However, although strategy making is a successful process, there is a gap in turning the strategies made into action. The strategies made are not successful as can be seen from the 58% who are not sure about the success rate of the strategies. This affects performance of the corporation.

5.3.4. The Correlation Test for Relationship between Independent Variables and Dependent Variable (Board Roles and Corporate Performance)
Tests for the relationship between board roles of policy making, monitoring and control and strategizing generally show a negative relationship with corporate performance. However there was a small positive relationship between board role of monitoring and control and corporate performance. Despite the fact that the relationship was not significant since the p-value was high.

5.4. Administrative and Management Practices and Processes

5.4.1. Policy Implementation
Although some employees were aware of the presence of policies in place, there were still major gaps in awareness of the policies, employees have never been trained about the policies, policy implementations also had some inconsistencies, and the relevance of some policies was not clear. The lack of awareness about the policies was attributed to lack of training on the policies and the lack of consistence in implementation was attributed to the fact that some policies were not realistic. This generally affects performance of the corporation.

5.4.2. Decision Making
Decisions at MTN Rwanda are based on available data at the company. Decisions were also said to be unnecessarily costly to the company, they were assessed before implementation, and there is generally a presence of plan “B”, to every decision. The gap however is the fact that decisions tend to be unnecessarily costly for the company, and that the staff team were not fully involved in decision making process. This further affects performance of the corporation.

5.4.3. Customer/Stakeholder Satisfaction
Customer satisfaction generally exceeded the customer expectations and customer complaints were presented in meetings. On the other hand however, emails from clients were not answered urgently, unsatisfied customers were not listened to and their needs addressed urgently and all departments did not fully understand their part in customer service. This makes clients get disgruntled and begin to avoid the services thus affecting performance of the corporation.

5.4.4. The Correlation Test for Relationship between Administration and Management Practices and Processed and Corporate Performance

Tests for the relationship between administration and management practices and processed and corporate performance revealed generally positive correlations. This finding therefore implies that there are significant relationships between Administrative and management practices and processes with corporate performance.

5.5. Corporate Success

5.5.1. Performance

Customers were generally satisfied, outputs generally exceeded inputs, and the company is well known and is a leader in the telecommunication industry in Rwanda. However if findings from the questionnaires are to be considered, there are gaps in knowledge about profitability of the company especially by the staff team who do not even know whether the company made profits or not, staff motivation is low, targets were not achieved, goals were not achieved, and the competitors were catching up with the company.

5.6. Conclusions

There is minimum staff consultations about the policies made at MTN Rwanda and there is as well minimum consideration of customers and stakeholders in the policy making process or the policies made.

There are undue delays by the board in the decisions making process and this leads to delayed implementations of decisions and activities.

Although strategizing by the board is a successful process, there are gap in turning the strategies made into action. The strategies made are successful but the implementations were not successful.

Tests for the relationship between board roles of policy making, monitoring and control and strategizing generally show a negative relationship with corporate performance although there was a small positive relationship between board role of monitoring and control and corporate performance.

There are major gaps in awareness of the policies, employees have never been trained about the policies, and the relevance of some policies was not clear. The lack of awareness about the policies can be attributed to lack of training on the policies and the lack of consistence in implementation of policies is also attributed to some policies not being realistic.

Decisions made tend to be unnecessarily costly for the company, and the staff team were not fully involved in decision making process.

E-mails from clients were not answered urgently, unsatisfied customers were not listened to and their needs not addressed urgently and all departments did not fully understand their part in customer service.

Tests for the relationship between administration and management practices and processed and corporate performance revealed generally positive correlations. This finding therefore implies that there are significant relationships between Administrative and management practices and processes with corporate performance.

The staff team lack knowledge about profitability of the company, the staff motivation is also low, targets of 2014 were not fully achieved, goals of 2014 were also not fully achieved, and the competitors were catching up with the company.

5.7. Recommendations

Basing on the fact that there is a positive correlation between the board role of monitoring and control and corporate performance, the company board needs to strengthen the function of monitoring and control. The best way is by the board holding regular consultation meetings with the staff team as the quarterly targets are presented to the board for consideration. The failure to meet targets need to be discussed while the attainment of targets needs to be rewarded.

There is also need by the board to consider the views of customers and stakeholders in the policy making process or the policies made. This can be easily done by generating customer feedback as they come to seek services. The feedback should inform the policy making process by the board.

The board needs to improve in its decision making process. There should be timely decisions as undue delays also directly affect the delivery of services to the customers and this still affects the achievement of targets. Failure to implement the strategies made can partly be attributed to the delay by the board in confirming the decisions.

In this study we also examine that there is a significant relationship between administration and management practices and processed and corporate performance. The company needs to improve in its administration and management practices and processes if a high performance is to be realised. This can best be done by creating awareness about the policies available and training the employees on the policies available especially all new employees.

Management also needs to check the decisions made. This will help check against the unnecessarily costly decisions made on behalf of the company. Cost benefit analysis's need to be done before decisions are approved for implementation.

Communication need to be strengthened: first communication with the customers and stakeholders needs to be strengthened. E-mails from clients needs to be answered urgently, unsatisfied customers need to be listened to and their needs addressed urgently and all departments need to be fully aware of their part in customer service. Secondly communication with the staff team need to be strengthened; staff need to be made aware of what is going one, status of the company, progress with the achievement of targets, and competitors analysis. This will strengthen the staff ownership of the company and motivation.

The company also need to study factors for employee de-motivation and find ways of motivating the employees. De-motivation of employees has a direct effect on performance of the company.

5.8. Suggestions for Further Research

This study only concerned its self with how corporate governance affects the performance of the telecommunication industry with regard to specifically: how board roles of policy making, monitoring and control affect the performance of the telecommunication industry, how strategizing as a board role affect the performance of the telecommunication industry, how administrative and management practices and processes of policy implementation and decision making affect the performance of the telecommunication industry and how customer or stakeholder satisfaction as an administrative and management practice affect the performance of the telecommunication industry.

There are however two areas that this study did not investigate and that are recommended for future research. These include:

i. An analysis of other factors other than corporate governance that affect the performance of the telecommunication industry
ii. Comparative analysis of success rates of corporate governance in different sectors. This analysis would go beyond the scope of the telecommunication industry

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