AN EVALUATION OF CORPORATE GOVERNANCE PROCESSES IN TELECOM NAMIBIA

A THESIS SUBMITTED IN PARTIAL FULFILMENT

OF THE REQUIREMENTS FOR THE DEGREE

OF

MASTER OF BUSINESS ADMINISTRATION

OF

THE UNIVERSITY OF NAMIBIA

BY

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APRIL 2019

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ABSTRACT

Corporate governance is a challenge in many state owned institutions. Telecom is a private company in which the major shareholder is the government. The researcher sought to investigate the factors that affect corporate governance at Telecom. The population of this study comprised of the executive employees of Telecom and its board of directors.

Good corporate governance practices are believed to be one of the effective strategies for redressing poverty, maximising revenue, increasing shareholder wealth as well as optimising service delivery. The benefits often include accountability of the company and avoidance of massive disasters before they occur.The study used a mixed method research approach to collect data. The data was collected from the executive management and the board of directors. The respondents were selected using purposive sampling. The data was collected using a questionnaire that had structured and non structured questions. The researcher found that there were many factors that impacted on corporate governance at Telecom Namibia. Some of the factors that impacted on corporate governance were delay in the processing of annual financial reports, lack of autonomy on the part of the board of directors, remuneration for the CEO that is not linked to performance management among many other factors. The researcher recommended that Telecom must introduce changes in terms of corporate governance at Telecom, which would help the board to make critical decisions, focus more on financial profitability, and link the remuneration of managers to corporate governance and also restructuring the firm in order to attain profitability.

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LIST OF ABBREVIATIONS

SOEs- State Owned Enterprises

BOD- Board of Directors

ICT- Information Communication and Technology

TN- Telecom Namibia

KMB- Kumar Mangalam Birla

OECD- Organisation for Economic Cooperation and Development.

CEO- Chief Executive Officer

SECP- Security and Executive Commission of Pakistan

KPMG- Klynveld Peat Marwick Goerdeler

MVA- Market Value Added

CG- Corporate Governance

FY- Financial Year

GIPF- Government Institutions Pension Fund

CSR- Corporate Social Responsibility

SECP-Security and exchange commission of Pakistan

IIR-International integrated reporting organisation

SPSS- Statistical program for the social sciences

ACKNOWLEDGEMENTS

Firstly I wish to thank the almighty for granting me strength, guidance to carry out my study.

I am appreciative to Doctor Sitali Brian Lwendo, my supervisor for his intelligent direction, inspiration, support and tolerance throughout all the steps of this study. Without his vital input, it would not have been possible for me to complete this study.

A special mention goes to The Rev. Dr. Greenfield Mwakipesile and Mr. James Camm for their positive advice and support.

I also wish to recognise my Sister Mimi and my cousin Shekupe for perpetually inspiring me to work hard throughout the process of conducting this research.

I register my appreciation to Telecom Namibia management for agreeing and permitting me to conduct research at their company.

To sum up, my distinct appreciation goes to my cohort associates, who bequeathed me a hand when I most needed it and wished me all the best in my undertakings.

DEDICATION

This thesis is dedicated to my daughters; Ndino and Pombili, my close friend Altinus, my Mom and Dad. I dedicate it to them because they supported me during the time I was working on this thesis.

DECLARATIONS

I, Josefina Ndahambelela Amunyela, hereby declares that this study is my own work and is a true reflection of my research, and that this work, or any part thereof has not been submitted for a degree at any other institution.

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Name of Student	**Signature**	**Date**

CHAPTER ONE

INTRODUCTION AND ORIENTATION OF THE STUDY

1.0 Introduction

This chapter introduces the study by providing the background evidence of the inquiry, the research problem, the research questions, the aims and objectives as well as the significance of the study. Additionally, this chapter briefly provides an introduction of all the Chapters in this study.

1.1 Orientation of the study

The concept of corporate governance is viewed in different magnitudes, with many researchers considering corporate governance to be ecologically grounded. Mwaura (2006) claimed that corporate governance is the association amongst contestants in shaping the route and performance of corporation. Watson (2014) expresses corporate governance as "the application of supremacy over a corporate entity". Watson (2011) appreciates corporate governance as practise by which firms are made accountable to the privileges and biddings of investors.

The following major related studies that explains the relationship that exists between corporate governance and company performance will remain indispensable in this study. Selvaggi and Upton (2008) researched on the FTSE All-Share Index and concluded that corporate governance correlates to company performance. Bhagat and Bolton (2007) used a multiple metrics measure to find relationships between corporate governance and corporate performance. MacAvoy and Millstein (2003) looked for professionalism, distinct from management in the boards of 128 public companies. Cho (1998), derived a hypothesis which was based on the effect of ownership structure on investment and the nature of ownership structure. Thomsen & Pedersen, (2000) used hypothesis which states that institutional ownership increases profitability (but lower sales growth) than family, bank, government and corporate ownership types.

Multiple theories of corporate governance that includes, the agency dilemma, agency theory, transaction cost economics, stewardship theory, resource dependency theory, managerial and class hegemony, psychological and organisational perspectives, the societal perspective - stakeholder philosophies, differing boundaries and levels - systems theory will be considered in this study. The theories will provide an in-depth appreciation of corporate governance.

The State Owned Enterprises (SOEs) serve the purpose of contributing to the reconstruction and transformation of both society and the economy (Gcabashe, 2005). The high level of expectation placed on SOEs requires a proportional effort in order for their goals to be realised. The efficiency and effectiveness of the SOEs can only be achieved if they are well controlled in their operations in order to deliver what they are commissioned to do by the Government. In this context, corporate governance plays a fundamental role of enhancing company performance in SOEs in Namibia. Bajaj (1994, p.173) said that, "*there is a growing consensus that good corporate governance is extremely critical for achieving corporate excellence. Good corporate governance ideas help with the building of trust with customers, suppliers, creditors and diverse investors. The four key elements, being, transparency, fairness, disclosure and supervision form the cornerstones of good corporate governance as it relates to systems of supervision and monitoring that maximise the long-term shareholder value of a company, while at the same time addressing the interests of all the other stakeholders of the enterprise."* Thus, Bajaj emphasised the need and importance of good corporate governance in a company, a subject matter of this thesis.

The last decade witnessed a continuing debate on corporate governance, suggesting its importance in the current economic scenario. The present globalised business environment, the increased competitive pressure after the opening up of the Namibian economy, associated with consumer awakening, have changed the corporate management scene in Namibia. The owners of the company, that includes the shareholders are widely scattered and their number is limited to the number of shares issued by the company. Whilst in state owned enterprises, ownership remains mainly to the state. The result is a large number of shareholders for each company and few for state owned enterprises. Due to the proliferation of shareholders of a company, most cannot participate in the day to day management of the company. The Companies Act divorces the management from the owners. This has created an agency dilemma in the context of agency theory (Matipira, 2016).

The situation has provided a mechanism through which the managerial powers are entrusted to a separate committee created by the Board of Directors (BoD) especially for this purpose. With the separation of ownership from the management, the primary responsibility for running a business with honesty and integrity lies with the board of directors. The BoD is accountable to owners for their stewardship functions. On the other hand, the Companies Act has also stipulated a reporting mechanism through which the BoD are expected to report the performance of the company to their appointing authority, being the shareholders, in the case of a shareholding company and an owner, in the case of unitary ownership.

Though the managerial powers are delegated to the board of directors, they are watched by another external agency, the auditors. As a check on the enormous powers enjoyed by the board of directors, a supervisory mechanism is incorporated in the managerial process, as formulated by the Companies Act. The Companies Act stipulates for the compulsory appointment of auditors by the shareholders in every annual general meeting. If a company fails to appoint an auditor in an annual general meeting, the central government will interfere and fill up that vacant position. The auditor so appointed will verify the accounts maintained by the board of directors and report to the shareholders regarding the authenticity of the accounts. Thus, the corporate governance mechanism consists of a number of checks and balances (Tricker, 2015).

The shareholders' responsibility is to select and appoint the right persons as directors and auditors. The Board is responsible for proper governance in such a way that in the long run, shareholders' value is maximised. An auditor's responsibility is to provide shareholders with an external and objective evaluation of the directors' financial statements, which is the primary instrument in the reporting mechanism stipulated by the Companies Act.

1.2 Background

Telecom Namibia Limited is the national telecommunications operator, established in August 1992 and wholly owned by the Government of the Republic of Namibia. The company functions as a commercialised company and as a subsidiary of its parent company, the Namibia Posts and Telecommunications Holdings Limited. The company was established in terms of the Namibia Posts and Telecommunications Act 19 of 1992 (Telecom Namibia annual report, 2013). Telecom Namibia is the country's incumbent telecommunications services provider. It is the national Information and Communications Technology (ICT) solutions provider and the leading broadband and backbone infrastructure services provider in the country. As a fully integrated solutions provider, the company offers a full range of ICT services in the areas of voice, data, broadband, wholesale, enterprise and mobile services. One of the key strategic objectives is to drive broadband-based consumer and enterprise services by expanding the broadband footprint via core and access technology projects (Telecom Namibia annual report, 2013).

Given the strategic position of TN to Namibia, it is prudent that corporate governance plays a central role in defining workable processes that enhance good corporate governance. As a State Owned Enterprise, the company exists through the influence of the owner which is the government. The company has a board of directors that governs and controls the affairs of the company. Thus, corporate governance remains a critical key factor for the success of the company.

1.3 Statement of the Problem

With the growth of the economy in Namibia, and overall development in advanced countries, the general scenario and the pattern of interaction between the local economy and the various enterprises operating across the national boundaries has necessitated a different type of approach for managing the economy and business in the various countries. However, if one assesses the reality in Namibia, it is hard to believe that an ideal system of corporate governance exists. The prevailing scenario in the Namibian corporate sector does not impress the shareholders and stakeholders due to the prevailing poor performance of the corporations and weaknesses in corporate governance systems.

The major problem is that the government of Namibia is directly investing massive of money into public entities with the hope of making a return on their investment, while most of the country's public enterprises declare huge losses continuously. At the beginning of every financial year, the state owned enteprises get substantial budgetary votes from the government coffers, prompting and outcry from taxpayers.

Gawaxab (2012), the financial performance of SOEs since 2001 has been disappointing in most instance, with the government expenditure and lending to SOEs growing in leaps and bounds. Additioanlly, the government transfered N$ 12 billions to SOEs for the 2018-19 financial year. Furthermore, the Minister of Finance, Honourable Schlettwein stated, " the overall performance of state owned enterprises with regard to revenue they earn for the state , is very poor and in need of drastic improvements, while making a presentation of performance about SOEs in Namibia (Republic of Namibia, 2017).

Ideally, SOEs enhance the creation of a sustainable growth of the economy that benefits the country. Despite that, Telecom Namibia faces a plethora of challenges that has weakened the performance of the company (Telecom Namibia Annual Report, 2014). The last quarter report of Telecom Namibia published in October 2014 revealed that the company failed to pay salaries to employees on the usual payday (Telecom Namibia Annual Report, 2014). This has ever since become a norm. The board of directors of Telecom Namibia has paid a deaf ear to cries on the ineffectiveness of the company's governance. The performance of the company continues to deteriorate in the eyes of the Board that is failing to act decisively within its powers as stewards of the company. The deafening silence of the Telecom Namibia Board of Directors in the face of continued human resources and operational problems and subsequent poor performance of the company, stimulated the current research, that seeks to evaluate weaknesses in corporate governance processes in Telecom Namibia. The researcher evaluated whether an ideal corporate governance system prevails in Telecom Namibia. The researcher took the steps to evaluate the issue of corporate governance from the angles of corporate governance and company performance and covered various facets of corporate governance in trying to determine corporate governance in Telecom

Namibia. With the above background in mind, the current study aims to evaluate the effects of corporate governance in Telecom Namibia.

1.4 Objectives of the Study

The main objective of this study was to evaluate corporate governance processes in Telecom Namibia**.**

The specific objectives of the study were:

- To investigate the factors that affect corporate governance processes in Telecom Namibia.
- To determine the impact of the factors that affect corporate governance processes in Telecom Namibia.
- To recommend startegies for improving corporate governance processes in Telecom Namibia.

1.5 Significance of the Study

Good corporate governance practices are believed to be one of the effective strategies for redressing poverty, maximising revenue, increasing shareholder wealth as well as optimising service delivery. The benefits often include accountability of the company and avoidance of massive disasters before they occur. Failed energy giant Enron and its bankrupt employees and shareholders, is a prime argument for the importance of solid corporate governance. Furthermore, once SOEs are well governed, it provides stability and growth. Additionally, it reduces the perceived risks, consequently minimising cost of capital. As a result the government may no longer bail out SOEs as good governance contributes to each of these entities' capability to sustain them financially.

Therefore, the corporate sector needs to be studied which will help the individual investors to understand how best their companies are being managed, as well as corporate governance. This study will pave the way for improved corporate governance practices which will ultimately influence the economy through improved performance and in turn an improvement in the standard of living. The study will be an eye opener for the promoters if they are lagging behind the expected standards. The results of the study will also assist the policy makers at the Government level, to frame new rules and regulations in decision making processes so that the mechanism of corporate governance can be tuned into the requirements.

Furthermore, the findings of the study will contribute and broaden the existing body of knowledge regarding the effectiveness and efficiency of corporate governance practices in Namibia, particularly Telecom Namibia (TN). This study will enable the Namibian government to be aware of the importance of corporate governance in (SOEs) like TN and be able to find appropriate steps in addressing them. The study will ultimately contribute to the body of knowledge on the subject matter and also serve as a guiding tool for future researchers who would wish to conduct research on the similar subject matter.

1.6 Limitations of the Study

Corporate governance is more complex in terms of the many players involved, hence a need to constrain the research scope. The first limitation is institutional, as the researcher only looked at TN, not at all SOEs in Namibia.

The second limitation is time, as the research was only conducted for the period of three months in Windhoek, hence not covering all necessary areas that need to be covered in this study. The third limitation was cost constraints, as the researcher needed funds for logistical purposes such as travelling to the company for interviews, typing and making copies of the questionnaires, printing and binding of the thesis. **Mitigation measure for limitations stated:**

If a similar research could be conducted with more SOEs than the outcome of the study could yield an overall picture of corporate governance practices at SOEs in Namibia.More time needed to conduct a similar research, a broader scope and ultimately more variables could be covered too. If more institutions were covered than the research could have requested for a sponsor to finance costs involved in conducting the study.

1.7 Delimitation of the Study

Though the title of the study is evaluation of corporate governance practices in SOEs, the research actually confines itself to evaluation of corporate governance practices in Telecom Namibia and no other state owned enterprises in Namibia. In view of the scope, the obligations regarding corporate governance and company performance are many. The regulatory environment is stringent and the investing public has access to other information. All these reasons stimulated the researcher to select only Telecom Namibia for the study. The other state owned enterprises and listed companies which have been registered in Namibia are not considered.

Therefore, the study will be based on Telecom Namibia only, particularly, Telecom Namibia's head office in Windhoek. It will not go beyond TN. The study focused on identified variables that emerged from the study and did not go beyond that.

1.8 Outline of the study

This study is structured into five chapters as described in detail below:

Chapter one deals with the introduction and orientation of the study. It contains the statement of the problem under study, objectives of the study, significance of the study, limitations of the study, delimitations of the study, and the scheme of the dissertation. Chapter two is devoted to reveal the literature review on corporate governance and company performance. The chapter also covers the review of earlier studies.

Chapter three focused on the research methods on how the study will be carried out, tools to be used to collect data, a brief summary of the population under study, sampling design, data collection procedures, plan of data analysis, as well as validity and reliability of the study. In conclusion, research ethics are also discussed in this chapter.

The chapter four covers the data analysis using different quantitative and qualitative techniques, presentation and interpretation of the findings.

Chapter five concludes the study by summing up major information and state recommendations in relation to the findings. It also covers areas for future research.

CHAPTER TWO

LITERATURE REVIEW

2. 1 Introduction

The study is based on the concept of corporate governance and company performance. The concept of corporate governance is viewed in different dimensions, with many scholars considering corporate governance to be environmentally based. Monks & Minnow (1995) as cited by Low (2006) argued that corporate governance is the relationship among participants in determining the direction and performance of a corporation or organisation. Clarke (2004) as cited by Tricker (2012), defines corporate governance as "the exercise of power over a corporate entity". Henry (2008) sees corporate governance as the process by which corporations are made responsible to the rights and wishes of stakeholders.

2.2 History of Corporate Governance around the World

Different countries' economies are organised in very different ways. Decisions regarding how capital is allocated are different and this is the very reason different countries have different paths to follow regarding corporate governance. The history of adapting the path to follow and implementation of corporate governance practices in different countries like, the United States, the United Kingdom, Germany, Japan, China and India, and even Namibia are different.

2.2.1 The United States of America

In the 1930's, a remarkable democratisation of shareholding took place between the period of World War I and the end of World War II. The benefits of democratisation and diversification depend on the depth of the corporate growth in a country and her stock market. Popular magazines on share ownership, and popular media coverage of

Wall-Street celebrities brought Middle American wealth into the stock market, vastly deepening it and thus making the sacrifice of diversification for control more attractive than elsewhere Monks and Minow (2008)

America's response to the Great Depression then erased much of what family capitalism remained. Two great pyramids, the Insull and Van Sweringen business groups, collapsed after the 1929 crash. These high profile collapses appear to have been linked to the great depression with highly concentrated corporate control in the public mind, justifying a barrage of progressive reforms. A series of regulatory reforms governing banks, insurance companies, mutual funds and pension funds prevented any of these organisations from accumulating any serious corporate governance influence as per the 1937 data on block holding in the top listed 200 US firms Fernando (2009).

Although the hostile takeovers of the 1980s disrupted this arrangement for some firms, and some United States institutional investors were clearing their throats, this situation has kept most American firms freestanding and professionally run ever since. Since then, corporate governance has been implemented in most of the companies in the United States of America Fernando (2009).

2.2.2 United Kingdom

Comparisons of the firms founded in early 1900s to others founded in the 1960s have been done in one of the studies conducted by Monks & Minow (2008). They found that ownership growth diffuses in both sets of firms at roughly the same rate. Based on this, an argument is made that the forces that made founding families withdraw from corporate governance in the modern United Kingdom also operated a century ago. Adding to this, a discussion concludes that shareholder rights in the United Kingdom were extremely weak until the latter part of the 20th century, and shareholder legal protection permits diffused ownership in the UK.

Providing a descriptive summary of UK corporate governance in greater generality, the pyramids gained importance during the middle of the century. The corporate disclosure, implemented in 1948, made hostile takeovers less risky for raiders, and that pyramids developed as a defense against hostile takeovers. However, they proposed that British corporate insiders were and are governed by higher standards of ethical conduct, which precludes the extraction of such private benefits. Given this, British corporate insiders were more readily convinced to sell their control blocks and dismantle their pyramids. Thus, the current diffuse ownership of British corporations came to prevail early in the 20th century and stillPersist Monks and Minow (2008).

2.2.3 Germany

Fohlin (2004) argues that Germany's large universal banks were less important to its history of corporate governance than is commonly believed. German industrialisation advanced rapidly in the late 19th century, financed by wealthy merchant families, foreign investors, small shareholders and private banks, industrial firms with bankers on their boards did not perform better than other firms did. German corporate governance appears to be thoughtfully developed in this era. The company law of 1870 created the current dual board structure to protect small shareholders and the public from self–serving insiders. It also required uniformity and consistency in accounting, reporting and governance Fohlin (2004)

The modern German economy consists primarily of family controlled pyramidal groups and nominally widely held firms that are actually controlled by the top few banks via proxies. The leading banks collectively also control dominant blocks of own shares. In more recent times, the advantages available to German companies have become 'disadvantages' as they have not been able to attract capital from Institutional

Investors in global markets, due to “parochial governance practices that have obstructed shareholders’ rights” (Monks and Minow, 2001).

2.2.4 Japan

The history of corporate governance in Japan is more complicated and variegated than in any other major country. Prior to 1868, Japan was a deeply conservative and isolationist country. Business families were at the bottom of a hereditary caste system – beneath priests, warriors, peasants, and artisans. Unsurprisingly, this moral inversion led to stagnation. Yet the necessity of running a densely populous country forced Japan’s feudal shoguns to give prominent mercantile families, like the Mistui and Sumitomo, steadily a greater influence. Japan fell traditionally into the insider-dominated groups and had a ‘credit-based financial system (Zysman, 1983). As the economy was characterised by intercompany shareholdings, intercompany directorships and frequently substantial bank involvement.

Recently, the trend has been towards a more market-dominated Japanese system of corporate governance (Cooke and Sawa, 1998). These groups, called Zaibatsu, were family controlled pyramids of listed corporations, much like those found elsewhere in the world. Later, other groups like Nissan, a pyramidal business group with a widely held firm at its apex, joined in as Japan’s economy roared into the 20th century. Thus, Japan began its industrialisation with a mixture of family and state capitalism. Shareholders eagerly bought shares, especially in numerous subsidiaries floated by these great business groups (Tricker, 2015).

2.2.5 China

Chinese corporate governance in the late 19th and early 20th centuries is of interest because it corresponds to the beginning of China’s industrialisation and sees the attempted transplanting of western institutions into a non-western economy. Pre-communist China's industrial development may thus offer more interesting lessons for modern emerging economies than does post-communist China herself, pre-revolutionary capitalism also provides a model of "a market economy with Chinese characteristics"(Cooke and Sawa, 1998)

Portfolio investors, unable to influence corporate governance after this fact, stayed out of stocks. This kept the Chinese stock market illiquid and subject to severe boom and bust cycles. This, in turn, kept insiders from selling out and diversifying, underscoring the value of their private benefits of control (Tricker, 2015).

2.2.6 India

The fundamentals of Corporate Governance have their deep roots in Indian history. Surprisingly, it is not very well known to most people. Indian ancient texts have laid down sound principles of governance, which seem very relevant to modern day corporate requirements,(Monks and Minow, 2001).

Years back in 1600, The East India Company was arguably the first to be chartered as a Company by the then Queen Elizabeth I, with a monopoly of trade between England and the Far East. Since then, corporations have come a long way, both in terms of their power and wealth-creating potential, and of institutionalised checks and balances to ensure their sound operations within their mandates and transparent reporting to the shareholders. Since then Corporate Governance has become the crucial issue in the Corporate World. Different countries across the World follow different Corporate Governance Systems. India also follows more or less the UK Model of Corporate Governance (Tricker, 2015).

2.3 The Role of Corporate Boards as Advisors and Monitors of Management

The Monitoring role of the board of directors has been the subject of extensive empirical research. Both the Business Roundtable and the American Law Institute (Monks and Minnow, 1996) list advising management among the top five functions of the board of directors in the United States. They go on to assert that the advisory role of the board exists not only in the United States but also in Europe where boards in several countries are formally separated into a Management board and a Supervisory board.

The monitoring role of the board has been studied extensively in large, mostly empirical literature but the advisory role has received little attention. At first glance, the advisory and monitoring roles of a board, complement each other, because the board can use the information the manager provides both to make better recommendations and better evaluations.

Succession issues may influence documents the relationship between board composition and CEO career concerns (Hermalin and Weisbach, 1998). They provide evidence that firms add insiders to the board when CEOs are near retirement. This suggests that the relation between monitoring and career concerns is difficult to interpret when monitoring is proxied by the board composition.

2.4 Corporations and their Shareholders

The Shareholders contribute some of their money to the equity capital of the Corporation. They are presumed to bear a greater portion of the risks of running a firm and hence it is expected for them to be rewarded for this risk. They are supposed to own the corporation. However, only the left-over earnings belong to the shareholders.

In this sense, they bear the largest risk with their wealth and it is the duty and obligation of the managers, who are the agents of the shareholders, to maximise this wealth.

However, Sumantra Ghoshal argues that this principle, along with the agency theory, has led to a gross over-emphasis on shareholders' value. Shareholders, unlike most other stakeholders, have the *earliest* exit option and hence carry the *least* risk with a firm. Much of the corporate governance theories still use the agency theory as the kingpin and have failed to gather any evidence on their effectiveness even in improving shareholder value (Ghoshal Sumantra, 2005).

2.5 Board and Directors Legal Dimensions

The Cadbury Report (1992) described the board responsibility in more succinct phraseology, to include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business, and reporting to shareholders on their stewardship. More recently, the Commonwealth Association for Corporate Governance articulated the roles and responsibilities of the board in detail. Some of such principles are as follows:

- Ensure that through a managed and effective process, board appointments are made that provide a mix of proficient directors, each of whom is able to add value and to bring independent judgment to bear on the decision-making process.
- Ensure that the corporation complies with all relevant laws, regulations, and codes of best business practice.

In India, the SEBI (Kumar) Report [Report of the committee appointed by the SEBI on Corporate Governance under the Chairmanship of Shri Kumar Managalam Birla, January, 2000] on Corporate Governance (KMB) describes this role as providing leadership and strategic guidance, objective and independent judgment, and control over the company in the discharge of its accountability to the shareholders.

However, what is perhaps more important than size is the composition of the board of directors in terms of their ability to discharge their responsibilities in the interests of all the shareholders, especially in the context of separation and distancing between ownership and control.

2.6 Controlling Shareholders and Corporate Governance

Public Companies in the world, except the United States and the United Kingdom typically have a single shareholder or group of shareholders with effective voting control, often but not invariably without corresponding equity holdings. In nine East Asian Countries, Professor Claessens, Djankov, Lang found a single shareholder control in more than two thirds of the listed companies (Claessens, Djankov & Lang, 2009).

The appropriate distinction is between the widely held and controlling shareholding system that supports diversity of shareholder distribution and a system that essentially supports controlling shareholder distribution. The research work done earlier by Gilson on controlling shareholder regimes has taken two general decisions:

- The First direction reflected in a series of articles by La Porta, Lopez-de-Silanes, Shleifer, Vishny (2007), linked the breadth of shareholder distribution to the quality of Jurisdictions Law. In this account, controlling shareholder regimes exist in a jurisdiction whose legal systems do not protect minority shareholders from dominant shareholders' diversion of private benefits of control (IIMB Sessions, 2007).

- The Second direction finds the explanation for concentrated ownership patterns in politics. In an important book, Prof. Roe identified social democratic politics as the driving force towards ownership concentration (Roe, Political Determinants of corporate governance: political context, corporate impact, 2003).

It is also commonplace in Europe for control by a dominant shareholder to result from structural devices that leverage voting rights above the level of equity investment. For example, data produced below regarding use of dual class stock to leverage voting rights shows that these many percentages of listed companies in respective countries issue dual classes of common stock, with one class having dramatically higher voting rights.

Table 2.1: Listed Companies with Dual Class

% of listed Companies with dual Class Stock in different Countries	Switzerland	Italy	Germany	Sweden
Listed companies with dual Class Stock.	66.1%	51.2%	41.4%	17.6%

2.7 Control & Conflicts

A more sincere responsibility of corporate boards is to develop mechanisms to identify and appropriately avoid a potential or actual situation of conflict in the context of the company's business operations. Such conflict situations arise fundamentally from the boards' and individual directors' fiduciary duties or obligations to their company and shareholders. Directors owe their obligation for fair dealing to their company and its shareholders. This calls for appropriate and comprehensive disclosure of interest involved, leaving it to the other disinterested directors to decide whether the transaction should still be put through because of its possible overall benefit to the corporation. In all such disclosures, two dimensions of disclosures need to be considered: one relating to the conflict of interest per se, and the other to the material facts of the transaction (Tricker, 2015).

Another critical principle in the field of conflict of interest situations is that directors may not advance their pecuniary interest by engaging in competition with the corporation without the disinterested directors on the board authorising (or ratifying) such action in the larger interests of the company, or approved by disinterested shareholders. Such approval not being equivalent to a waste of the company's assets. Some examples of the practical implications of potential conflict of interest situations that boards and directors have to address from time to time and taken from recent Indian experiences are highlighted below. Board vs Dominant Shareholders:

i. Differences over business strategies to be followed

ii. Differences over Ownership and Control.

iii. Board vs Ownership issues.

iv. Board vs Individual Directors.

2.8 Audit Committee

Audit Committees have been mandated since June 1978 for all the companies listed on the New York Stock Exchange. These committees were to be constituted "solely of directors independent of management and free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment as a committee member. Over a period, all the other stock exchanges in the

United States have fallen in line and require their listed companies to have such Audit Committees.

Canada, Australia, Israel, Malaysia, Hong Kong, and (more recently) India all mandate an Audit Committee of the board in law in respect of all listed and or other public limited companies. A recent survey revealed that 85% of the companies studied reported having an Audit Committee, and 55% of the sample confirmed their Audit Committees comprised solely of Independent directors (Egon Zehnder Board of Directors Global Study 2000, (2001), Egon Zehnder International).

Following the Narayana Murthy Committee Report (2004), the SEBI mandated an amendment to Clause 49 of the Listing Agreement. It prescribes that “all members of the Audit Committee shall be non-executive directors, with the majority of members and its chairman being independent directors, and at least one of them having accounting or related financial management experience”. The KMB Report and the Listing Agreement as amended by the January 2006 clause 49 prescribes that no director shall be a member of more than ten committees or be the chairperson of more than five committees across all companies where he or she is a director. Thus, from the research study on different countries, the researcher can make out that the Audit Committee and other Committees of the Boards of Directors have also been given due importance in Corporate Governance.

2.9 Public Sector Governance

Governance of State Owned Enterprises (SOEs) is important from two significant perspectives: to demonstrate that first, the government as the controlling owner, was following principles and practices of good governance, and secondly, more importantly, the government was setting an example to the other corporations in the private, joint, and the cooperative sectors, on the actual practice of good governance.

“The state and the SOE should recognise the rights of all shareholders and in accordance with the OECD principles of Corporate Governance ensure their equitable treatment and equal access to corporate information” (Balasubramanian, 2007). Some of the most common issues that surface in this connection are:

- Unfair transfer of Corporate Resources to other, “related” entities or even individual, and
- Right to vote on appointment of auditors, on approval of audited accounts of the company, and as noted earlier, on appointments to the board of directors.

2.10 A Study on Selected Key Governance Parameters

In this section, studies that reflect a relationship between corporate governance and corporate performance are provided. The studies are necessary in the context of the current study that seeks to determine the impact of corporate governance on company performance in Telecom Namibia. The discussion of the previous studies will be limited to a summary review only with emphasis on further exploration.

Prof. Das in his research “Corporate Governance in India - an evaluation”, took 40 select companies for the FY 2004-05 to show the quality of corporate governance practiced in the sampled companies. He developed his model for measurement of corporate governance, wherein certain parameters were highlighted and weighting based on age was assigned to each such parameter. Some of the key parameters were Structure & Strength of the Board, Appointment of Lead Independent Director, Board Committees, Disclosure of Remuneration Policy & Remuneration of Directors, Disclosures & Transparency and Disclosure of Stakeholders’ interests to name a few. These key governance parameters were selected on a 90-point scale. He then further ranked the companies and industry groups on a five-point Likert-type scale from Excellent to Poor.

On analysing, Prof. Das put forward his findings: His results of evaluation on corporate governance standards adopted and practiced by the selected companies as disclosed in their annual reports was graded as excellent to poor. Rank '1' was awarded to Infosys (excellent). The "very good" grade was led by Dabur India, the "good" grade, which consisted of the majority of the select companies was led by Dr. Reddy's Laboratories, whereas the "average" grade was tailed by Zee Telefilms. Overall, Prof. Das found out that among his 48 selected companies, only 1-scored Excellent, 6-scored Very Good, 35-scored Good and 6 companies scored Average. He did not find any of the select companies to be in the "Poor" grade (Das, 2009).

A study conducted by Matipira (2016) on the impact of corporate governance and capacity utilisation on the Zimbabwe Aviation Industry showed that there is a relationship that exists between corporate governance and company performance. The study concluded that there is a relationship between capacity utilisation and company performance.

Cho (1998) postulated a hypothesis, which stated that, the effect of ownership structure on investment and the nature of ownership structure are related. The results showed that there is significant relationship between insider ownership and corporate value. The results further showed that the non-monotonic relationship between insider ownership and investment exists. Positive for <7% and >38%. Negative for (7%-38%).

Demsetz & Villaloga (2000) postulated that ownership structure is endogenous. The fraction of management shares and that of the five largest shareholders might represent conflicting interests. The results showed that ownership structure is endogenous.

Earle, Kucsen, & Telegby (2005) in their hypothesis which stated that a group of Block holders decrease firm performance as opposed to a single block holder. They used Pie wise linear logit regression. The results showed that only the largest block holder had a systematic effect on improved corporate performance. Effects of total block holdings were much smaller and statistically insignificant.

Frick (2004) developed a hypothesis, which asseted that owner-managed firms are more efficient than outside-managed firms because of the monitoring that they did. They concluded that, in terms of knowledge and skills, managers of private firms are more successful than those of public firms. Organisational form has no impact on performance. The researchers used OLS, SE and 2SLS regressions. The results showed that the higher the foreign ownership then, the higher the efficient production of the firm. Employer-managed companies are more efficient than owner-managed firms and this was attributable to human capital advantage.

Gorriz, & Fumas (1996) formulated a hypothesis, which stated that family-owned firms are smaller than non-family owned firms. They found out that they are more efficient but not more profitable. The researchers used a technique and measure of OLS regression. The results showed that family-owned firms have higher productive efficiencies than non-family owned companies. They also found out that family-owned firm sizes are smaller and that family-owned firms are not more profitable due to their size constraints.

Gorriz (2005)'s hypothesis reflects that family owned businesses grow at a slower rate, choose less capital-intensive production technologies and are more technically efficient. Economic profits, financial structure and cost of capital is however the same. The researchers used the parametric estimation of productivity technique. The results showed that differences in family and non-family owned firms are because of the objective function of decision-makers and constraints in productivity efficiency.

Lauterbach & Vaninsky (1999) developed a hypothesis, which stated that environmental dynamism moderates positively on the insider-ownership performance relationship. The researchers used regression and DEA techniques. The results showed that owner-managed firms are less efficient in generating net income than outsider-managed firms. They concluded that concentrated ownership is less efficient than difuse ownership. They found that DEA and regression gave similar results.

A study carried out by Sarkar (2000) concluded that Block holder activism increases corporate performance and that it depends on the identity of the shareholder. Their study utilised OLS regression analysis as a means of data analysis. The results of the study showed that all categories of large shareholders increase firm performance. They concluded that institutional investors do not take an active part in corporate governance.

Nickell, Nicolitsas and Dryden (1997) said in their study that external shareholders with a high degree of control lead to a higher productivity performance. The researchers used Cobb-Douglas production function for firm productivity growth in data analysis. The results showed that firms with a dominant external shareholder from the financial sector have higher productivity growth rates.

Seifert, Gonenc & Wright (2005) said in their study that a positive relationship between managerial ownership and performance at low levels of managerial ownership occurs across different governance regimes. They found out that a relationship at higher levels of managerial relationship would be unclear. They concluded in their study that, Block holders or institutional ownership should improve performance. The researchers used OLS & 2SLS regressions as a means for data analysis. They concluded that there is no universal relationship that exists between ownership equity by insiders and performance. Furthermore, they found that such relationship was positive for the UK and Germany and negative for UK and US relationships. They finally, concluded that ownership structure matters especially when there are specific local laws that are good for minority shareholder protection. They observed that ownership does not appear to be endogenous variables and that there are no significant differences that exist between OLS and 2SLS regression results.

Thomsen and Pedersen (2000) carried out a study using Duncan grouping and regression analysis and found out that institutional ownership increases profitability (but lower sales growth) than family, bank, government and corporate ownership types. The results showed that ownership structure is seen as exogenous variables with economic performance. They noticed evidence of a bell-shaped effect of ownership share on NBV and ROA but not sales growth (particularly strong NBV for institutional investors).

The above summary review of previous studies shades some light on studies that were carried out by other scholars in an attempt to ascertain the relationship that exists between corporate governance and company performance. It emerges in this review that the scholars used various methods in determining the relationship. However, the research produced different outcomes depending on the techniques applied. It is important to understand these studies in order to have a better background for the current study.

2.11 Board of Directors and company performance

The relationship between the board of directors and firm performance is more “varied and complex” than can be covered by any single governance theory (Nicholson & Kiel, 2007). The work of Hillman and Dalziel (2003) that asserts boards of directors serve two important functions: monitoring management on behalf of shareholders (agency theory) and providing resources (resource dependency theory). For each of these main aspects of good governance, the literature review addresses the findings of prior research in terms of the impact on company performance and where appropriate, refers to studies related to corporate governance in India.

The board is viewed as potentially having a positive impact on performance (Fama & Jensen, 1983; Jensen & Meckling, 1976; Shleifer & Vishny, 1997). Overall, the literature supporting the impact of board composition on performance is varied. Differences in findings have in part been attributable to the differences in the theoretical bases of investigation. A preference for greater representation of independent directors is structured around the notion of the separation of ownership and control aligned with agency theory. Support for the agency view of the positive relationship between board composition and financial performance has been noted by numerous studies. For example, Baysinger and Butler (1985) found that companies perform better if boards include directors that are more independent. Similarly, Rosenstein and Wyatt (1990) found that a clearly identifiable announcement of the appointment of an independent director led to an increase in shareholder wealth.

2.12 Corporate governance processes

In this section, we look at corporate governance processes in a parastatal. Frost (2008) asserted that good corporate governance is intimately linked to corporate responsibility. Actually, there is an unfolding perspective that holds that there is an overlap between corporate social responsibility and corporate governance because both of them tend to uphold the same values. Jamali (2008) asserts that good governance and corporate social responsibility echoes the same sentiments of accountability, transparency and honesty. Aguilera & Cuervo-Cazurra (2009) underscored the importance of corporate reforms, and the growing focus on corporate governance by policy makers and academics.

Cox & Schneider (2010) asserted that responsible investment is an approach where investors take into account the corporate social responsibility of the companies that they invest in. The GIPF annual report for (2013) declared that the Board of Trustees for the GIPF had a mandate to an interpretive and advisory role for the Board. They also have a mandate to receive management reports, on investments and to provide direction based on the investment policy. The Board of Trustees on investment has a responsibility to ensure responsible investment takes place at the GIPF regarding the workers' pension. Responsible investment means that the Board of Trustees has to take the corporate social responsibility of the companies they invest in into consideration. Sievanen, Rita, and Scholtens (2012) articulated that Corporate Social Responsibility (CSR) means that society anticipates corporate processes that extend beyond the minimal traditional and legal limits. This means that the GIPF Board of Trustees has to take into account how the decisions they are making affect the employees and employers that are contributing to the pension fund.

Hauswald & Marquez (2009) asserted that central to corporate governance is the identification and correction of inefficiencies in the running of a firm. Firms use internal and external mechanisms to attain their objectives. Natarajan (2011) expressed that corporate governance is a set of processes, customs and polices, which focus on how an institution is administered or controlled. The principal participants are shareholders, management and the Board. The list of stakeholders includes customers, employees, banks, regulators, the environment, lenders and the community at large. Natarajan (2011) warns us that there are risks related to neglecting corporate governance as demonstrated by the collapse of a number of institutions in America such as Enron and WorldCom. This is a warning that the GIPF has to keep in mind if it is going to be successful in its mandate.

Naimah and Hamidah (2017) enumerates that people that have an impact on corporate governance are customers, investors, shareholders, creditors, employees and government. The use of appropriate corporate governance principles is anticipated to increase a firm's performance. The purpose of applying good corporate governance principles is to be able to secure maximum advantage for shareholders and stakeholders.

Naimah and Hamidah (2017) stated that corporate governance involves scrutinising aspects such as influence of the board, the independence of the board, audit committee meetings, and audit quality. In South Africa the King Commission on Corporate Governance under chairpersonship of Professor King, showed itself to be at the forefront of international governance thinking in the completed King I Report of 1994 and the King II Report of 2002. The 1994 Report drew attention to the importance of stakeholders in corporate governance and in 2002 it was one of the first codes to raise the issue of sustainability reporting (the so-called non-financial issues). On 25 February 2009 a draft of the third Report on Corporate Governance in South Africa, also referred to as King III or the King III Report, was published in Johannesburg by the Institute of Directors in Southern Africa asking for comments. The final report was issued in September 2009 and became effective from 1 March 2010. Until then King II would apply.

The King III Report became necessary because of the anticipated new Companies Act and changes in international governance trends that were expected to become effective on the 1st of July 2010. On the advice of Sir Adrian Cadbury, the King Committee was retained, even though only three members of the original 1992 committee remained. The Report was compiled by the King Committee with the assistance of nine subcommittees, which had to deal with the aspects of boards and directors, corporate citizenship, audit committees, risk management, internal audit, integrated sustainability reporting, compliance with laws, regulations, rules and standards, managing stakeholder relationships, fundamental and affected transactions and business rescue.

Alzoub and Selamat (2012) asserted that the issue of corporate governance received attention from many quarters such as accounting bodies, government and the public. Questions have been posed regarding the lack of integrity in financial reporting because of the failure of the board to exercise its oversight function. Alzoub and Selamat (2012) observed that the failure of corporate governance practices in the banking sector in the developed countries led to renewed interests in the role of the board in monitoring business transactions. Appropriate corporate governance principles have the capacity to enhance the work of the board and the committees to manage effectively and in the interests of the shareholders.

Naimah and Hamidah (2017) say that the shareholders rely on the capacity of the board and its committee to monitor the independence of the management. Alzoub and Selamat (2012) emphasized the role of the audit committee in ensuring the integrity of financial reporting and in tackling issues related to any external audit. Sonmez and Yildirim (2015) submitted that evidence from research shows that boards of directors who are smaller in size, have more autonomous directors, are more equipped with financial expertise and meet frequently and are more effective in their monitoring role. The same authors added that audit committees with more members, sole independence and greater financial expertise and are more vibrant have a greater oversight function.

Kung'u & Munyua (2016) said that corporate governance provides a framework in which corporate objectives are set and the means of attaining them and of monitoring performance. Solomon (2007) outlined corporate governance as "a system of checks and balances, both internal and external to companies, which ensures that companies discharge their accountability to all their stakeholders and act in a socially responsible way in all areas of their business activity".

Corporate governance practices evolved in different ways in different countries such as Britain and the USA. Miles (2010) stated that the models of governance developed in Britain and the USA are based on normative standards of the free market. In order to resolve corporate governance challenges different models have been developed in order to halt corporate failure.

Many countries tend to exhibit different levels of corporate governance. According to Cooke & Sawa (2005), many Asian countries tend to display a lack of transparency in corporate governance.

2.13 The impact of weaknesses in corporate governance on parastatals

Clarke and Roma, (2008) expounded that corporate governance entails the process which brings together all participants in a country and regulates the objectives, rights and principles and takes into account the needs of the company and also of the society. Sonmez and Yildirimv (2015) asserted that corporate governance implies that the firm allocates resources wisely, builds better relations between participants, results in increased capital allocation and an increase in transparency in a firm.

This part of the research looks at ways in which corporate governance can be improved in Namibia. Studies done in other countries shows that weakness corporate governance practices can lead to corrupt practices within the parastatal institutions. Weakness in corporate governance in any organisation such as Telecom can lead to huge disasters as shown by examples from other countries.

2.14 Strategies for improving corporate governance

The review of literature looks at strategies to improve corporate governance in Namibia. Corporate governance can be improved in organisations such as Telecom by ensuring that corporate principles are strengthened in organisations. Naimah and Hamidah (2017) asserted that the practice of corporate governance is tremendously determined by the parties involved in the management system of a company such as shareholders, investors, creditors, employees, and government. Good corporate governance is anticipated to increase firm performance of firms such as Telecom. The chief objective of the implementation of good corporate governance is to maximise the value for shareholders and stakeholders in the end.

If corporate governance is to be improved, it is important for shareholders to appoint directors and auditors, and ensuring that the directors and the auditors run the appropriate governance structures (Solomon, 2007). While the auditor's role is in providing an assessment of the financial statements presented by management. It is important for the Directors appointed to manage and control the business of the company. As an agent of the company and its shareholders, directors have a mandate to protect the interests of shareholders as the owner of the company. Characteristics of the board of directors can be measured by the percentage of independent directors (outside directors), CEO duality, and the size of the board.

Kung'u & Munyua (2016) says that the older or longer the term of the CEO the more profound the understanding of the CEO of the industry and the company performance. Naimah and Hamidah (2017) assert that studies that were done in the 1990s demonstrated that companies that where managed better would have more money for investment. Llyas, and Rafiq (2012) maintained that corporate governance has a link to organisational success. The same authors maintain that a corporate governance requirement requires a firm to produce an annual report. One way of ensuring that an organisation is doing well is to ensure that the annual reports for Telecom are published in line with the corporate governance requirements of the country.

According to IIyas & Rafiq (2010), good corporate governance leads to organisational performance and promotes public objectives in the public sector. The Security and Exchange Commission of Pakistan (SECP) insists that every public limited company is expected to issue a corporate governance report. This helps to ensure that there is compliance with the national legal framework on corporate governance. IIyas & Rafiq (2010) says that since the SEC was instituted in 1999, and it has always insisted on good corporate governance practices particularly in light of the global economic meltdown. Namibia could also ensure enforcement of the corporal governance laws in the country to ensure that all public listed companies such as Telkom can comply with good corporate governance practices. In the case of Pakistan, the SEC top management, decided on control mechanisms like size of the board and remuneration. Attiya, Javid, and Iqbal, (2010) noted that the Anglo- American model of corporate governance is based on free market principles and it looks at the relationship between the director and shareholders.

The philosophy of King III centers on the concept of responsible leadership, sustainability and corporate citizenship. Responsible leadership is identified by ethical values that support transparency, fairness and accountability. According to King Report III (2009), responsible leadership means that one designs and implements company strategy and operations with the goal of achieving the economic, social and environmental sustainability. Responsible leadership is at the centre of good corporate governance.

Effective leadership is supposed to rise to the demands of good corporate governance. Responsible leadership seeks to attain sustainable development. Sustainability deals with the interconnected nature of the environment, society and business. The concept of corporate citizenship flows from the understandings that are taken of a person that must function in a sustainable manner. The King Report III report offers ways of dealing with conflict and ways of resolving conflict and ensures that there are effective controls for dealing with risks and the use of integrated reporting. Good leadership brings together strategy, risk and sustainable development in planning. The responsibility of the board is to be responsible for the design of the strategic direction of the company and the direction that the company is taking. The board is also responsible for ensuring that the company is adhering to the values that are set in the code (King Report 111, 2009). The board helps to ensure that the conduct of management is in line with the values of the company and does not expose stakeholders to risk. The board also ensures that there is an inclusive approach to governance in which no one is left out.

The board has to ensure that the company has an effective system of internal controls. The board is also responsible for reporting on risk in the company. Furthermore, the board should ensure that the company adheres to the proposed code of conduct, behaviours and controls.

Gilfilan (2010) noted that the board has an ethical responsibility to provide leadership. The leadership of the board must be based on an ethical foundation. The board must ensure that the affairs of a company are handled in an ethical way. The board has to ensure in its work that the decisions, deliberations and actions are taken in consideration of the principles of fairness, accountability, transparency and inclusiveness. The board ensures that corporate governance principles are developed in the organisation and that they are in line with principles of human rights and do not violate the interests of any stakeholder.

The board ensures that metrics are used to measure corporate citizenship programmes. Various metrics are used to measure the company's adherence to ethical standards in different areas such as finance, environmental issues and social responsibility. The board ensures that the information on the performance of the company must be reported based on integrated reporting so that stakeholders have a clear idea about the position of the company in terms of sustainability both in the short term and long term.

The International Finance Corporation (2014) posits that corporate governance can be improved by the introduction of scorecards. The International Finance Corporation says that since the 1990s many countries have adopted the use of scorecards in corporate governance. The use of scorecards has its origins the private sector, where they were used to assess compliance with national legislation. Using scorecards helps companies to measure, where they stand in terms of national compliance to corporate governance legislation, and to come up with strategies for improving corporate governance. Scorecards are a tool that can be used to evaluate corporate governance compliance to the law without relying on the coercion from the law.

Zalewska (2013) proposes an approach that can be used to resolve some challenges that are related to agency challenges that arise due to the asymmetry of information between the board and the shareholders. Zalewska (2013) submits that corporate governance procedures have undergone serious changes in the last 20 years and the models that were used in the past could be categorized as Anglo Saxon, Franco Saxony, Scandinavian and other models. The same author notes that after the 1980s there has been a great increase in cases of scandals. These scandals showed a high level of mismanagement at the highest level of organisations.

Naimah and Hamidah (2017) added that asymmetrical information is at the heart of the agency problems that arise in firms. They further noted that there has been an increase in corporate governance incidences in our time due to the growth of huge businesses that have been associated with lack of accountability. Zalewska (2013) associates the information asymmetry with the use of information technology. The same author argues that information has increased in our time, making it difficult to extract the information that is needed. The unusual growth of the stock market has also contributed to the increased focus of shareholders on business.

Zalewska (2013) explains that economic theory states that monitoring and alignment of agent with the principal shareholders. Corporate governance failure can be used to reduce chances of business failures through the implementation of good corporate governance practices. Zalewska (2013) explains that monitoring that is done on behalf of the principal, which has to keep the agency up to date in terms of delivering what they are contracted to carry out. The cost of monitoring the business can be very high. If the salary is above the market rate then losing the job can be an important factor for the agent.

Barber and Odean, (2011) said that the growth of the market makes it difficult for institutional investors to monitor every portfolio that they invest in. It is also argued that institutional investors may not be motivated to invest in monitoring the market. It is against this background that there has been an increased drive to increase motivation.

Naimah, and Hamidah (2017) notes that it is for that reason that auditors and the board have a mandate to provide the market with information. Different mechanisms can be introduced to reduce corporate governance failure. Some of these measures have been enumerated as ex-post monitoring through audit and information provision, ex ante monitoring through audit and information gathering, and use of incentives in order to align the needs of shareholders and managers.

Naimah and Hamidah (2017) said that a weak board that lacks expertise and that is dominated by the CEOs will not effectively contribute to effective decision making. Other powerful CEOs may not contribute to the effective work of the board. The advisory and monitoring roles of weak boards are undermined and this culminates in them just endorsing the decisions of the CEOs. On the other hand, the strong boards can offer a strong alternative position to the work of the CEOs. This means that an effort to strengthen corporate governance at Telecom has to take into account the work of the board and examine if the board members are strong and competent to execute their functions effectively. Auditing of a firm can also be done after the event, as in the case of ex post monitoring. Barber and Odean (2011) said that at the end of the project, the work of the agent may be subjected to scrutiny through internal and external auditors. Auditing can be launched at the level of the firm internally and external auditors may launch it. The quality of the auditing process determines the effectiveness of the audit. Auditing at firm level may be done by internal audit, which is a committee that is regulated by many codes of conduct.

2.15 Corporate governance practices in Namibia

Corporate governance in Namibia is seen as the key to attracting Direct Foreign Investment to Namibia and in helping to fulfil the aspirations of the country as captured in the country’s Vision 2030 to be an industrialised country. Good corporate governance in Namibia is seen as a key in strengthening infrastructure in the country, developing an efficient banking system and in thwarting corruption. In a small country like Namibia, savings are insufficient when compared to the potential demand for investment and that direct foreign investment can play a central role in the development of the country by facilitating the setting up of firms that can produce goods locally. It is in the national interests that the public and the private sectors must work together to promote corporate governance and create a situation in which the country can attract foreign direct investment.

Concerns regarding corporate governance practices in Namibia were raised by questionable practices in institutions such as Airports of Namibia, Air Namibia, and the Social Security Commission and in Ongopolo Mine. The development of effective corporate governance practices is important in Namibia. Such practices are important in helping to attract foreign direct investment. Namibia lacks corporate governance structures and pre-requisites to implement corporate governance measures in the country. Gaps in corporate governance measures in Namibia were identified at the stock exchange, which lacks the capacity to enforce corporate governance measures. Anomalies on corporate governance have also been identified in corporate entities and a regulation of relations between management, members of parliament and senior executives. Failure to manage the relationships can lead to corporate governance failures. Namibia also lacks adequate administrative systems, has a weak human resources capacity and inadequate infrastructural and financial resources. Namibia also requires the legal framework that supports corporate governance practices and that can allow for enforcement of accountability and transparency.

In 2009, the Namibian Stock Exchange introduced corporate governance laws, which are now referred to as NamCode, and they are based on the King III report on corporate governance and on the Namibian Company's Act of 2004. The Namibian code of corporate governance was based on the best international practices on corporate governance. The corporate governance framework is designed to suit the Namibian

Framework. The NamCode (2009) asserts that it is derived based on principles of corporate governance from the King 111 code for deepening the capital markets in Namibia.

2.16 The Kings Report and Corporate Governance

The Kings Reports on Corporate governance, which were launched in 1994 in South Africa, made major contributions to the way people conceptualise corporate governance in Africa. The dominant thinking in corporate governance in Africa was shaped by a desire to improve performance in the public sector, which would then culminate in the privatisation of these institutions. The Committee on the Financial Aspects of Corporate Governance (1992) said that when the Cadbury committee was set up, it was noted that the financial reports of many firms were exposed to financial scrutiny. The Cadbury committee noted that it was the concern with the directors' pay and challenges related to accountability that created a heightened level of interests in corporate governance.

The Cadbury report, represented the work of a committee that was chaired by Adrian Cadbury, and it outlined recommendations regarding the way the company boards must be organised and ways in which risks may be reduced on business (The Committee on the Financial Aspects of Corporate Governance, 1992). The report was compiled in Britain and it noted that the work of private firms has a vital impact on the growth and performance of the economy.

The International Finance Corporation (2014) identifies the principle of agency as central to corporate governance. The same reports noted that managers and shareholders encounter conflict when the directors who are delegated with authority, fail to act in the interests of the shareholders (Kirkpatrick, 2009). This lack of alignment between the interests of directors and those of the shareholder can lead to a number of undesirable behaviours such as disloyal behaviours, and agency inefficiency performance. It is for this reason that the Cadbury committee called for the need to introduce both internal and external controls, in order to resolve the challenges that may arise in a firm (OECD, 2009). The financial scandals that affected the banking sector in the United States and Europe around 2008-2009, led to a greater focus on corporate practices (OECD). There are perceptions that the global economic crisis can be attributed to a failure in corporate governance and worldwide corporate governance and codes are seen as a panacea to this challenge.

It is for this reason that South Africa adopted the King report (2002) on corporate governance. According to the Institute of Directors in South Africa (2002) task teams were set up to consider the following issues: role of boards and directors, accounting and auditing, internal auditing, risk management, legal compliance and enforcement. The Kings committee interrogated the work of the task teams and crystallized them into a Code of Corporate Practice that is coordinated with international best practices. The first King report in South Africa was instituted in 1994. The second King report was published in March 2002.

The King III addresses the issues of remuneration of directors and executives. The King report states that the board is responsible for the remuneration of the directors. Non-executive directors' remuneration is set annually and must be approved by the shareholders. The King Report (2009) points that the remuneration of directors must be fair. The remuneration must be based on performance and in a situation where the performance has nothing to do with the executive, then they should be given due attention.

The remuneration of the executive has to be related to the strategic direction of the company and the way in which the company is performing. The board is supposed to pay particular interests in the remuneration of directors. The remuneration must be based on a performance management framework. The shareholders pay Non-executives directors in advance. The non-executive directors cannot be paid in shares of the company. The non-executive directors are paid according to their level of expertise and their attendance at meetings.

The remuneration of directors must take into account the performance of managers and by bench marking with what other people in other companies occupying the same position are earning. The King Report III (2009) stated that bonuses are paid to directors based on their performance in terms of their annual goals and objectives. The performance can be agreed for the long term and short term. Different types of metrics must be used to set performance measures for directors' bonuses.

Directors may also participate in share incentive schemes. King III (2009) cautions against creating remunerations that are large and not sustainable. Non-executive directors cannot receive the share options. The awards of shares and remuneration must be on an annual basis to avoid putting the company in financial risk.

The profile of the company secretary has to take into account considerations from the King III report. The Institute of Chattered Secretaries Southern Africa (2016) places a company secretary in a central role in the implementation of the company policy. The board requires the assistance of a competent secretary to help it implement the governance laws, codes and framework. The King Report (2009) declares that a company must be assisted by a secretary who is competent and knowledgeable.

The secretary must be able to comprehend the corporate governance legal framework and be able to implement, monitor and evaluate the organisational policy on good governance. The secretary has a central role in the organisation, must be able to train directors on the legal framework of corporate governance, and must be able to handle on-going training for the directors.

The secretary must also be able to work with the nomination committee for the appointment of a director ensuring that there is legal compliance in the process. The secretary provides counsel to the directors on how the company can be administered in the best interests of stakeholders, advising the directors on the day-to-day functions. The secretary will tend to collaborate with many stakeholders such as liaising with the audit committee, the directors, the chairperson and non-executive directors. The secretary also has a mandate to ensure that the company charter is up-to date and in line with the changing codes, standards and regulations. The secretary will also be responsible for handling all the documentation of the board. The secretary would also handle minutes of the meetings of the board and to ensure that members of the board are able to access them timeously. The company secretary also works with the board to evaluate its performance and that of other key leaders in the company (Institute of Directors of Southern Africa, 2009). The King report III looks at a number of elements such as boards and directors, accounting and auditing, risk management, among many other elements. This paper will focus only on the role of boards of directors and the laws, codes and standards that govern their work.

The Institute of Directors of Southern Africa (2009) adds that directors have a duty to act in the best interests of the company. The board of directors have a duty to ensure that governance principles of fairness, accountability, responsibility and transparency are attained in the company. According to the King Report on Governance, for South Africa (2009) the board has the responsibility for determining the strategic focus of the company and its performance. The board is also responsible for the control of the company. The board has a mandate to develop a code of conduct that promotes ethical corporate culture. The board has to ensure that a culture of integrity runs through the organisation and some companies may be required to set up ethical and social committees.

The director is expected to make decisions that promote the best interests of the shareholders. The board has to ensure that it complies with the following principles: transparency, fairness, accountability, and responsibility. Responsibility means that the board has a duty to protect the assets of the company. It must ensure that the company is on a strategic path and is exercising ethical behaviour. Accountability implies that the board must be answerable for its actions to shareholders and stakeholders. Upholding fairness means that the board must be able to treat all the stakeholders and shareholders with respect. The board is also obliged to disclose company information in a way that the stakeholders can make an informed analysis of its performance and sustainability.

One of the central responsibilities of the board is to ensure that the company acts like a responsible corporate citizen. The board has to ensure that the company takes into account the triple bottom line in its operations, that is economic, social and environmental performance. The triple bottom line means development must be sustainable. It also means that the company must respect human rights and must respect conditions of individuals or communities that sustain a decent livelihood. The board has to ensure that a company invests in communities in programmes such as poverty alleviation and in the creation of employment as a strategy to improve the livelihood of communities. The board has to ensure that companies engage in approaches that promote environmental conservation and protection.

The board has also to ensure that the companies reduce business risk, which may arise through competition either on a project or in the firm. The board has to ensure that companies engage in sustainable practices that take into account the whole business process, the people, financial factors and the environment. The board has to ensure that ethics risks are taken into account and a profile of risk is created. If managed well, the ethics risk can help a company to retain talented people.

It is the duty of the compliance officer to ensure that the company complies with the standards of corporate governance outlined in the King Report III. Chapter 6 of the King Report on Governance for South Africa (2009) declares that the board has to ensure that a company abides by the laws, codes and standards. The board is required to have a grasp of the law on corporate governance and working together with the director must ensure that the codes and standards are observed. The group compliance officer is accountable to the board regarding compliance to corporate governance laws, codes and standards.

The board has to ensure that the code of conduct guiding relations between the company and stakeholders is observed. Finally, the board has to ensure that a company's ethical conduct is monitored evaluated and reported. KPMG (2014) explains that integrated reporting may simply be understood as the integration of corporate social responsibility reporting to the current financial reporting models. Integrated reporting is significant in the sense that it will provide a range of information for the company such as the business model, the strategy and the context in which the business functions. The historical performance of the company, which is more than just furnishing financial metrics. The report gives the reader adequate information regarding the business in order to enable the reader to appreciate the risk that the business may be exposed to. The sustainability of the business in the short and long term is also examined.

The Institute of Directors of Southern Africa (2009) stated that the company is an integral part of the society in the way that it creates wealth and employment. The king report revolves around 3 key pillars which are leadership, sustainability and corporate citizenship. In the concept of leadership, we have the concept of good corporate governance in which a leader, who is effective must show qualities such as fairness, accountability and transparency. The goal of responsible leadership is to attain sustainable environmental, social and economic performance. In any integrated report, all these elements must be captured to show how a company is performing in terms of all the key elements such as sustainable development, financial revenue and impact on the planet.

The Institute of Directors of Southern Africa (2009) observed that sustainability has become one of the key issues of our time. Nature society and business are interconnected in a way that business has to acknowledge. Integrated reporting takes into account the thinking that a company is a person and must behave in a corporately responsible manner. Sustainability implies that a company must have a long-term view of its operations and the impact it has on employees and all the people in the value chain. It also implies that a company must take into account all the ethical, social and environmental responsibilities. For integrated reporting this means that a company must demonstrate how it has taken into account corporate social responsibility.

The Institute of Internal Auditors (2013) adds that sustainability has been associated with terms such as green energy and social accountability. Sustainability explores the net effect of a company's operations on the resources and the people and seeks to explore if that is sustainable. Sustainability also means that the management pay schemes must not seek to maximise short-term results. Integrated reporting arose as part of an effort to account for financial and non-financial parts of business operations that have an impact on sustainability. The integrated reporting is driven by the International Integrated Reporting Council (IIRC) a group of investors, regulators, standard setters, Non –governmental organisations and accounting professionals. The first draft of integrated reporting was launched in 2013.

The Institute of Internal Auditors (2013) clarifies how an organisation business model affects many resources and many relationships that are needed by the organisation to create value for that organisation in the short, medium and long term. The integrated Reporting frameworks look at these relationships in terms of human, manufactured, intellectual, social and natural relationships.

2.17 Theoretical framework

The theoretical framework for the study is based on agency theory and stakeholder theory. Sonmez and Yildirim, (2015) stated that a corporate governance model cannot be approached from a one size fits all approach. The same authors maintained that corporate governance theory focuses on two key issues such as the value of shareholders and the role of stakeholders in the management of firms or corporations.

2.17.1 Agency theory

Kung'u & Munyua (2016) explained that agency is one of the central issues facing corporations in our contemporary time. As the firm grows and expands, a gap develops between shareholders and the owners. This culminates in a scenario in which shareholders hire managers to run the firm for them. Donaldson (2008) asserts that because of the separation of ownership and control in the modern firm, there is usually a divergence of interests between the principal and the agency. The owners of the firm become principals when they engage the executives to run the firm for them. The principals become investors in the firm and set up governance systems that help to maximise their utility (Ferraro, Pfeiffer, & Sutton, 2005). The executive concedes to run the firm because they perceive an opportunity to maximise their own potential. Agencies weigh alternatives that are before them and they see more utility in this decision.

In a scenario in which managers are hired to run the firm, the shareholders face the risk that managers can promote their own interests and not those of the shareholders (Ferraro, Pfeiffer & Sutton, 2005). This challenge is real given the possibility of managers acting in their own interests and the need for shareholders to watch the managers. The situation is called information asymmetry between managers and shareholders. Information asymmetry occurs when there is a difference in terms of information that is processed by the two parties.

Corporate governance rules are utilised to protect the shareholders' interests. Corporate governance mechanisms help the board and management to pursue the interests of the shareholders and furnish a way of monitoring the activities of the board, shareholders, board of directors, and facilitate the wise use of resources and capital (Daily, Dalton, & Cannella, 2003). The agency theory postulates that adequate monitoring or control mechanisms need to be established in order to protect the shareholders from the conflict of interests of the management. Corporate governance addresses the conflict of interest and formulates ways to prevent corporate misconduct and aligns the interests of stakeholders using incentives and monitoring mechanisms. Agency theory assumes that a human being is rational, self-interested and opportunistic. The agency theory has been accused of displaying reductionism and oversimplification, although it has also been accepted as scientifically valid because of its utility (Argandoña, 2008).

Sonmez and Yildirim (2015) postulates that agency theory proposes that one way to monitor the behavior of the agent is through the compensation contract that enables the principal and agent's interests to be aligned perfectly. Such contract can be initiated between the shareholders and the managers, like debt-covenants among managers and lenders, given that the compensation contract as well as debt-covenants are frequently associated with an accounting number, which in turn creates incentives for managers to manipulate earnings.

The agency theory had a great impact on strategic management and business interests. The agency theory holds that managers will not implement actions that will maximise shareholders' interests unless there are governance structures that are institutionalised in the organisation. The agency theory underlines that the chairperson and the chief executive officer plays a central role (Kung'u & Munyua, 2016). In agency theory, the owners are conceived as principals and the managers as are agents. In order to align the interests of shareholders and those of the agent, the principals would introduce financial schemes that align the interests of the managers with those of the shareholders. Such schemes reduce agents' losses. Schemes that are designed to reduce agents' loss may take the form of offering senior executives of the firm to access shares at a reduced price.

Zalewska (2013) observes that the purpose of offering incentives to managers is to make them like 'semi principals', and the intention is to reduce the gap between the principals and owners so they are aligned to the owner's objectives. This unfortunately does not mean that the agents become complete owners. There are other factors, that hinder a complete alignment of interests between the principal and the agency such as attitude towards risk, and the scope of diversification and preferences that may hinder complete alignment of interests. Zalewska (2013) states that the forms of remuneration that are used in pay remuneration to executives are bonuses, options and shares. The incentive instruments are not equivalent and in a situation in which the remunerations are tied up, in options, executives may have additional preference for risk.

Grout and Zalewska (2012) says that there is evidence from research that many executives hold shares by choice. Although there are controversies regarding the use ofshares as one of the ways to incentivise the executives, it remains one of the strategies that is used. Zalewska (2013) notes that in Britain, there has been major changes in corporate governance, which can be traced to the introduction of the Cadbury report. The same author makes it explicit that the Cadbury report together with its code of conduct had a national and international impact. The basic nature of corporate governance that was introduced by the Cadbury report created the basis for empowering the board of directors, curtailed the powers of the board, and limited the influence of the CEO over the board and decision-making.

The United Kingdom and United States have chosen different paths when it comes to corporate governance. In the United Kingdom, the law makes it voluntary for companies to comply, while in the United States the law enforces the structures and there is a penalty for noncompliance.

Other schemes that were introduced to reduce agency loss involved the tying of executive compensation and other benefits to shareholder returns. The strategies that are employed to reduce agency loss are intended to stop executives from indulging in short term expediency measures that can affect negatively the shareholders’ interests (Donaldson, 2008). The board of directors is also set up to monitor the actions of the managers on the behalf of the shareholders. In order to avoid compromising the role of the board, the executive officer cannot be a chair of the board.

2.17.2 Stewardship theory

The stewardship theory is considered a humanistic theory. The theory holds that there is no conflict of interests between the owners and managers (Donaldson, 2005). The central assumption of the stewardship theory is that the executive managers tend to be benign in their actions. The stewardship theory holds that executive managers are motivated by rewards that are intrinsic, which are reciprocity and alignment rather than mere external rewards. The stewardship theory submits that the manager is essentially seeking to do a good job. The stewardship theory asserts that there is no general problem of executive motivation (Daily, Dalton & Cannella, 2003). The Stewardship theory further argues that the ability of the executive manager to perform depends on whether the structural situation in which the executive finds himself or herself allows them to take action. The issue of central preoccupation is whether the structural situation in which the manager works permits them to implement policies (Argandoña, 2008). For instance in the case of Telecom, it is important when it is looked at in terms of stewardship theory to ensure that the managers are working in a context where it is possible for them to implement policies that may benefit shareholders.

Donaldson (2008) submits that empirical studies have validated the two theories as the best way to do corporate governance. Hambrick (2005) notes that blending the agency theory and steward theory in order to attain a conceptual advance has been a challenge. Donaldson (2008) states that stewardship theory, is seen as a counterweight to the agency theory and is seen as a static theory due to the reason that it looks at the Principal-Agency theory at a single point in time. Argandoña, (2008) explains that when an agent and a steward interact, the former behaves opportunistically and the latter feels betrayed.

Structural factors are able to facilitate this to the degree that they are able to outline clear role expectations and the degree to which they are able to empower executives to do their work. The stewardship theory insists that the Chief Executive Officer (CEO) is able to attain their objectives depending on the degree to which they are able to exercise power in a way that is clear and unambiguous. Power and authority is centralised in one person. In the case of firms in America, many of them use the stewardship theory to run organisations and it allows a CEO to exercise a dual role as many CEOs also chair the board. This trend is not only observable in America, but also in Australia in which some CEOs also exercise the role of a board chair.

The tendency to allow duality in countries such as the United States has been criticised in the United States itself. Critics have called for an end to duality and the restoration of distinctive roles of the CEO and the chair of the board, and to safeguard the interests of the shareholders. The stewardship theory holds that duality leads to higher returns for shareholders.

2.18 The Research Gap

The purpose of the study was to fill the following research gaps. Many studies conducted by early scholars as per the literature survey that includes (Gompers, *et al.,* 2001), (La Porta, *et al.,* 2002), (Anand *et al.,* 2006) have addressed the importance and impact of corporate governance. Importantly, much of it refers to situations in developed countries, and less to developing countries like Namibia, thus the present study focuses on corporate governance practices and their impact on Telecom Namibia.

Literature review confirms the relationship between different corporate governance components and firm performance using strong cross sectional correlation (Black, 2001). The present study contributes to the literature on the association between

Corporate Governance practices and firm performance as assessed by market based measures which include market capitalisation to BV ratio (Barnhart *et al.,* 1994), are market value added (MVA) and Tobin's q (Yermack, 1996), (Black, *et al.,* 2009) by using panel data analysis, since it involves the combination of time series with cross-sections which can enhance the quality and quantity of data in ways that would be impossible using only one of these two dimensions, thus, panel analysis can provide a rich and powerful study of a set of PSUs, Private sector companies and State Owned Enterprises like Telecom Namibia.

A well-established body of research (Matipira, 2016), (Durnev, *et al.,* 2005), (Klapper and Love, 2002), (La Porta, *et al.,* 2002), (Grossman, 1981), (Healy and Palepu, 2001), (Chung and Pruitt, 1996), (Beiner, *et al.,* 2006) has for some time acknowledged the increased importance of legal foundations, including the quality of the Corporate Governance framework for firm performance. Research (Collet and Hrasky, 2005), (Doidge, *et al.,* 2004a), (Toledo, 2007) has started to address the links between law and performance of the firms, highlighting the role of legal foundations and well-defined guidelines (Anand *et al.,* 2006) for the proper functioning of Corporate Governance. This study involves the computation of the corporate governance index covering all the mechanisms of CG as per NamCode guidelines. The focus was to know to what extent Telecom Namibia is complying with the State Owned Enterprises Governance Act (2006). In addition, the study wanted to know the state of corporate governance practices in Telecom Namibia.

Limited literature reviewed involved either computation of corporate governance score as per corporate governance guidelines and application of some other statistical tool but not panel data analysis (Balasubramanian, *et al.,* 2008) and some studies which apply panel data analysis compute corporate governance scores as per the guidelines issued by some other countrys’ regulatory body (Toledo, 2007) or some authors (Matipira, 2016), (Gompers, *et al.,* 2003), (Black, *et al.*, 2003), (Radygin and Entov, 2001) and (Turuntseva, *et al.,* 2004), (Zheka, 2005) and (Zelenyuk and Zheka, 2006), (Brown and Caylor, 2004), (Denis and McConnell, 2003), (Defond, *et al.,* 2005) develop their own Corporate Governance framework and allot weightage as per the importance of the Corporate Governance mechanism involved in the framework. However, there is no study in the past, which includes assessing corporate governance practices and computation of corporate governance scores as per NamCode guidelines and finding its impact on the performance of the company using panel data analysis. The present study fulfils this research gap.

2.19 Summary

The current chapter has presented the comprehensive review of literature pertaining to corporate governance and company performance. In this chapter, the research gap was highlighted in a broad-spectrum, with special reference to Namibia. The literature presented in the study is on corporate governance, its guidelines and firm performance. The summary of the research gap shows that previously corporate governance standards of developed countries were more focused than developing countries like Namibia. So far, no attempt has been made to find out to what extent, the companies in Namibia are complying with the NamCode guidelines.

CHAPTER THREE

RESEARCH METHODS

3.0 Introduction

This chapter describes the research method used, selection of the sample, data collection and data analysis as well as ethical considerations for the study. The purpose of the study was to evaluate corporate governance processes in Telecom Namibia, a State Owned Enterprise in Namibia. The researcher used a mixed method to deal with a variety of data collected through questionnaires.

3.1 Research Design

Data collection involved collecting both quantitative and qualitative data concurrently, analyzing the information separately, and then merging the two databases. Ideally, this design prioritizes the two types of information equally and uses the same sample. The reason for collecting both quantitative and qualitative data was to converge or compare results, validate results, corroborate results, bring together the two forms of data to bring greater insight into the problem than would be obtained by either type of data separately. The method used was a casual comparative, with results coming from analysis of questionnaires and proper study of numeric records, in correcting both forms of data parallel variables in order to construct concepts. According Wittkink, (2006), a comparative study provides a very deep and rich understanding of the topic.

3.2 Research Population

The research population for the study consisted of 12 board members at Telecom Namibia. The population of the study was confined to delimitations of the study. The population is consistence with the nature of he study that focuses on governance in the context of the board of directors as stewards of the company. Given the size of boards of directors in Namibia, the sample of 12 board members was fit for purpose.

3.3 Sample size

The study used non-probability sampling methods in which the purposive sampling technique was used. The research instruments were validated. According to Shavelson (1998), difined validity as the extent to which a research instrument captures data that is valid for the study. A sample is said to be a subset of the whole population investigated by a researcher and whose charceristics can be generalised to the whole population (Bless, *et al.,* 2006). The sample size for this study comprised of board members and directors of Telecom Namibia, all independent and non- independent. Additionally, the sample size could have been calculated using Solvin's formula and due to the nature of the study, the whole population formed part of the sample. Slovin's formula Sampling Technique as quoted by Steph (2011), is based on the assumption that when it is not possible to study an entire population, a smaller sample is taken using a random sampling technique. Slovin's formula allows a researcher to sample the population, in this context, the sample of the study was 12 respondents, acting as stewards for Telecom Namibia.

3.4 Research Instrument

The study made use of research instruments that were developed in the form of questionnaires and an interview guide. Primary data for analysis was collected from Telecom Namibia executives responsible for corporate governance and non- executive members respectively. The research questionnaire was structured in two forms, (structured and semi-structured question) to suit the adopted research design. Qualitative data was collected through open-ended questions in which the researcher did not use predetermined categories or scales to collect the data. The participants

(Telecom Namibia board of directors both independent and non- independent) provided information based on questions that did not restrict the participants` options for responding. Quantitative data was collected through structured questions based on predetermined response scales, or categories.

3.5 Data collection Procedure

Both primary and secondary data were sources of information. The data collection was done through completion of questionnaires by the sample respondents. A questionnaire is an instrument delivered to a number of people in order to collect statistical information (Cooper &Schindler, 2006). The questionnaire addressed a variety of compliance issues of the public entity with the NamCode (2009), CACG principle (1998), the OECD guidelines (2005) and King report (2009), on corporate governance. A questionnaire designed to address these variables focusing on the NamCode (2009) was used, with categories ranging from rights of shareholders, accountability and responsibility of the board. The CACG (1998) principles covered issues of integrity in directing the corporation, processes used in the appointment of directors and monitoring and evaluation of the implementation of strategies. The questions addressed issues of transparency and accountability of the board of directors to strategic direction, regular comprehensive review of controls to ensure that there was compliance with Code, law and regulations.

The questionnaire was designed for board members of Telecom Namibia on areas not adequately addressed by other data sources. This was designed to collect data from independent and non-independent members. A total of 12 respondents participated in this research.

3.6 Data analysis

Quantitative data collected was recorded and computed through the Statistical Program for the Social Sciences (SPSS). Statistical procedures that were applied as part of quantitative data analysis include descriptive statistics, frequencies, non-parametric tests, and factor analysis.

3.7 Analysis of Qualitative Data

In order to analyse qualitative data collected through face-to-face interview technique, data analysis technique derived from Cresswell (2009) was adopted and utilised in this research. The analysis falls within the context of content analysis. The analysis enabled the identification of themes and sub-themes that emerged from the interview technique through the development of the Logical Framework Analysis (LFA). Figure 3.1 below reflects the fundamentals of the LFA approach

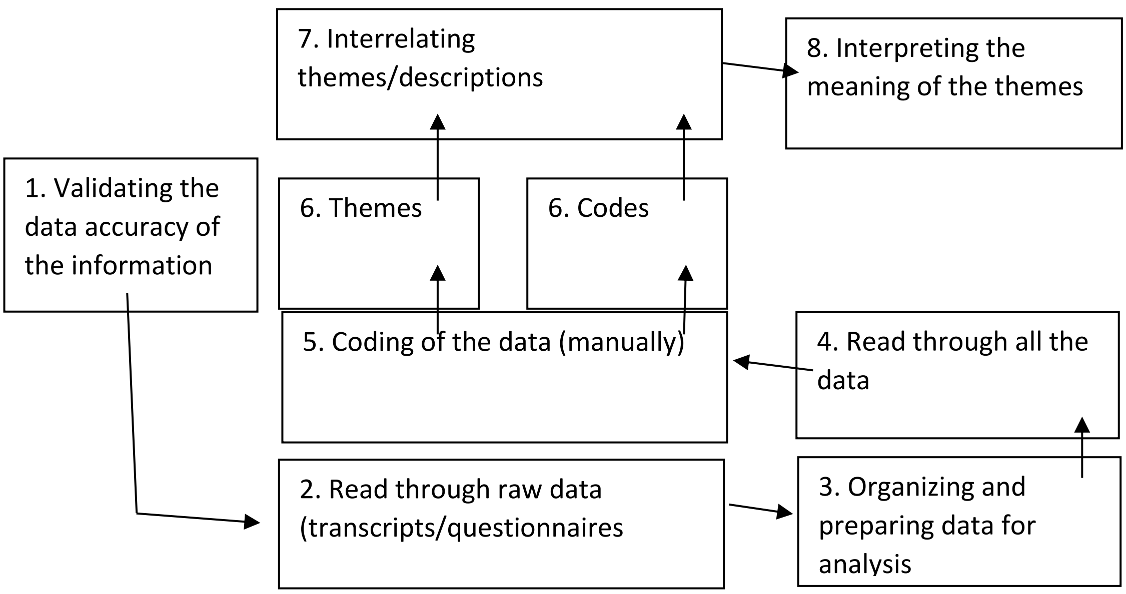


Figure 3.1: Qualitative Data Analysis Process Model

Source: Cresswell (2003)

The above figure 3.1 shows the steps that need to be followed through the LFA approach method of qualitative data analysis. The steps are self explainatory and are discussed below as follows:

Step 1: Involves the validation of data for accuracy of information. In this process, the researcher validated the accuracy of the data gathered through face-to-face interview. The data was reviewed several times comparing them against their respective recordings.

Step 2: In this part process of data analysis, the researcher carefully read through all raw data of the transcripts several times to get a general sense of the information and to reflect its overall meanings and identify themes and sub-themes of the interview.

Step 3: The researcher organized and prepared the data for analysis by sorting and organizing the data into different categories/themes as per sub question formulated from the main research questions.

Step 4: Data was read through several times. The rationale behind the continuous reading of the collected data was to try and understand what the participants were actually saying, what themes and sub-themes were emerging from the data. The bottom line was to identify the impression, credibility and the use and depth of the information. General patterns of the study started to emerge from the analysis. Similarities, differences and general patterns in the responses emerged at this stage.

Step 5: A coding system was formulated and detailed analysis commenced through coding system. The interviewees were coded for easiness of identification.

Step 6: Themes and sub-themes that emerged from the analysis were identified at this stage. Special focus was placed on themes and sub-themes that emerged from the study and were predetermined by the sub-questions and the main research question. The information was organized into different segments of text before final analysis. Data that emerged from the analysis was fit into themes and sub-themes through sentence construction. The method involved organizing data according to data analysis summary located in the Logical Frame Work, tabulating the data into themes and sub-themes under the sub questions.

Step 7: The final step in data analysis involved making interpretations in order to derive meaning from the analysed data. Interpretation was carried out through critically reading with understanding the patterns that emerged from the themes and sub-themes that emerged from participants' data. Participants' personal opinions, experiences on weaknesses in corporate governance in Telecom Namibia were appreciated and categorized.

The final analysis involved summarizing the themes that emerged from the analysis and the discussion of the emerged themes. The discussion integrated the researcher`s personal interpretation with meanings that emerged from the comparison of the findings and the reviewed related literature, theories or philosophies. The analysis was meant to either confirm or refute the information analysed, divergence from the information or prompting new questions to ask that the researcher did not consider a summary of the overall analysis of the raw data was then given under each sub question based on the information gathered under each theme and sub-theme. Discussion of the findings was based on an integration of the researchers' knowledge and interpretation of the analysed data.

3.7 Validity and Reliability

The main aim of social scientific research, particularly within the positivist tradition, is the establishment and demonstration of the reliability and validity of research findings (Jensen, 2003, p. 212). Data obtained through measurements that are not valid is worthless data. Measurement has validity to the extent that it measures what the researcher wants it to measure and not something else. On the other hand, reliability speaks to the consistency or stability of the measurements (Keyton, 2001, p. 110). After the preparation of the research instrument which covered two sections: the quantitative section incorporating the structured questions and the qualitative section incorporating the open-ended questions were peer reviewed by three subject matter experts and their inputs were incorporated.

Keyton (2001) argued that, there are several types of validity, namely: face validity, content validity, criterion-related validity, and concurrent validity, predictive and construct validity. In connection with this research, the researcher used content validity. This is the degree to which the items in the measuring device represent the full range of characteristics or attitudes associated with the construct of interest (Keyton, 2001).

The research tool was tested for the content and construct validity. A compilation of findings was made from an extensive survey of literature on corporate governance. The interview schedule was prepared using the items culled out from the survey of the available literature on corporate governance. The interview schedules were then given to 10 respondents and the researcher requested an expert in corporate governance to find out whether sufficient numbers of concepts were included in the study. The expert studied the interview guide and suggested a few concepts that were included in the interview guide. The recommendations offered by the expert were appropriately incorporated in the revised interview guide.

Initially, the researcher included the research items and related concepts on the Board of Directors and shareholders. The expert who studied the interview guide suggested that auditors were also an important constituent of the corporate governance mechanism. Hence the auditors were also included in the study. Thus the content validity of the study was established.

To establish construct validity of the study, the items were collected by reviewing the existing literature, research journals and pertinent discussion with the company secretary, auditors and shareholders. Based on the lines of the corporate hierarchy, the items were developed and existing items were modified and subjected to the constituents of the corporate governance system. Based on the structure of the constituents, the pertinent items were developed, establishing the construct validity. After two long hours of two sittings, the validity and dependability of the interview guide was established and made fit for the study.

Rubin (2005) and Jensen (2003) explained that reliability refers to how dependable, consistent and repeatable measures are in a study and across several studies. There are several types of reliability: test-retest reliability, split-half reliability and internal reliability. In this research, internal reliability was measured. The items in the measurement seemed to measure the same thing, the measure has internal reliability.

This study used the Cronbach's Alpha to test the validity and reliability of the study. In this case, a reliability test was conducted using Cronbach's Alpha test at a coefficient value of .70. This implied that if the research instrument was at .70 it was deemed to be fit for purpose and considered for the research. The research instrument (questionnaire) used was tested and found to be at .934, meaning that it was 93% reliable and that it could be replicated elsewhere. Fig. 3.1 below depicts the reliability test. The research also used test re-test techniques in determining the validity and reliability of the qualitative research instrument. Thus, the qualitative research instrument was forwarded to two experts in the field to test for reliability and validity of the instrument. Figure 3.1 below provides the discussion of the case summary results of Cronbach`s Alpha at .93 coefficient value.

Figure 3.1:Case Processing Summary

		N	%
Cases	Valid	12	100.0
	Excluded[a]	0	.0
	Total	12	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.934	58

Source: Survey data

In addition, the reliability of the interview guide was established by submitting the prepared interview guide to a panel of corporate governance experts consisting of one company secretary and two professors. This panel of judges was then asked to scrutinise how far the items given in the interview guide were relevant and intercorrelated with the objectives of the study and measuring the results. The panel of experts discussed the items one by one and analysed how far the items were tactical to the study in eliciting the required information.

3.8 Research Ethics

According to Welman, Kruger and Mitchell (2005), ethical behavior is paramount in research as in any field of human activity. Welman *et al.*, (2005), further explained that the principles underlying ‘research ethics are universal concern issues such as honesty and respect for individuals’ rights. The researcher respected all respondents and assured anonymity. The researcher obtained permission to obtain information from relevant authorities before conducting the study. The researcher sought individual consent as well as organisational consent. The collected data is being stored in a lockable safe for a period of 5 years and will be shredded and burnt thereafter.

3.9 Summary

This chapter explained the methodology used in exploring this study, as stated above a mixed method was used in order to dig dipper into issues and merge the outcomes to ensure that results were of high quality. The population under study was the entire workforce of Telecom Namibia who were permanently employed. Due to the nature of the study, the researcher had to select a sample which derived from the population by means of the utilising the universal formula. The sample size of the study was 12 respondents. Quantitative data collected was analysed using SPSS while qualitative data collected was analysed through content analysis. The questionnaire was found to be reliable at 93% based on Cron Bach's Alpha test. Qualitative data analysis was carried out through content analysis using the Logical Framework Analysis. Ethical behaviours were highly observed to ensure that respondents' views were protected and quality results were achieced.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.0 Introduction

This study focused on evaluating the effects of corporate governance in Telecom Namibia. Furthermore, it focuses on the presentation and analysis and discussion of data collected on the above mentioned variables. In discussing the research findings, a comparison of the results obtained during the study to the literature reviewed in Chapter two, was also undertaken with a view to identify similarities and departures from the knowledge gained from other authors.

4.1 Research Objectives

The main objective of this study was to evaluate corporate governance processes in Telecom Namibia. In line with the primary objective of the current study, the following secondary objectives were proposed:

- To investigate the factors that affect corporate governance processes in Telecom Namibia.
- To determine the impact of the factors that affect corporate governance processes in Telecom Namibia.
- To recommend startegies for improving corporate governance processes in Telecom Namibia.

4.2 Data Analysis

The aim of collecting primary data was to establish the respondents' views on factors that affect corporate governance in Telecom Namibia and ultimately draw conclusions on the effects of corporate governance on the organisation. Capturing of data was done on the SPSS version 21 programme. The study's results produced significance findings regarding the impact of corporate governance in Telecom Namibia. Below is the summary of Frequencies tables gleaned from the analysis.

4.3 Analysis of the demographic information of the respondents

Table 4.1 shows that 8.3 % of the respondents have been working at Telecom Namibia for a period that varies from one month to 5 years. The results showed that the respondents worked at Telecom Namibia in the following year categories; 0-12 months, 25% between the period of 1-2 years, 33% between 2-5 years and the remaining, 33% respondents have been with TN for over 5 years.

The figures below illustrate the demographic results of the respondents who participated in this research. They show that the respondents' responses were valid because the respondents were relevant to the study.

Frequency Table 4.1 Working experience n=12

Working experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-12 months	1	8.3	8.3	8.3
	1-2 years	3	25.0	25.0	33.3
	2-5 years	4	33.3	33.3	66.7
	Over 5 years	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.2 above shows demographic distribution of the respondents that participated in this study. The results reflected above reflects that 50 % of the respondents are males and 50% are females.

Frequency Table 4.2: Gender **n=12**

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	6	50.0	50.0	50.0
	Female	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Frequency Table 4.3: Age Category **n=12**

Age category

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	31-40 years	2	16.7	16.7	16.7
	41-50 years	3	25.0	25.0	41.7
	51-60 years	6	50.0	50.0	91.7
	Above 60	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.3 above indicates that 16.7% of the respondents were aged between 31-40 years, 25% were aged between 40-50 years, 50% were aged between 51-60 years and that 8.3% of the respondents were aged above 60 years.

Frequency Table 4.4: Number of Corporate Board of Directors **n=12**

Number of corporate boards of directors served

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Two corporate board of directors	3	25.0	25.0	25.0
	Three corporate boards of directors	5	41.7	41.7	66.7
	Four corporate board of directors	3	25.0	25.0	91.7
	Five corporate board of directors	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.4 shows that 25% served two corporate board of directors,41.7% served three corporate of directors, 25 % served four corporate board of directors and the remaining 8.3% served five corporate board of directors.

Frequency Table 4.5: Expertise of specialisation n=12

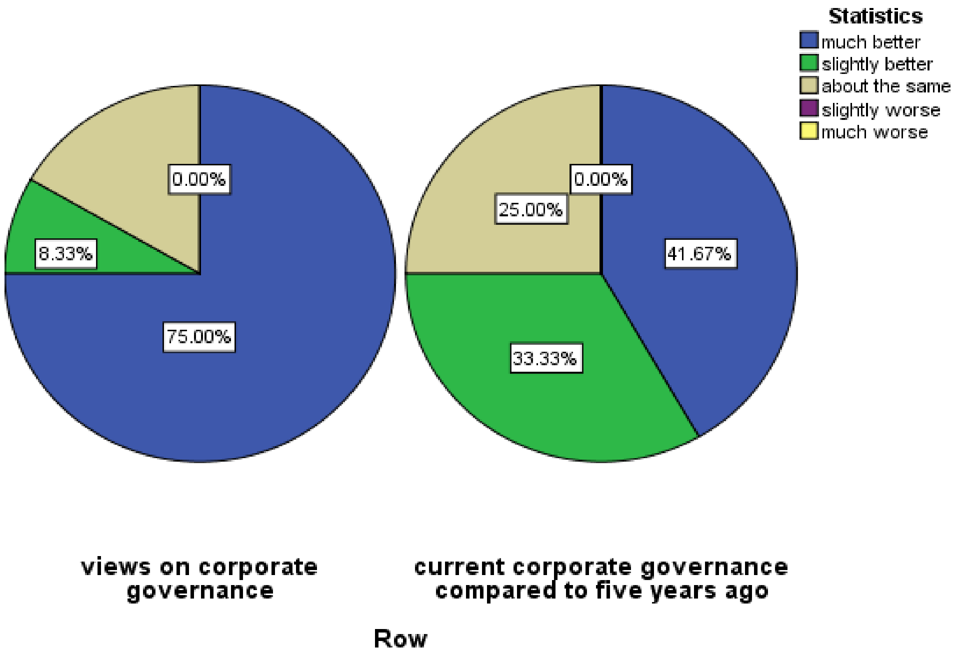
Major background

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Business executive	2	16.7	16.7	16.7
	Financial institution	2	16.7	16.7	33.3
	Academic	7	58.3	58.3	91.7
	Public servant	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.5 above shows that 16.7 % of the respondents had major background experience in business executive, 16% had major background experience in financial institution, 58.3 had major background experience in academic and 8.3 % had major background experience I public servant.

Figure: 4.1: Corporate Governance n=12



Source: Survey data

Figure 4.1 above shows the view on corporate governance and comparison of corporate governance. 75% of the respondents view corporate governance as much better, 8.3 % view corporate governance as slightly better and 16.7 % view corporate governance as about the same. In comparison, 41.7% of the respondents indicated that the current corporate governance is much better compared to what it was five years ago, 33 % indicated slightly better and 25 % indicated that the current corporate governance is the same compared to what it was five years ago.

Frequency Table 4.6: Number on Board of Directors n=12

Total number of directors on the board of directors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	12 directors	12	100.0	100.0	100.0

Source: Data Survey

Table 4.6 above shows that 100% of the respondents indicated that there were 12 board members on the board of directors.

Table 4.7 shows that 100% of the respondents indicated that there were 3 members of the board of directors who were appointed from other organisations outside the company.

Table 4.7: External Directors n=12

Number of outside directors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 directors	12	100.0	100.0	100.0

Source: Survey data

Table 4.8: Independent Directors n=12

Number of independent directors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3 directors	12	100.0	100.0	100.0

Source: Survey data

Table 4.8 shows that 100% of the respondents indicated that there were 3 independent members on the board of directors.

Frequency Table 4.9: Board of Directors Term n=12

Term of the board in the office

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3	12	100.0	100.0	100.0

Source: Survey data

Table 4.9 shows that 100% of the respondents indicated that the term of the board in the office was three years

Frequency Table 4.10: Foreigners n=12

Foreigners in the board

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	12	100.0	100.0	100.0

Source: Survey data

Table 4.10 shows that 100% of the respondents indicated that there were no foreigners serving the board.

Frequency Table 4.11: Chairman n=12

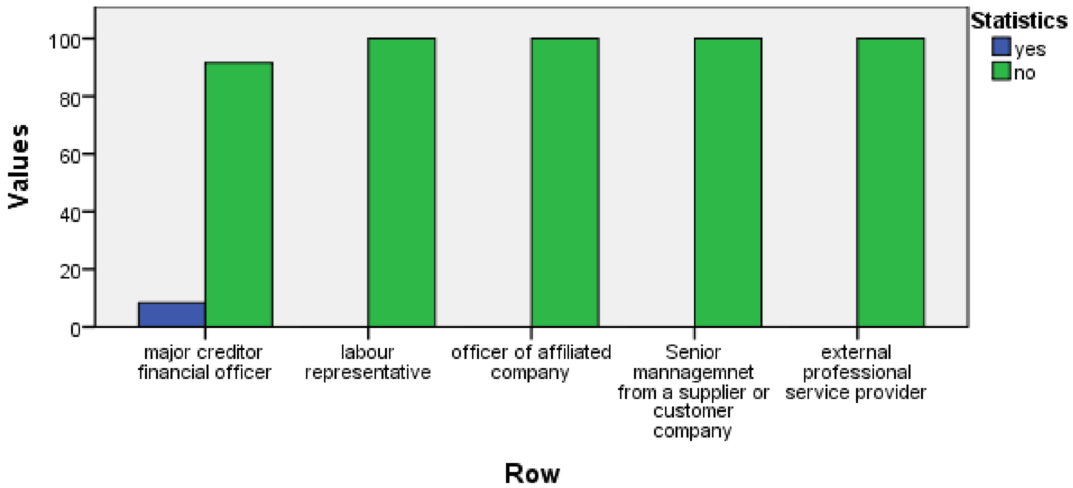
Telecom Namibia as board chairman

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	12	100.0	100.0	100.0

Source: Survey data

Table 4.11 shows that 100% of the respondents indicated that the Chairman of the board was not an employee from TN.

Figure: 4.2: Board member's status n=12

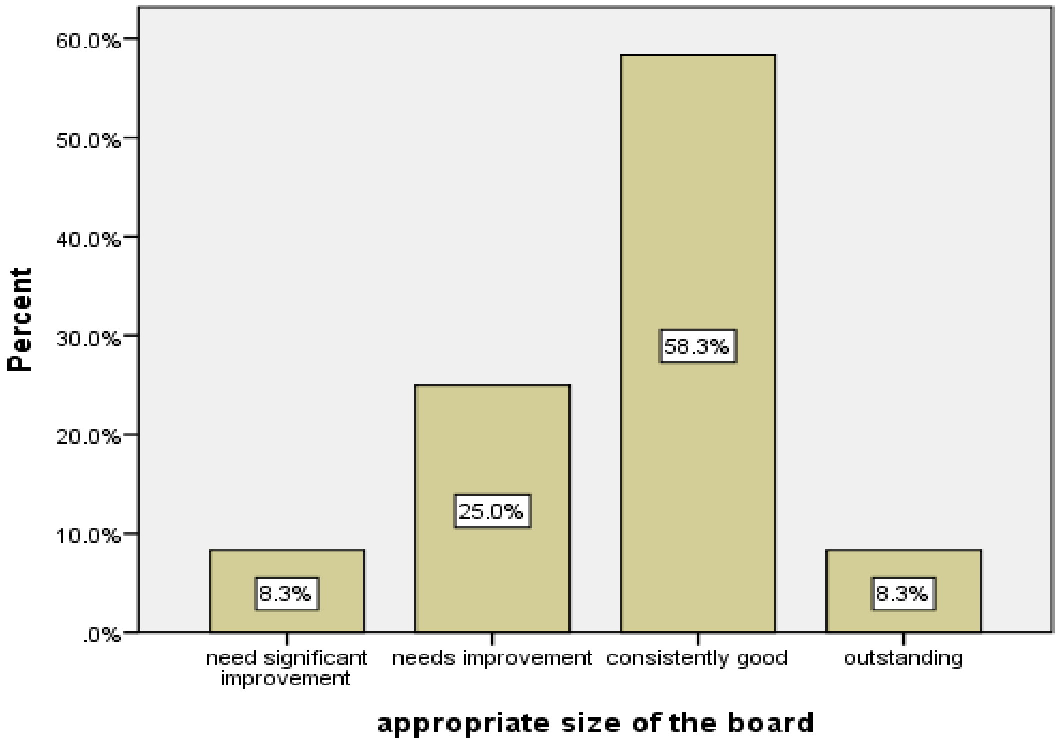


Source: Survey Data

Figure 4.2 above shows the status of board members. The figure indicates that 8.3 % of the respondents pointed out that, a member of the boards is a major creditor financially and 91.7 % indicated that no member of the board is a major creditor financial officer. Furthermore, 100% of the respondents indicated that there is no member of the board who is a labour representative, another 100% of the respondents indicated that there is no member of the board who is a labour representative. In addition, 100% of the respondents indicated that there is no member of the board who is a senior manager from a supplier of customer. Moreover, figure 4.1 shows that 100% of the respondents indicated that there is no member of the board who is an external service provider.

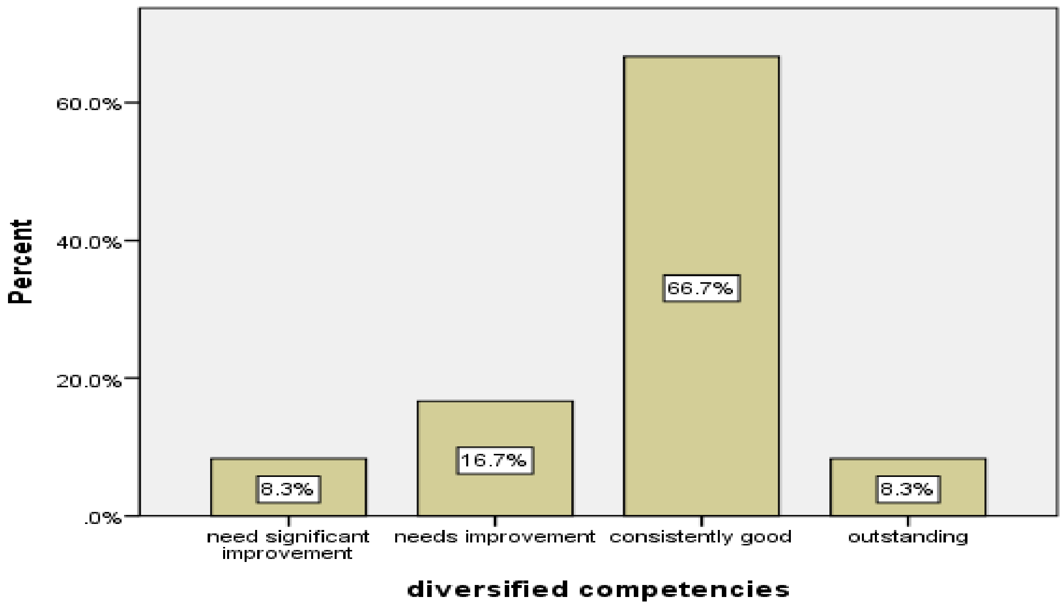
Figure 4.3 shows that 8.3 % of the respondents felt that the size of the board needs significant improvement, 25 % felt that the size of the board needs improvement, 53.8 % feels that the size of the board is constantly good and 8.3% feels that the size of the board is outstanding.

Figure 4.3 Size of the Board



Source: Survey Data

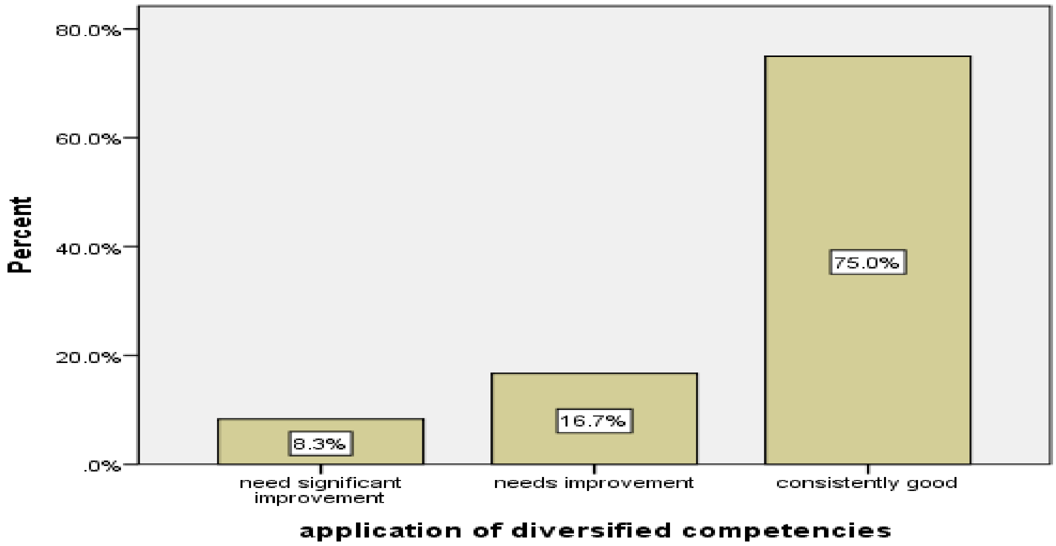
Figure 4.4 Diversified Competencies



Source: Survey Data

Figure 4.4 above shows that 8.3 % of the respondents agree that the diverse competencies of the board members need significant improvement, 16.7 % felt that the diverse competencies of the board members needs improvement, 66.7 % felt that the diverse competencies of the board members are constantly good and 8.3% felt that the diverse competencies of the board members are outstanding.

Figure 4.5 Application of diversified competencies n=12



Source: Survey Data

Figure 4.5 above shows that 8.3 % of the respondents suggest that the application of diverse competencies by board of directors need significant improvement, 16.7 % suggest that the application of diverse competencies by board of directors need improvement and 75 % suggest that the application of diverse competencies by board of directors are constantly good.

Frequency Table 4.12: Recommended Competencies n=12

Proposed competencies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Management	1	8.3	8.3	8.3
	Information Communication Technology	1	8.3	8.3	16.7
	None	10	83.3	83.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.12 above shows that 8.3% of the respondents recommended management as a competency required by the board of directors, 8.3% recommended information communication and technology as a competency required by the board of directors and 83.3 % recommended nothing.

Frequency Table 4.13: Independency of directors n=12

independent directors from the controlling shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	2	16.7	16.7	16.7
	agree	4	33.3	33.3	50.0
	neutral	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

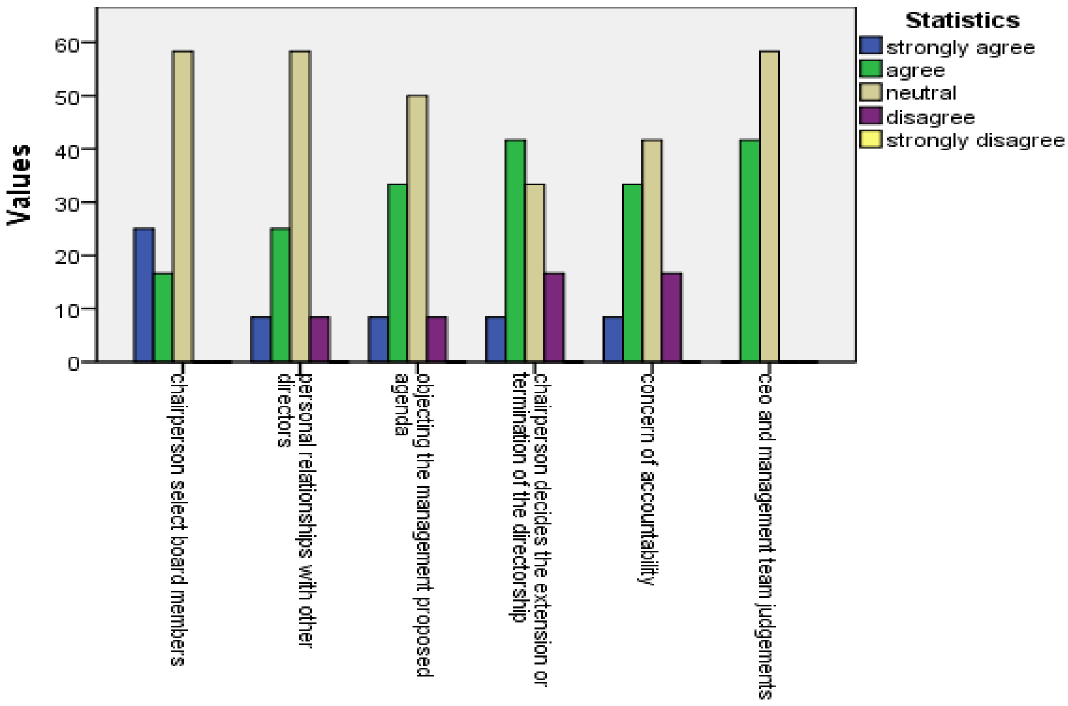
Source: Survey Data

Table 4.13 above shows that 16.7 % of the respondents strongly agree that the board of directors are independent from the Chairperson, 33.3 % agree and 20% neither agree nor disagree.

Figure 4.6 shows reasons for independent directors not being fully independent from the Chairperson. 25% of the respondents strongly agree that the reason is because the Chairperson selects the board members, 16.7 % agree that the Chairperson elects the board members and 58.3 % neither agree nor disagree.

Furthermore, figure 4.6 indicates 8.3 % of the respondents strongly agree that the personal relationships among directors is the main reason, 25 % agree, 58.3 % neither agree or disagree and 8.3 % disagree personal relationship among directors is a reason why for independent directors not being fully independent from the Chairperson. Moreover, 8.3 % of the respondents strongly agree that the board of directors are objecting the management proposed agenda, 33.3 % agree, 50% neither agree nor disagree and 8.3 % disagree that the board of directors are objecting the management proposed agenda.

Figure 4.6: Independent directors not fully independent from Chairperson n=12



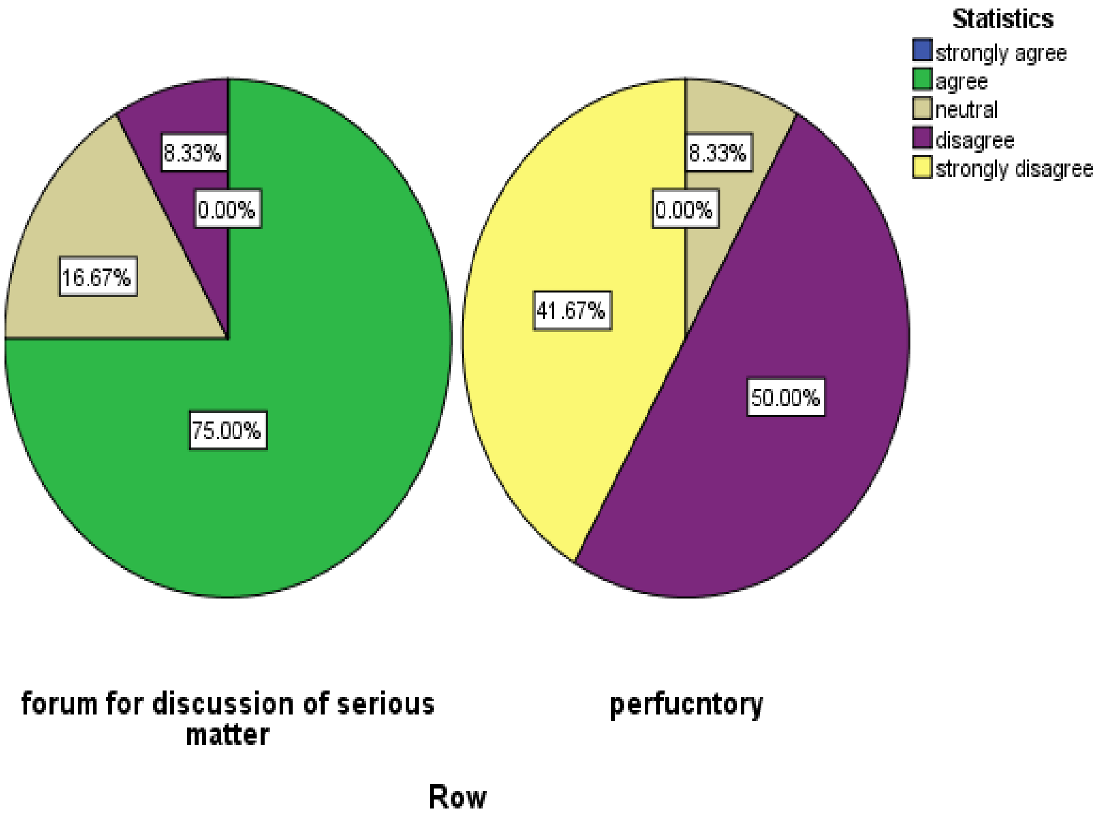
Source: Survey Data

Figure 4.6 also shows that 8.3% of the respondents strongly agree that the Chairperson decides the extension or termination of the directorship, 41.7 % agree the Chairperson decides the extension or termination of the directorship, 33.3% neither agree or disagree and 16.7% disagree the Chairperson decides the extension or termination of the directorship. In addition, 8.3% of the respondents strongly agree that the board members are concerned with being held accountable, supported by 33.3% who indicated that they agree 41.7 % of respondent neither agree or disagree and 16.7% disagree that the board members are concerned with being held accountable. Lastly, figure 4.6 shows that 41.7 % respondents agree that CEO and management team and 58.3 % respondents judge the board neither or agree or disagree whether the board being judged by CEO and management team.

Figure 4.7 shows the role of TN board of directors. 75% of the respondents agree the role of the directors is a forum to discuss serious matters, 16.7 neither agree nor disagree and 8.3 % disagree that there is a forum to discuss serious matter.

Furthermore, figure 4.7 shows that 8.3 % of the respondents neither agree nor disagree on the TN board being perfunctory, 50% disagree that TN board is perfunctory supported by 41.7% respondents who strongly disagreed that TN board is perfunctory.

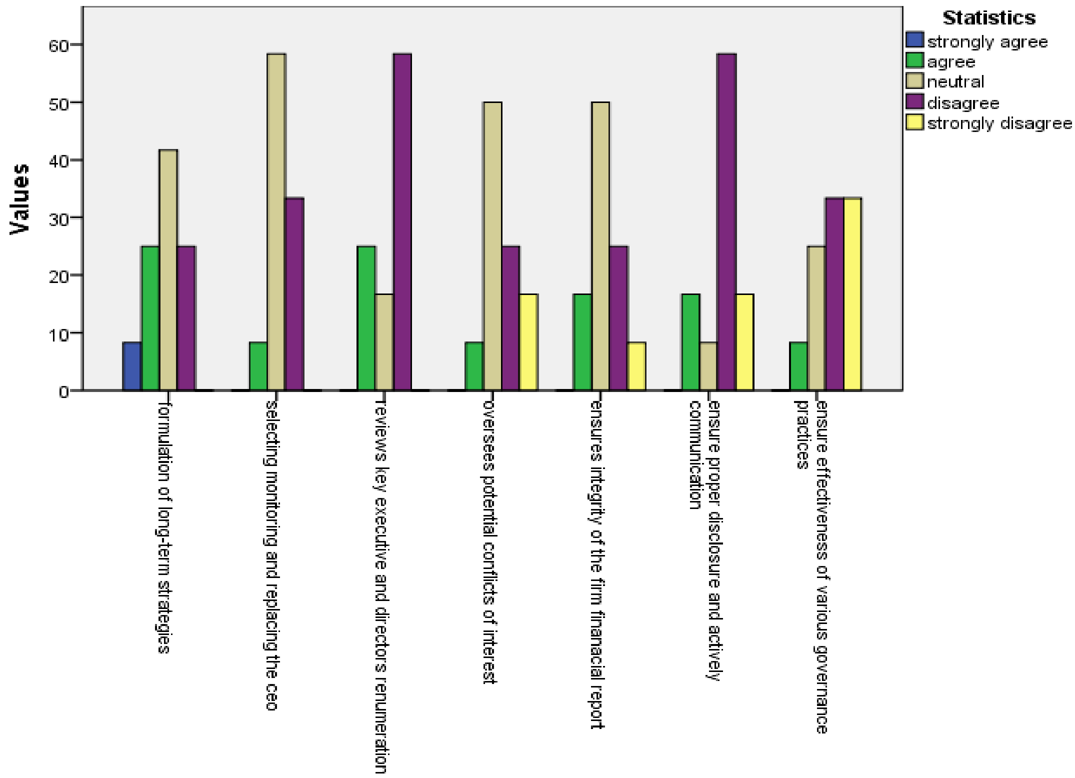
Figure 4.7: The role of TN board of directors **n=12**



Source: Survey Data

Figure 4.8 shows the activeness and contribution of the TN board of directors to certain task. Firstly, figure 4.8 shows that 8.3 % of the respondents strongly agree that the board is active and contributes to the formulations of long-term strategies, 25 % agree, 41.7 % neither agree nor disagree and 25% disagree that the board is active and contributes to the formulations of long-term strategies. Furthermore, figure 4.8 shows that 8.3 % of the respondents agree that TN board is active and makes much contribution in selecting, monitoring and replacing the CEO, 58.3 % neither agree nor disagree and 33.3 % disagree that TN board is active and makes much contribution in selecting, monitoring and replacing the CEO. Moreover, figure 4.8 shows that 25% of the respondents agree that the TN board is active and makes much contribution to review key executive and directors and remuneration, 16.7 % neither agree and disagree and 58.3 % disagree that the TN board of is active and makes much contribution to review key executive and directors and remuneration.

Figure 4. 8: The activeness and contribution of TN Board of Directors n=12



Source: Survey Data

In addition, figure 4.8 shows that 8.3 % of the respondents agree that the TN board is active and makes much contribution to oversee potential conflict of interest, 50% neither agree nor disagree, 25% disagree and 16.7% strongly disagree that TN board is active and makes much contribution to oversee potential conflict of interest. 16.7 % of the respondents as shown in figure 4.8 agree that TN board is active and makes much contribution to ensure integrity of the firm financial report, 50% neither agree nor disagree, 25% disagree and 8.3% strongly disagree that TN board is active and makes much contribution to ensure integrity of the firm financial report.

Figure 4.8 further shows that 16.7 % of the respondents agree that TN board is active and makes much contribution to ensure proper disclosure and actively communication, 8.3 % neither agree nor disagree, 58.3 % disagree and 16.7 % strongly disagree that TN board is active and makes much contribution to ensure proper disclosure and actively communication. Finally, 8.3 % of the respondents agree that TN board is active, makes much contribution to ensure effectiveness of various governance practices, 25 % of the respondents neither agree nor disagree, 33.3 % disagree and 33.3 % strongly disagree that TN board is active, and makes much contribution to ensure effectiveness of various governance practices.

Table 4.14: Directors Control **n=12**

Independent directors from the controlling shareholders

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	2	16.7	16.7	16.7
	Agree	4	33.3	33.3	50.0
	Neutral	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.14 shows that 16.7 % of the respondents strongly agree that independent directors have control from the controlling shareholders, 33.3 % agree and 20 % neither agree nor disagree that independent directors have control from the controlling shareholders.

Table 4.15: Power and Authority **n=12**

Power to select and dismiss of independent directors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Controlling owners, but not a CEO	12	100.0	100.0	100.0

Source: Survey Data

Table 4.15 shows that 100% of the participants indicated that controlling owner has the power to select and dismiss independent directors.

Table 4.16: Selection and dismal of a CEO n=12

Authority to remove and appoint of a CEO

		Responses N	Responses Percent	Percent of Cases
Final power to remove and appoint the CEO	Board of directors	1	4.5%	8.3%
	Controlling owners	12	54.5%	100.0%
	Chairman and government	9	40.9%	75.0%
Total		22	100.0%	183.3%

Source: Survey Data

Table 4.16 shows that 4.5 % of the respondents' states that the board of directors have the final power and authority to remove and appoint the CEO, 54.5% state that the controlling owners have the final power to remove and appoint the CEO and the remaining 40.9 % state that the Chairman and the government have final power to remove and appoint the CEO.

Table 4.17: Information Accessibility n=12

Information accessible to independent directors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No restriction at all	1	8.3	8.3	8.3
	Somewhat limited	5	41.7	41.7	50.0
	Very limited	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.17 shows that 8.3 % of the respondents think that there is no restriction to information accessible to independent directors, 41.7 % think that the information accessible to independent directors is somewhat limited and 50% think that the information accessible to independent directors is very limited.

Table 4.18: Meetings **n=12**

Meetings with managers and workers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	2	16.7	16.7	16.7
	Never	10	83.3	83.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.18shows that 16.7 % of the respondents' state that meetings with managers and workers occurs sometimes and 83.3 % state that meetings with managers and workers never occurs.

Table 4.19: Business Operation records **n=12**

Business records and accounts are accessible

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No restriction at all	1	8.3	8.3	8.3
	Somewhat limited	5	41.7	41.7	50.0
	Very limited	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.19 shows that 8.3 % of respondents stated that there was no restriction at all on accessing business records and accounts, 41.7 % stated that access to business records and accounts was somewhat limited and 50% stated that accessibility to business records and accounts was very limited.

Table 4.20 shows that 50% of the respondents indicated that there is not always real time information and 50% indicated that there is rarely real time information.

Table 4.20 shows that 58.3 % of the respondents indicated that company pays for personal external services providers is only exceptional and 41.7 % indicate that the company never pays for personal external service providers.

Table 4.20: Information Sharing **n=12**

Real time information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	6	50.0	50.0	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.21: External Service Providers

Company pays for personal external service providers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only exceptionally	7	58.3	58.3	58.3
	Never	5	41.7	41.7	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.22: Monthly financial Statements **n=12**

Updated monthly financial statements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	8	66.7	66.7	66.7
	Never	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.22 shows that 66.7 % of the respondents indicated that they are not provided with updated monthly financial statement and 33.3 % indicated that they are never provided with updated monthly statement.

Table 4.23: Needed Information **n=12**

Provision of information needed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	Not always	5	41.7	41.7	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.23 shows that 8.3 % of the respondents indicated that provision of information needed is very much so, 41.7 % indicated that not always and 50% indicated that the provision of needed is rarely.

Table 4.24: Useful Information **n=12**

Accurate information

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only exceptionally	8	66.7	66.7	66.7
	Rarely	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.24 shows that 66.7 % of the respondents indicated that accurate information is only exceptional and 33.3 % indicated rarely.

Table 4.25 shows that 8.3 % of the respondents indicated that there is reliable information for decision-making, 41.7 % indicated that reliable information for decision making is only exceptional and the remaining 50% indicated rarely.

Table 4.25 shows that 41.7 % of the respondents indicated that information is not always accessible to non-board officers and 58.3% indicated that information to non-board members is rarely accessible.

Table 4.25: Trustworthy information **n=12**

Reliable information for decision making		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it is	1	8.3	8.3	8.3
	Only exceptionally	5	41.7	41.7	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

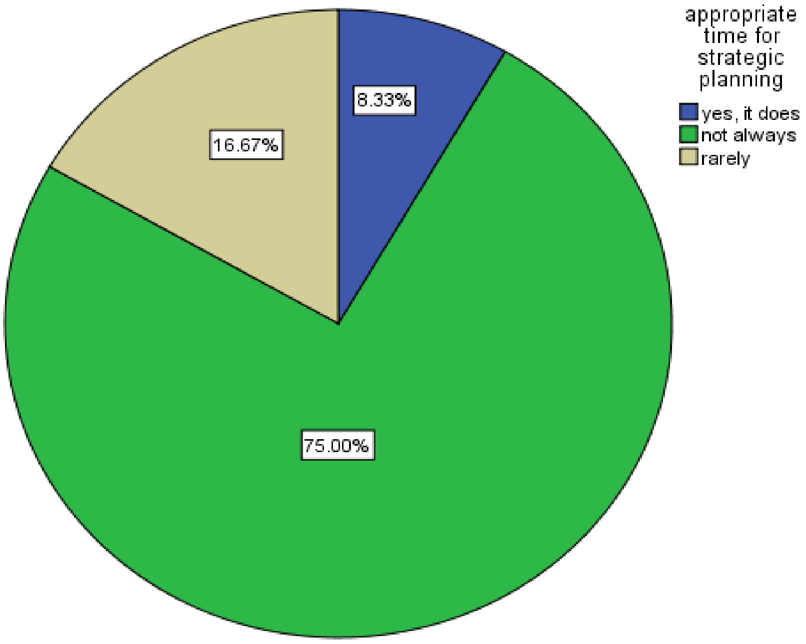
Source: Survey Data

Table 4.26: Information reachable by no board members **n=12**

Accessible to Non-board Officers		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	5	41.7	41.7	41.7
	Rarely	7	58.3	58.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

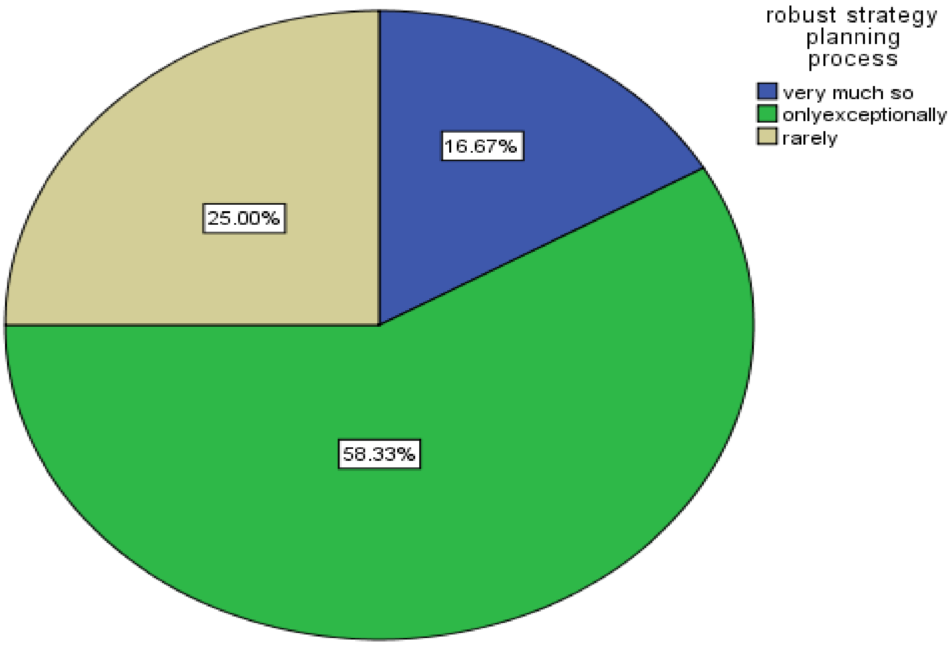
Figure 4.9: Strategic Planning **n=12**



Source: Survey Data

Figure 4.9 shows that 8.3 % of the respondents' state that yes, the board does have appropriate time for strategic planning, 75% indicated that the board does not always have appropriate time for strategic planning and the remaining 16.7% indicated rarely. Figure 4.10 depicts that 58.3% of the respondents indicated that robust strategy planning process is done only exceptionally and this was supported by the other 16% of the respondent who said it is very much so. However, the other 25% indicated that it is rare to have robust strategy planning.

Figure 4.10: Process of Planning **n=12**



Source: Survey Data

Table 4.27 above shows that 66.7% of the respondents indicated that the board does not always clearly communicating the strategic goals and directions of the company to the CEO and management. This was supported by the other 16.7% of the respondents who said it to be done rarely. However, the other 16.7% of the respondents indicated that yes, the strategic goals and directions are being communicated to the CEO and management.

Table 4.27: Strategic goals and directions n=12

Clearly communicating of strategic goals and directions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	2	16.7	16.7	16.7
	Not always	8	66.7	66.7	83.3
	Rarely	2	16.7	16.7	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.28: Guidance to the CEO and Management n=12

Tactical guidance to the CEO and management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	8	66.7	66.7	75.0
	Rarely	3	25.0	25.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.28 above reflects that 66.7% of the respondents indicated that the board does not always provide tactical guidance to the CEO and management. This was supported by the other 25%vof the respondents that it is done rarely. However, the other 8.3% of the respondents pointed out that yes, the board provides tactical guidance to the CEO and management.

Table 4.29: Factors Affecting the Company Performance n=12

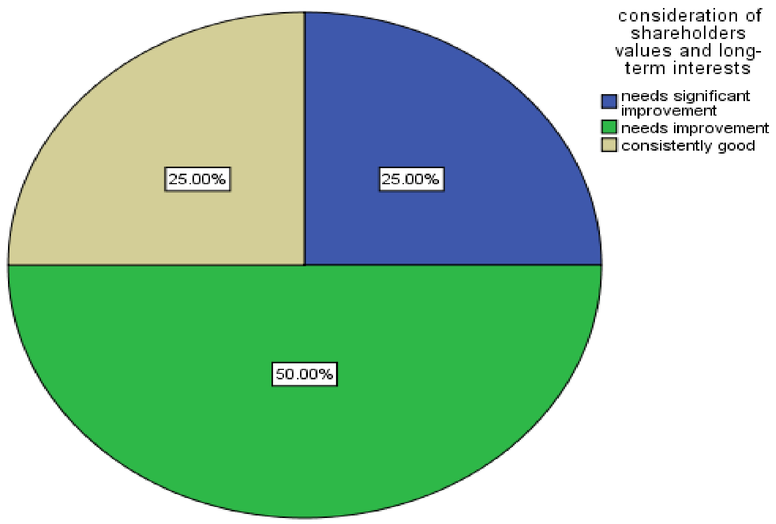
Awareness of trends and issues affecting the company performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	Only exceptionally	8	66.7	66.7	75.0
	Rarely	3	25.0	25.0	100.0
	Total	12	100.0	100.0	

Source: Data Survey

Table 4.29 above shows that 66.7% of the respondents indicated that the board only exceptionally stay abreast of the trend and issues affecting the company's performance. This was supported by the other 8.3% of the respondents who said it is very much so. However, the other 25% of the respondents pointed out that the board rarely abreast of the trends and issues affecting the company's performance.

Figure 4.11: Values and Long-term Interests **n=12**



Source: Survey Data

Figure 4.11 above depicts that 50% of the respondents indicated that the board's consideration of shareholder's values and long-term interests during decision-making needs significant improvement. This was supported by the other 25% of the respondents that the consideration needs improvement. On the contrary, 25% of the respondents pointed out that the board's consideration of the shareholder's values and long-term interests is consistently good.

Table 4.30 reflects that 58.3% of the respondents indicated that the board only exceptionally know and understand the company's strategic and business plans. This was indeed supported by the other 16.7% of the respondents who highlighted that the board has very much knowledge of the company's strategic and business plan.

However, the other 25% of the respondents indicated that it is rare for the board to have knowledge of the company's strategic and business plans.

Table 4.30: Strategies and Business Plan N=12

Knowledge of the company strategic and business plan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	2	16.7	16.7	16.7
	Only exceptionally	7	58.3	58.3	75.0
	Rarely	3	25.0	25.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.31: Learning the Company's Operations n=12

Sufficient time to learn the company's operations

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	only Exceptionally	7	58.3	58.3	66.7
	Rarely	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.31 above shows that 58.3% of the respondents indicated that the board has only exceptionally adequate time to learn the company's operations. This was backed up by the other 8.3% of the respondents who said the board has very much time to learn the business activities. However, the other 33.3% of the respondents pointed out that it is rare for a board to have sufficient time to familiarize itself with the company's operations.

Table 4.32 reflects that 41.7% of the respondents pointed out that the board not always challenges the CEO and management. This was supported by the other 50% of the respondents who said it is rare for the board to challenge the CEO and management.

On the other hand, 8.3% of the respondents said yes, the board members challenge the CEO and management.

Table 4.32: Challenging the CEO and Management n=12

Board sufficiently challenge the CEO and management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	5	41.7	41.7	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.33: Appropriate questions n=12

Board members ask the management appropriate questions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	3	25.0	25.0	33.3
	Rarely	8	66.7	66.7	100.0
	Total	12	100.0	100.0	

Source: Data Survey

Table 4.33 above shows that 66.7% of the respondents argued that it is rare for the board members to ask the management appropriate questions. This was supported by the other 25% of the respondents who said the board does not always ask queries. However, the other 8.3% of the respondents indicated that yes, the board questions the management.

Table 4.34 above shows that 58.3% of the respondents indicated that the board does not always review the key tactical plans established by the CEO and management. This was supported by the other 33.3% of the respondents who highlighted that it rare for the board to review the main tactical plans. However, the other 8.3% of the respondents confirmed that the board reviews the key tactical plans established by CEO and management.

Table 4.34: Main tactical plans n=12

Board reviews key tactical plans

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	7	58.3	58.3	66.7
	Rarely	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.35: Evaluation of the Management Progress n=12

Continuously examining of management success or progress

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	3	25.0	25.0	33.3
	Rarely	8	66.7	66.7	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.35 above depicts that 66.7% of the respondents indicated that it is rare for the board to continuously examining the management's progress. This was supported by the other 25% of the respondents who said the board does not always evaluate the management' success. However, 8.3% of the respondents indicated that the board does examination of the management' progress.

Table 4.36 above reflects that 58.3% of the respondents pointed out that the board does not always proactively work with the management to achieve the company's strategic goals. This was supported by the other 33.3% of the respondents who said it rare for the board to perform teamwork with the management. However, the other 8.3% of the respondents confirmed that the board does teamwork with the management.

Table 4.36: Team Work **n=12**

Board proactively working with the management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	7	58.3	58.3	66.7
	Rarely	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.37: Capital Budgeting **n=12**

Board sufficiently review and approve the budget

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	7	58.3	58.3	66.7
	Rarely	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.37 above shows that 58.3% of the respondents pointed out that the board does not always review and approve capital and operating budgets. This was supported by the other 33.3% of the respondents who proved that it is rare for the board to review and approve budgets. However, the other 8.3% of the respondents confirmed that the board reviews and approves capital budgeting.

Table 4.38: Achievement Review **n=12**

Board regularly monitor the management advancement

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, it does	1	8.3	8.3	8.3
	Not always	5	41.7	41.7	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.38 above reflects that 50% of the respondents indicated that it is rare for the board to monitor the management advancements. This was backed up by the other 41.7% of the respondents who confirmed that the board does not always review the management's achievements. On the contrary, the other 8.3% of the respondents validated that the board reviews the management's accomplishments.

Table 4.39: Financial indicators n=12

Board monitors financial indicators

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	only Exceptionally	8	66.7	66.7	75.0
	Rarely	3	25.0	25.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.39 above shows that 66.7% of the respondents highlighted that the board only exceptionally monitor cash flows, profitability, net revenue and expenses as projected. This was supported by the other 25% of the respondents who said it is rare for the board to monitors financial indicators. Nevertheless, the other 8.3% of the respondents confirmed that the board monitors financial indicators and expenditures as projected.

Table 4.40: Benchmarking n=12

Board benchmarks the company with the industry

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only exceptionally	5	41.7	41.7	41.7
	Rarely	7	58.3	58.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.40 above portrays that 58.3% of the respondents showed that it is rare for the board to monitor the company's performance with the industry comparative data. This was supported by the other 41.7% of the respondents who verified that the board only exceptionally benchmark with the industry.

Table 4.41: Channels of Communication n=12

Communication channels between the subordinates

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	only Exceptionally	5	41.7	41.7	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.41 above illustrates that 50% of the respondents argued that it is rare for board to communicate with the other subordinates. This was supported by the other 41.7% of the respondents who confirmed that the board only exceptionally communicates with the subordinates. Conversely, the other 8.3% of the respondents verified that the board communicates very much with the other subordinates.

Table 4.42: Sound communication among the board members n=12

Channels of communication between the board members

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	only Exceptionally	8	66.7	66.7	75.0
	Rarely	3	25.0	25.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.42 above shows that 66.7% of the respondents highlighted that the board members only exceptionally communicate with each other’s. This was supported by the other 25% of the respondents who said it is rare for mutual communication among the board members. Nonetheless, the other 8.3% of the respondents verified that the board members communicate with each other very much.

Table 4.43: Concise Policies **n=12**

Board formulates concise policies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, much so	2	16.7	16.7	16.7
	only Exceptionally	6	50.0	50.0	66.7
	Rarely	4	33.3	33.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.43 above depicts that 50% of the respondents disputed that the board only exceptionally help the CEO by setting clear and well-understood policies. This was supported by the other 33.3% of the respondents who validated that it is rare for the board to help with the formulation of concise policies. However, the other 16.7% of the respondents confirmed that the board helps the COE with policies formulation very much.

Table 4.44: Performance Compensation of the CEO **n=12**

Fair evaluation and compensation of CEO based on performance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Only exceptionally	3	25.0	25.0	25.0
	Rarely	9	75.0	75.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.44 above shows that 25% of the respondents indicated that the board only exceptionally fairly evaluates and compensates the CEO based on performance and 75% indicated that the fair evaluation and compensation of the CEO based on performance rarely occurs.

Table 4.45 below shows that 16.7 % of the respondents rated not always in terms of the board having a CEO succession plan and the remaining 83.3 % indicated that it is rare for the board to have a CEO succession plan.

Table 4.45: Succession Plan of the CEO n=12

Board has CEO succession plan

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	2	16.7	16.7	16.7
	Rarely	10	83.3	83.3	100.0
	Total	12	100.0	100.0	

Source: Data Survey

Table 4.46: Risk Management Plan n=12

Board has risk management plan in place

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	3	25.0	25.0	25.0
	Rarely	9	75.0	75.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.46 above shows that 25% of the respondents indicated that the board does not always have a risk management plan in place and 75% % indicated that rarely.

Table 4.47: The appointment year of the Board n=12

The year new board was appointed

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2016	9	75.0	75.0	75.0
	None	3	25.0	25.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.47 above shows that 75 % of the respondents indicated that the current board was appointed in 2016 and the remaining 25 % indicated none.

Table 4.48: Architecture of Risk Management n=12

Effective company risk management architecture

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Needs significant improvement	4	33.3	33.3	33.3
	Needs improvement	6	50.0	50.0	83.3
	Consistently good	2	16.7	16.7	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.48 above shows that 33.3 % of the respondents indicated that the effective company risk management architecture needs significant improvement, 50% indicated that it needs improvement and 16.7 % of the respondents stipulated that the effective company risk management structure architecture is constantly good.

Table 4.49: Alignment of risk management n=12

Mapping risk management process to the company strategy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	11	91.7	91.7	91.7
	No, it is not	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.49 above shows that 91.7 % of the respondents indicated that mapping risk management process is not always aligned to the company's strategy and 8.3% indicated that no, it is not.

Table 4.50 below shows that 83.3 % of the respondents indicated that the board evaluate and manages all key risk and the remaining 16.7 % indicated no, it is not.

Table 4.50: Key Risks n=12

Board evaluates and manages all the key risks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	10	83.3	83.3	83.3
	No, it is not	2	16.7	16.7	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.51: High Profile Risks n=12

Board manages few high-profile risk issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	5	41.7	41.7	41.7
	Rarely	7	58.3	58.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.51 above shows that 41.7 % of the respondents indicated that the board managed few high-profile risk issues and 58.3 % indicated that the board rarely manages few high-profile risk issues.

Table 4.52: Low Profile Risks n=12

Board audits low profile risk issues

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not always	1	8.3	8.3	8.3
	Rarely	11	91.7	91.7	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.52 above shows that 8.3 % of the respondents indicated that the board audits low profile issues rarely and 91.7 % indicated that the board rarely audits low profile risk issues.

Table 4.53: Discharge of Responsibilities n=12

Regular discharge of responsibilities by the board

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	Only exceptionally	10	83.3	83.3	91.7
	Rarely	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.53 shows that 8.3 % of the respondents pointed out that the board very much so, regularly discharge responsibilities, 83.3 % indicated that regular discharge of information by the board is only exceptionally and 8.3 % stated that it is rare.

Table 4.54: Allocation of Business dealings n=12

Committees and board distribute business tasks appropriately

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes, much so	1	8.3	8.3	8.3
	only Exceptionally	10	83.3	83.3	91.7
	Rarely	1	8.3	8.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.54 above shows that 8.3% of the respondents pointed out that the Committees and the board distributes business tasks appropriately very much so, 41.7% only exceptionally and 5% indicated that the committee and board rarely distribute business tasks appropriately.

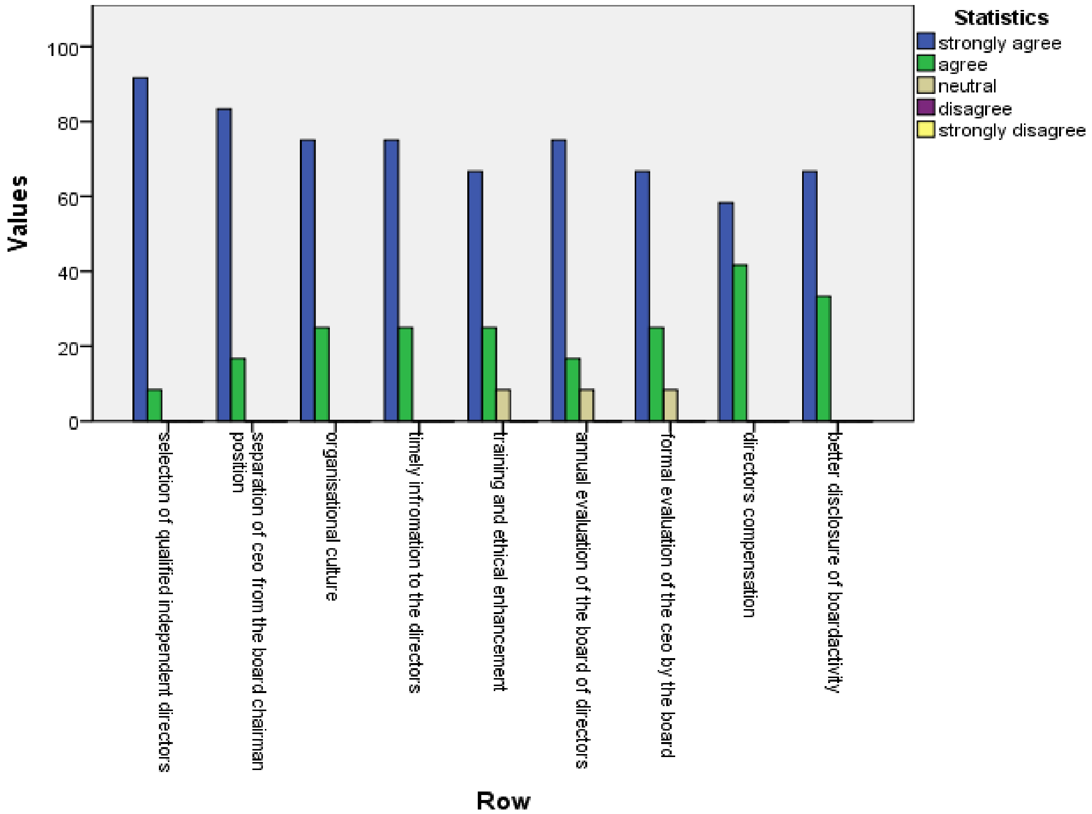
Table 4.55: Accurate Reports n=12

Committee gives accurate report to the board		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very much so	1	8.3	8.3	8.3
	only Exceptionally	5	41.7	41.7	50.0
	Rarely	6	50.0	50.0	100.0
	Total	12	100.0	100.0	

Source: Survey Data

Table 4.55 above shows that 8.3 % of the respondents pointed out that the committee very much so gives accurate report to the board, 41.7 % only exceptionally and 5% indicated that the committee rarely gives accurate report to the board.

Figure 4.12: Tasks that enhances the effectiveness of the board n=12



Source: Survey Data

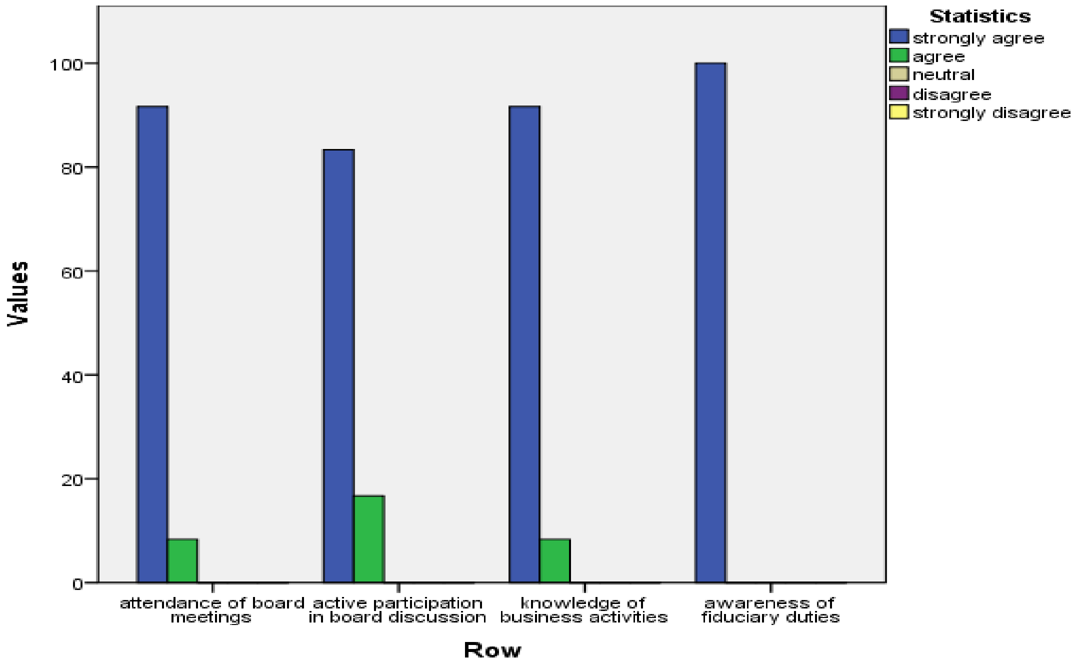
Figure 4.12 shows that on the tasks that enhance the effectiveness of the board, 91.7% of the respondents strongly agree on the selection of qualified independent directors and 8.3% support this by indicating agree. Furthermore, figure 4.12 shows that 83.3% of the respondents strongly agree that there is a separation of CEO from the board Chairman position and 16.7% agree as well. Moreover, figure 4.12 above shows that 75% of the respondents strongly agree that there is be an organisational structure that encourages constructive evaluation and alternatives view and 25% agree that there is an organisational structure that encourages constructive evaluation and alternatives view. In addition, 75% of the respondents strongly agree that there is a provision of timely information to the directors supported by the remaining 25% of the respondents who agree.

In addition, figure 4.12 shows that 66.7% of the respondents strongly agree on training and ethical enhancement supported by 25% who agree. However, 8.3% of the respondents were neutral on training and enhancement. 75% of the respondents as indicated in figure 4.12 strongly agree on annual evaluation of the board of directors, 16.7% agree and the remaining 8.3% are neutral.

Figure 4.12 shows that 66.7% of the respondents strongly agree on the formal evaluation of the CEO by the boards, 25% agree and the remaining 8.3% are neutral. The respondents were further as to indicate if directors should be compensated, 58.3% of the respondents strongly agree that directors should be compensated and the remaining 41.7% agree that directors should be compensated. In conclusion, figure 4.12 shows that 66.7% of the respondents strongly agree on better disclosure of board activities and the remaining 33.3% agree on better disclosure of board activities.

Figure 4.13 indicates task that will contribute to better performance of outside directors. Respondents were asked if attendance of meeting would contribute to better performance of outside directors, 91.7% of the respondents strongly agree and 8.3% agreed. Respondents were further asked if active participation in boarder discussion will contribute to better performance of outside directors, 83.3% strongly agreed and 16.7 % agreed.

Figure 4.13: Task that will contribute to better performance of outside directors n=12



Source: Survey Data

Figure 4.13 indicates that 91.7 % of the respondents strongly agree and 8.3 % agreed to the knowledge of business activities will contribute to better performance of outside directors. 100% of the strongly agreed that the awareness of fiduciary duties will contribute to better performance of outside directors.

Table 4.56 shows that 42% of the response indicated that Minority shareholders have an influence on preventing abuse of power, 4.8 % pointed out Institutional investors. Moreover, External directors received 42.9 % response on their level of influence on preventing abuse of power. In conclusion, Creditors Financial Institutions and Labour unions have a response of 8.3 % each on their level of influence on preventing abuse of power.

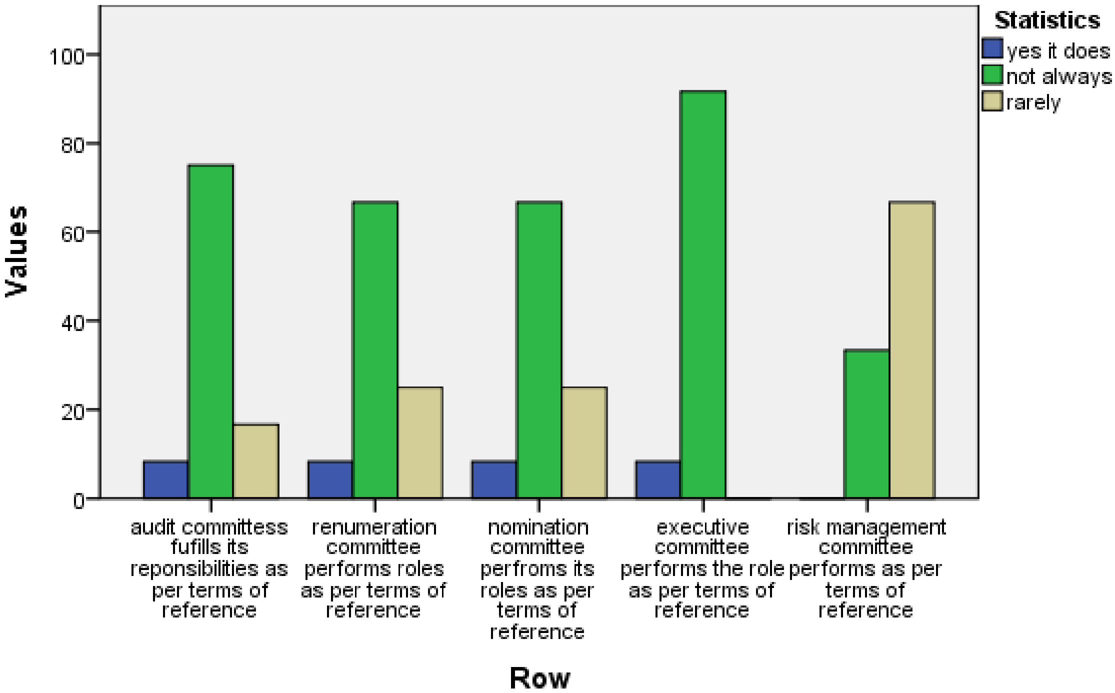
Table 4.56: Misusing of Power n=12

Preventing abuse of power

		Responses N	Responses Percent	Percent of Cases
Stakeholders level of influence	Minority shareholders	9	42.9%	81.8%
	Institutional investors	1	4.8%	9.1%
	External directors	9	42.9%	81.8%
	Creditor financial institutions	1	4.8%	9.1%
	Labour unions	1	4.8%	9.1%
Total		21	100.0%	190.9%

Source: Survey Data

Figure 4.14: Committee performance n=12



Source: Survey Data

Figure 4.14 shows committee performance. 8.3 % of the respondents solely indicated that the audit committees do fulfil its responsibility. However, 75 % indicated not always and 16.7 % rarely that the audit committee fulfil its responsibilities. In addition, 8.3 % of the respondents solely indicated that the remuneration committees perform its role. However, 66.7 % indicated not always and 25 % rarely that the remuneration committees perform its role. Furthermore, figure 4.15 shows that 8.3 % of the respondents solely indicated that the nomination committees perform its role. However, 66.7 % indicated not always and 25 % rarely that the nomination committees perform its role. In addition, 8.3 % of the respondents solely indicated that the executive committees perform its role. However, 9.7 % indicated not always that the executive committees perform its role. In conclusion, figure 4.15 indicates that 33.3 % of the respondents indicated that the risk management committee not always and 66.7 % rarely that the risk management committees perform its role.

Table 4.57: Formation of the agenda **n=12**

Setting of board meeting agenda

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	board chairperson	12	100.0	100.0	100.0

Source: Survey Data

Table 4.57 above shows that 100% of the participants indicated that the board Chairperson sets up the board meeting agenda.

Table 4.59 Shows that 16.7 % and 83.3 % indicated that the annual general meeting is held 4 and 3 times respectively.

Table 4.58: Annual General Meeting **n=12**

Annual meetings of the board

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	4 times	2	16.7	16.7	16.7
	3 times	10	83.3	83.3	100.0
	Total	12	100.0	100.0	

Source: Survey Data

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4.4 Non-Parametric Test

A non–parametric test is a family of statistical procedures that do not rely on the restrictive assumptions of parametric tests. In particular, they do not assume that the sampling distribution is normally distributed. Non-parametric tests were performed in order to test the hypothesis of the study. The results for the non-parametric tests are reflected below in table 4.60. A non-parametric test is essential for hypotheses testing. Parametric tests usually assume certain properties of the parent population from which samples are drawn. The assumptions include that observations come from a normal population, sample size is large, assumptions about the population parameters like mean, variance, amongst others, must hold good before parametric tests can be used.

However, non-parametric tests do not depend on any assumption regarding the parameters of the population. The test assumes only nominal or ordinal data and the test requires more observations than parametric tests to achieve the same size of Type1 and Type 11 errors. Thus, the research used chi-square test, a test that is important among the several tests of determining significance levels. It is a statistical measure used in the context of sampling analysis of comparing a variance to a theoretical variance. As a non-parametric test, it can be used to determine if categorical data shows dependency or the two classifications are independent. It can also be used to make comparisons between theoretical populations and actual data when categories are used. Thus, the chi-square test is applicable in large number of problems. It is a technique that tests the goodness of fit, the significance of association between two attributes, and to test the homogeneity or the significance of population variances.

Chi-square is an important non-parametric test and as such no rigid assumptions are necessary in respect of the type of population. It requires the degrees of freedom (implicitly of course the size of the sample) for using the test. A non-parametric test, chi-square was used as a test of goodness of fit and as a test of independence in the current study. As a goodness of fit, x^2 test enables the research to see how well does the assumed theoretical distribution fit to the observed data.

As a test of independence, x^2 Test enables the research to explain whether or not two attributes are associated and, in this case, corporate governance and company performance. The test helps in deciding on the problem at hand of whether weaknesses in corporate governance affect company performance in Telecom Namibia. Thus, the study proceeds with the null hypothesis that the two attributes (viz., corporate governance and company performance) which means that corporate governance is not effective in determining company performance. On this basis the research first calculated the expected frequencies and then work out the value of x^2. If the calculated value of x^2 is less than the table value at a certain level of significance for a given degrees of freedom, we conclude that null hypothesis stands which means that the two attributes are independent or nor associated (that is corporate governance is not effective in determining company performance in Telecom Namibia). However, if the calculated value of x^2 is greater than its table value, the inference then would be that the null hypothesis does not hold which means the two attributes are associated and the association is not because of some chance factors but it exists in reality (that is, weaknesses in corporate governance affect company performance negatively and as such are a determining factor for the poor performance of Telecom Namibia). It is important to state at this point that x^2 Is not a measure of the degree of relationship or the form of relationship between the two attributes but is simply a technique of judging the significance of such association or relationship between the two attributes (variables) of this study. The complete statistical presentation of the chi-square results is depicted hereunder:

Table 4.59: Non - Parametric Test (Chi-Square Tes

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The categories of workingexperience occur with equal probabilities.	One-Sample Chi-Square Test	.572	Retain the null hypothesis.
2	The categories defined by gender = female and male occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	1.000 [1]	Retain the null hypothesis.
3	The categories of agecategory occur with equal probabilities.	One-Sample Chi-Square Test	.198	Retain the null hypothesis.
4	The categories of numberofcorporateboardsofdirectors served occur with equal probabilities.	One-Sample Chi-Square Test	.446	Retain the null hypothesis.
5	The categories of majorbackground occur with equal probabilities.	One-Sample Chi-Square Test	.062	Retain the null hypothesis.
6	The categories of viewsoncorporategovernance occur with equal probabilities.	One-Sample Chi-Square Test	.009	Reject the null hypothesis.
7	The categories of currentcorporategovernancecompared tofiveyearsago occur with equal probabilities.	One-Sample Chi-Square Test	.779	Retain the null hypothesis.
8	The categories of appropriatesizeoftheboard occur with equal probabilities.	One-Sample Chi-Square Test	.046	Reject the null hypothesis.
9	The categories of diversifiedcompetencies occur with equal probabilities.	One-Sample Chi-Square Test	.010	Reject the null hypothesis.
10	The categories of proposedcompetencies occur with equal probabilities.	One-Sample Chi-Square Test	.001	Reject the null hypothesis.
11	The categories of applicationofdiversifiedcompetencies occur with equal probabilities.	One-Sample Chi-Square Test	.009	Reject the null hypothesis.
12	The categories of independentdirectorsfromthecontrollingshareholders occur with equal probabilities.	One-Sample Chi-Square Test	.368	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[1] Exact significance is displayed for this test.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
13	The categories of appropriatetimeforstrategicplanning occur with equal probabilities.	One-Sample Chi-Square Test	.009	Reject the null hypothesis.
14	The categories of robuststrategyplanningprocess occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.
15	The categories of clearltcommunicatingofstrategicgoalsanddirections occur with equal probabilities.	One-Sample Chi-Square Test	.050	Reject the null hypothesis.
16	The categories of tacticalguidancetotheceoandmanagement occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
17	The categories of awarenessoftrendsanddissuesaffectingthecompanyperformance occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
18	The categories of considerationofshareholdersvaluesandlongterminterests occur with equal probabilities.	One-Sample Chi-Square Test	.472	Retain the null hypothesis.
19	The categories of knowledgeofthecompanystrategicandbusinessplan occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.
20	The categories of sufficienttimetolearnthecompanyoperations occur with equal probabilities.	One-Sample Chi-Square Test	.105	Retain the null hypothesis.
21	The categories of boardsufficientlychallengingtheceoandmanagement occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[1] Exact significance is displayed for this test.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
22	The categories of boardmembersaskthemanagementa ppropritequestions occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
23	The categories of boardreviewskeytacticalplans occur with equal probabilities.	One-Sample Chi-Square Test	.105	Retain the null hypothesis.
24	The categories of continuouslyexaminingofmanageme ntsuccessorprogress occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
25	The categories of boardproactivelyworkingwiththeman agement occur with equal probabilities.	One-Sample Chi-Square Test	.105	Retain the null hypothesis.
26	The categories of boardsufficientlyreviewandapproveth ebudget occur with equal probabilities.	One-Sample Chi-Square Test	.105	Retain the null hypothesis.
27	The categories of boardregularlymonitorthemanageme ntprogress occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.
28	The categories of boardmonitorsfinancialindicators occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
29	The categories defined by boardbenchmarksthecompanywithth eindustry = onlyexceptionally and rarely occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.774[1]	Retain the null hypothesis.
30	The categories of communicationchannelsbetweenthe boardandseniormanagement occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[1] Exact significance is displayed for this test.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
31	The categories of channelsofcommunicationbetweent heboardmembers occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
32	The categories of boardformulatesconcisepolicies occur with equal probabilities.	One-Sample Chi-Square Test	.368	Retain the null hypothesis.
33	The categories defined by fairevaluationandcompesationofceob asedonperformance = only exceptionally and rarely occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.146[1]	Retain the null hypothesis.
34	The categories defined by boardhasceosuccessionplan = rarely and not always occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.039[1]	Reject the null hypothesis.
35	The categories defined by boardhasriskmanagementplaninplac e = not always and rarely occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.146[1]	Retain the null hypothesis.
36	The categories defined by whenthenewbordwasappointed = 2016 and none occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.146[1]	Retain the null hypothesis.
37	The categories of effectivecompanyriskmanagementar chitecture occur with equal probabilities.	One-Sample Chi-Square Test	.368	Retain the null hypothesis.
38	The categories defined by mappingriskmanagementprocesstot hecompanystrategy = not always and no, it is not occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.006[1]	Reject the null hypothesis.
39	The categories defined by boardevaluatesandmanagesalltheke yrisks = not always and no it is not occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.039[1]	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[1] Exact significance is displayed for this test.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
40	The categories defined by boardmanagesfewhighprofileriskissues = not always and rarely occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.774[1]	Retain the null hypothesis.
41	The categories defined by boardauditslesshighprofileriskissues = rarely and not always occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.006[1]	Reject the null hypothesis.
42	The categories of regulardischargeofresponsibilitiesbytheboard occur with equal probabilities.	One-Sample Chi-Square Test	.001	Reject the null hypothesis.
43	The categories of committesandboarddistributebusinessappropriately occur with equal probabilities.	One-Sample Chi-Square Test	.001	Reject the null hypothesis.
44	The categories of commiteegivesaccuratereporttotheboard occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.
45	The categories of auditcommittessfufilsitsreponsibilitiesaspertermsofreference occur with equal probabilities.	One-Sample Chi-Square Test	.009	Reject the null hypothesis.
46	The categories of renumerationcommitteeperformsrolesaspertermsofreference occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
47	The categories of nominationcommitteeperfromsitsrolesaspertermsofreference occur with equal probabilities.	One-Sample Chi-Square Test	.039	Reject the null hypothesis.
48	The categories defined by executivecommitteeperformstheroleaspertermsofreference = yes it does and not always occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.006[1]	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[1] Exact significance is displayed for this test.

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
49	The categories defined by riskmanagementcommitteeperforms aspertermsofreference = not always and rarely occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.388[1]	Retain the null hypothesis.
50	The categories defined by appropritereviewofthemanagementperformance = not always and rarely occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.146[1]	Retain the null hypothesis.
51	The categories of integrityandqualityofperiodicalfinancialreports occur with equal probabilities.	One-Sample Chi-Square Test	.112	Retain the null hypothesis.
52	The categories of reliableinformationfromfinancialstatements occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.
53	The categories of bechmarkreturnontotalassetsperformancetotheindustry occur with equal probabilities.	One-Sample Chi-Square Test	.174	Retain the null hypothesis.
54	The categories defined by annualmeetingsoftheboard = 4 times and 3 times occur with probabilities 0.5 and 0.5.	One-Sample Binomial Test	.039[1]	Reject the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

[1] Exact significance is displayed for this test.

Source: Survey data

4.5 Non - Parametric Test (Chi-Square Results)

A Chi-Square test was run using survey data to determine whether corporate governance has been influencing poor company performance at Telecom Namibia. The test was conducted at multiple levels of the categorical variables (corporate governance and company performance, which remained nominal). The categorical variables in this study had many levels or conditions. The sample, n= 12, was composed of many independent variables as depicted in Table 4.60 above. The descriptive statistics indicated that proportionally corporate governance influences company performance to change. The difference was statistically significant as follows:

i. Corporate governance (p = 0.000). Reject the null hypothesis
ii. Appropriate size of the board (p = 0.046) Reject the null hypothesis
iii. Diversified competencies (p = 0.046) Reject the null hypothesis
iv. Proposed competencies (p = 0.001) Reject the null hypothesis
v. Application of diversified competencies (p = 0.000) Reject the null hypothesis
vi. Appropriate strategic plan (p = 0.000) Reject the null hypothesis
vii. Clear communicating strategy (p = 0.050) Reject the null hypothesis
viii. Tactical guidance (p = 0.50). Reject the null hypothesis
ix. Board member and agent (p = 0.039) Reject the null hypothesis
x. Continuous examining management (p = 0.039) Reject the null hypothesis
xi. Board monitoring (p = 0.039) Reject the null hypothesis
xii. Channels of communication (p = 0.039) Reject the null hypothesis
xiii. Board succession plan (p = 0.039) Reject the null hypothesis
xiv. Mapping risk management (p = 006) Reject the null hypothesis
xv. Board evaluation management (p = 0.039). Reject the null hypothesis
xvi. Board audit risk profile (p = 0.006). Reject the null hypothesis
xvii. Regular discharge of responsibilities (p = 0.001). Reject the null hypothesis
xviii. Committees and board responsibilities (p = 0.001). Reject the null hypothesis
xix. Audit committee responsibilities (p = 0.009) Reject the null hypothesis
xx. Remuneration committee performance (p = 0.039) Reject the null hypothesis
xxi. Nomination committee performance (p = 0.039). Reject the null hypothesis
xxii. Executive committee performance (p = 0.006) Reject the null hypothesis
xxiii. Annually meetings of board (p = 0.039). Reject the null hypothesis

4.6 Qualitative Data Analysis

In order to analyse qualitative data, collected data through interviews was analysed using techniques derived from Cresswell (2009). The analysis enabled the identification of themes and sub-themes that emerged from the interview through the development of the Logical Framework Analysis (LFA). Participants in this research were selected through non-random method based on the information vital to the position they held in Telecom Namibia. Qualitative data provides in-depth analysis of unexplained phenomenon. The method also has the advantage of understanding and interpreting the unexplained phenomenon as events unfolds. The method involved the researcher. This means that researcher`s involvement is high since the researcher becomes a participant and catalyst at the same time. The information obtained through interview guide was used to validate data collected through the use of questionnaires and analysed through quantitative methods.

4.7 Interpretation of Themes and Sub-themes

In this section, a overall summary of themes and sub-themes that emerged from qualitative data analysis are discussed. The discussion of the findings revolves around participants output and the integration of the researcher`s interpretations, meanings and literature survey. The results of qualitative data analysis either confirm historical findings or refute the findings.

Table 4.60: Qualitative results

Themes &Sub Themes	**Interpretations/Reflections/Observations**
Reporting Structure	Dual reporting to BOD +Owner by CEO
Decision Making	Owner make final decision
Conflict	Exists between BOD and Owner
Asymmetrical information	Poor, not robust
Strategic Drive	BOD does not appreciate the business

Source: Survey Data

Table 4.60 below provides a comprehensive summary of the Logical Framework Analysis (LFA). The inter-connectedness of the findings is presented in this chapter where, all the research findings are collated and presented.

4.8 Summary Presentation of Qualitative Data

4.8.1 Introduction

Results derived from the Logical Framework depicted in this chapter, reflects the outcome of the results derived from qualitative data analysis. Questions were directed to the participants relevant to TN performance. The participants provided in-depth view of the current position of company performance of Telecom Namibia in relation to corporate governance.

4.9 Participants Responses

The Chief Executive Officer of Telecom Namibia indicated that he has been with TN for a long time with vast experience of company operations. The response shows that the current CEO has vast relevant work industry experience acquired over time. However, the participant did not highlight much on experience in corporate governance.

In response to the reporting structure, the CEO indicated that he reports directly to the Board of Directors but with dotted lines to the Permanent Secretary of Public Enterprise. The response indicates a weakness in governance since there is duality in reporting system. This could result in conflict of information and interest. The response indicates a serious issue of stewardship and fiduciary duty where the owners of the business entrust the running of the business to an agent, who in this case is the Chief Executive Officer. Proper governance process requires that the CEO should report to the Chairperson of the Board of Directors and not to an individual board member or principal of the organization.

On the issue of staff members reporting to the CEO, the Chief Executive Officer indicated that all the executive managers' reports to him directly. The response indicates that all managers at Business Level reports to the Chief Executive Officer. The reporting line follows the proper and standard corporate governance practices.

An appointment with the Permanent Secretary of Public Enterprise and the Human Resources Manager was made by the researcher. The researcher met the two senior officials. The Permanent Secretary in the Ministry and the Human Resources Manager of Telecom Namibia confirmed to the researcher that the Chief Executive Officer was appointed on the basis of his long service history, previous posts held and on merit. The information shows that the CEO of Telecom Namibia was appointed by the owner of the company. The response supports the findings derived from information collected through the use of structured questionnaire that the CEO was appointed on merit but through political lines by the owner. The CEO also indicated that he reports to the Board of Directors through the Chairperson.

4.10 Understanding Corporate Governance Processes

The Chief Executive Officer indicated that he was experiencing serious problems of decision making. The CEO highlighted that the Board of Directors accept recommendations made by the executive management but do not take the recommendations aboard. He also indicated that the Board is influenced by the owner and as a result their actions wekens the operation of Telecom Namibia.

On issues of communication, the CEO indicated that they is dual reporting system in which he reports to the Board and at the same time to Permamnet Secretary of Public

Enterprises respeively. The dual reporting system however, weakens governance process in TN.

On the issue of board structure, the participant indicated that the board was composed of 12 board members of which 5 of the board members are non-executive board members and 7 are executive board members. On the issue of mix and capabilities, the participants indicated that the board of Telecom Namibia has 4 female directors and 8 male directors.

However, the participant further indicated that the current board of directors is composed of 7 board members derived from the Ministry and 5 independent directors. The current condition remains a worrying situation when it comes to board structure as discussed earlier on in this thesis. The participants also said that the independent directors of Telecom Namibia are not independent since they are appointed by the Minister of Public Enterprise.

The participants adamantly argued that Telecom Namibia Board of Directors is not active and make no positive contribution in the running of the company and is not forward looking. On issues of selection and dismissal of independent directors and removing of poorly performing CEO and selection of new CEO, the participant believed that the Permanent Secretary in the Ministry of Public Enterprise has the strongest voice in the selection and dismissal of independent directors and removing a poorly performing CEO and selecting a new CEO.

On the issue of access to information the participant argued that access to information by independent directors is good since all board members receive information at right time. The participant also indicated that the board agenda is set by the CEO of the board through board members input when it comes to board agenda setting.

On the issue of whether the Board spends an appropriate amount of time discussing and determining the long-term future/strategy of the company, the CEO indicated that the board does not spend an appropriate amount of time discussing and determining the long-term future/strategy of the company. Where they sit, they spend most of the time discussing operational issues that include recreation issues amongst others and not board issues. These are serious consequences that weaken the board process and hence have an impact on company performance.

Asked whether the strategy planning process in Telecom Namibia is sufficiently robust, and whether there are a range of strategic alternatives and whether objectives and constructive debates occur on the proposed strategy? The CEO believed that the strategic planning process is not sufficiently robust and not adequate. He noted that the executive management usually proposes robust strategic plans to the board and the board review and present to the shareholder, where buy-in of the blue print is usually negative. The participant agreed that there is always constructive debate on proposed strategy. The response measured well with the response deduced from the interpretation of data collected from the structured questionnaires, and analysed through quantitative data.

On issues of communication of strategic goals and direction of the company to the CEO and management, the participant highlighted that the board does not communicate the strategic goals and directions of the company to the CEO and management but, it is the CEO who proposed the strategic plan to the board of directors. On issues of whether the board provides tactical guidance to the CEO by reviewing the implementation plans, the participants agreed that the board of directors provides tactical guidance and reviews executive management implementation plans.

On whether the Board members spend sufficient time learning about the company`s business and understanding it well enough to provide critical oversight, the CEO indicated that the board members do not spend sufficient time learning about the company`s business and understand it well enough to provide critical oversight. On the other issue of whether the Board continuously examine management`s success or progress in achieving the company`s strategic goals using the agreed performance measurements, the CEO indicated that the board sometimes examine management`s success/progress in achieving the company`s strategic goals by setting objectives at the beginning of the year (targets) but, no follow up on the set targets is made.

When asked whether the Board proactively work with management to achieve the company`s strategic goals, the CEO indicated that the board is too weak that it does not focus on strategic plans but, sometimes do so. This is one of the major finding that supports the weaknesses of the board and hence the poor performance of the company. The participants agreed that the Board monitors cash flow, profitability, net revenue and expenses, productivity, and other financially driven indicators to ensure that the company performs as projected at times and not always. On issues of whether the Board monitor the company`s performance with industry comparative data, the participants indicated that the board sometimes monitors the company`s performance with industry comparative data.

The participants was asked to highlight the Board`s significant contributions to Telecom Namibia during the previous ten years. They indicated that the major contributions which the board of TN did during the period (2011-2017) were that they managed to keep the company going.

On whether the Board is apprised of all key risks that could have a significant impact on the company on a timely basis, and whether it assured that management is managing properly, the participants indicated that the board focuses on audit and risk committee to benchmark on company activities/performance when relating to various anticipated risks.

4.11 Summary

Chapter four covered the analysis of data through descriptive and inferential statistics. A non-parametric test in the form of chi-square was performed. Chi-square is an important non-parametric test and as such no rigid assumptions were necessary in respect of the type of population. It requires the degrees of freedom (implicitly of course the size of the sample) for using the test. Therefore, a non-parametric test, chi-square was used as a test of goodness of fit and as a test of independence in the current study. As a goodness of fit, x^2 test enabled the researcher to see how well the assumed theoretical distribution fitted the observed data.

In addition to quantitative data analysis carried out, the rsearch also used qualitative data analysis tehchniques that included the use of the Logicam Framework Analysis, content analysis. The analysis enabled the identification of themes and sub-themes that emerged from the interview technique. Qualitative results were collated against the quantitative results in which meanings were compared and contrasted. The next chapter presents the conclusions of the study and provides recommendations the study.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This research was set to evaluate the effects of corporate governance in Telecom Namibia. This final chapter re-caps steps taken in carrying out this research project. The purpose of the research was to investigate the factors that affect corporate governance in Telecom Namibia. The critical variables that affect corporate governance in Telecom Namibia as identified through the chi-square test were:

i. Corporate governance
ii. Appropriate size of the board
iii. Diversified competencies
iv. Proposed competencies
v. Application of diversified competencies
vi. Appropriate strategic plan
vii. Clear communicating strategy
viii. Tactical guidance
ix. Board member and agent
x. Continuous examining
xi. Board monitoring
xii. Channels of communication
xiii. Board succession plan
xiv. Mapping risk management
xv. Board evaluation management
xvi. Board audit risk profile
xvii. Regular discharge of responsibilities

xviii. Committees and board responsibilities

xix. Audit committee responsibilities

xx. Remuneration committee performance

xxi. Nomination committee performance

xxii. Executive committee performance

xxiii. Annually meetings of board

This chapter focuses on the discussion of the findings of the study, particularly the identified critical variables that emerged from the study. The results of the study are compared with what the theories postulates. The critical identified variables were derived from the results of the non-parametric tests performed (chi-square test) in this study. It is important to note that similar variables that emerged in the study were grouped together in this chapter for the purposes of interpretation since they yield similar results or outcomes. The chapter also presents the summary of the study. The conclusions arrived at and the recommendations based on the findings of the study. In order to carry out the research, the researcher applied the purposive sampling technique to deal with a population of 12 respondents.

5.1 Objectives of the study

The main objective of this study was to evaluate corporate governance processes in Telecom Namibia. In line with the primary objective of the study, the following secondary objectives were proposed:

- To identify factors that affect corporate governance processes in Telecom Namibia.
- To determine elements of corporate governance that impact on corporate performance in Telecom Namibia.
- To recommend startegies for improving corporate governance in Telecom Namibia.

5.2 Summary

- Information derived from the non-parametric tests depicted that corporate governance have an impact on compy performance (p = 0.000 caused to reject the null hypothesis). The results showed a mixed view of the overall understanding of corporate governance processes in Telecom Namibia. A study conducted by Matipira (2016) on the impact of corporate governance and capacity utilisation on the Zimbabwe Aviation Industry showed that there is a relationship that exists between corporate governance and company performance. Hauswald & Marquez (2009) asserted that central to corporate governance is the identification and correcting of inefficiencies in the running of a firm. Firms use internal and external mechanisms to reach their objectives. Natarajan (2011) expressed that corporate governance is a set of processes, customs, polices, which focuses on how an institution is administered or controlled. The principal participants are shareholders, management and the Board. The list of stakeholders includes customers, employees, banks, regulators, the environment, lenders and the community at large. Natarajan (2011) warns us that there are risks related to neglecting corporate governance as demonstrated by the collapse of a number of institutions in India such as Enron and WorldCom. This is a warning that the GIPF has to keep in mind if it is going to be successful in its mandate. Naimah and Hamidah (2017) enumerated that people that have an impact on corporate governance are customers, investors, shareholders, creditors, employees and government. The use of appropriate corporate governance principles is anticipated to increase a firm's performance. The purpose of using corporate governance is to be able to secure maximum advantage for shareholders and stakeholders.

- The second variable that emerged in this study showed that the appropriate size of the board (p = 0.046) is important for Telecom Namibia. The findings sought to reject the null hypothesis. The results showed that size matters in corporate governance processes. It reflects that if the size of the board is smaller than the number of the board committees, then board members would end up chairing more than one committee. This weakens corporate governance.
- Diversified competencies (p = 0.046) is one of the critical variables that emerged from the study and caused the rejection of the null hypothesis. Diversified competencies are relevant to ownership structure that enhance varied competencies within a company. Studies conducted by Seifert, Gonenc, and Wright (2005), postulated that a positive relationship between managerial ownership and performance at low levels of managerial ownership occurs across different governance regimes. They found out that a relationship at higher levels of managerial relationship would be unclear. They concluded in their study that, Block holders or institutional ownership should improve performance. The researchers used OLS & 2SLS regressions as a means for data analysis. They concluded that there is no universal relationship that exists between ownership equity by insiders and performance. Furthermore, they found that such relationship was positive for the UK and Germany and negative for the UK and US relationships. They finally, concluded that ownership structure matters especially when there are specific local laws that are good for the minority shareholder protection. They observed that ownership does not appear to be an endogenous variable and that there are no significant differences that exist between OLS and 2SLS regression results.

- Thomsen, and Pedersen (2000) carried out a study using Duncan grouping and regression analysis and found out that institutional ownership increases profitability (but lowered sales growth) than family, bank, government and corporate ownership types. The results showed that ownership structure is seen as an exogenous variable with economic performance. They noticed evidence of a bell-shaped effect of ownership share on NBV and ROA but not sales growth (particularly strong NBV for institutional investors). The studies emphasised the importance of ownership structure, hence, diversified competencies.
- Board evaluation management ($p = 0.039$) also emerged as one of the critical variables in this study and caused the rejection of the null hypothesis. Matipira (2016) emphasised the importance of board evaluation as a means of ascertaining the performance of the board and subsequent overall board performance. In essence, board evaluation remains important if corporate governance is to improve in Telecom Namibia.

5.3 Conclusion

The conclusions of the study are varied and guided by the findings of the study. The conclusions include the following amongst others:

- **Ownership Structure**
  The results of the study showed that the company has concentrated ownership. Literature reviewed showed that ownership concentrations weaken corporate governance in a company since decision making would be centralized to the owner of the company. Ownership concentration is a major cause of government dominance of state owned enterprises in Namibia. The dominance weakens the functions of the CEO.

- **Board Structure**

  The board structure of Telecom Namibia needs continuous review in order to keep pace with the current changing business environment. This would enable the company to be efficient and effective in its dealings.

- **Accountability**

  The issue of accountability in this thesis emerged as a major variable that weakens corporate governance and in-turn company performance. If accountability is weak, it poses a major challenge of issues of transparency, integrity and accountability. Literature reviewed argued that fiduciary and disclosure issues are important in any business. There is evidence in this thesis to support that good corporate governance is measured in terms of the strength of shareholder rights and that, it can make a difference to the performance of the company and its value over time. If there is no disclosure in a company, it leads to lack of accountability and transparency and hence corrupt activities.

The research also concluded that the board composition, balance and diversity is also very weak and has a strong bearing on influencing the weaknesses in Telecom Namibia. Empirical evidence derived in this research showed that the Telecom Namibia board structure is weak or inadequate. This compromises the issue of accountability since many board committees would be chaired by one board member, considering that the committees would be more than the board members.

5.4 Recommendations

Based on the findings of the study, the following strategies and recommendations to improve corporate governance in Telecom Namibia can be considered.

5.4.1 Practice

Corporate governance can be improved in Telecom Namibia by ensuring that corporate principles are strengthened in the company. Naimah and Hamidah (2017) asserted that the practice of corporate governance is tremendously determined by the parties involved in the management system of a company such as shareholders, investors, creditors, employees, and government. Good corporate governance is anticipated to increase firm performance. The chief objective of the implementation of good corporate governance is to maximize the value for shareholders and stakeholders in the end.

If corporate governance is to improve in Telecom Namibia, it is important for the shareholders to appoint directors and auditors and to ensure that the directors and the auditors run the appropriate governance structure (Solomon, 2007). While the auditor's role is that of providing an assessment of the financial statements presented by management, it is important for the Directors appointed to manage and control the business of the company. As an agent of the company and its shareholders, directors have a mandate to protect the interests of shareholders as the owners of the company. Characteristics of the board of directors can be measured by the percentage of independent directors (outside directors), CEO duality, and the size of the board. In essence, board evaluation remains important if corporate governance is to improve in Telecom Namibia.

Kung'u & Munyua (2016) asserted that the older or longer the term of the CEO the more profound the understanding of the CEO of the industry and the company performance. Telecom Namibia should work on reducing the high rate of turnover of critical strategic positions in the company that includes those of the CEO and other executive management.

Naimah and Hamidah (2017) asserted that studies that were done in the 1990s demonstrated that companies that were managed better would gain more money for investment. Llyas, and Rafiq (2012) maintained that corporate governance has a link with organizational success. The same authors maintained that corporate governance requirements require a firm to produce an annual report. One way of ensuring that an organization is doing well is to ensure that the annual reports for Telecom Namibia are published in line with the corporate governance requirements Namibia.

The Telecom Namibia board of directors has to ensure that the company has an effective system of internal controls that is constantly monitored. The board is also responsible for reporting on risk in the company. The board also ensures that the company adheres to the proposed code of conduct, behaviors and controls. Board audit risk profile ($p = 0.006$) emerged as important in this study. Continuous examining management ($p = 0.039$) and board monitoring ($p = 0.039$) remained important in this study.

Gilfilan (2010) noted that the board has an ethical responsibility to provide leadership. The leadership of the board must be based on an ethical foundation. The board must ensure that the affairs of a company are handled in an ethical way. The board has to ensure in its work that the decisions, deliberations and actions are taken in consideration of the principles of fairness, accountability, transparency and inclusiveness. The board should ensure that corporate governance principles are developed in the organization and that they are in line with principles of human rights and do not violate the interests of any stakeholder. In this context, Telecom Namibia must introduce an Ethics code which all employees of the company must subscribe to. The ethics code must be administered by an ethics officer that must be recruited to oversee all ethical issues in Telecom Namibia.

The board should ensure that metrics are used to measure corporate citizenship programs. Various metrics are used to measure the company's adherence to ethical standards in different areas such as finance, environment issues and social responsibility. The board should ensure that the information on the performance of the company is reported based on integrated reporting so that stakeholders have a clear idea regarding the position of the company in terms of sustainability both in the short term and long term.

5.4.2 Policy

The International Finance Corporation (2014) posits that corporate governance can be improved with the introduction of scorecards. The International Finance Corporation says that since the 1990s, many countries have adopted the use of scorecards in corporate governance. The use of scorecards has its origins in the private sector, where they were used to assess compliance with national legislation. Using the scorecard would help Telecom Namibia to measure, where they stand in terms of national compliance to corporate governance legislation, and to come up with strategies for improving corporate governance. Scorecards are a tool that can be used to evaluate corporate governance compliance to the law without relying on coercion from the law.

5.4.3 Research

Naimah and Hamidah (2017) stated that a weak board that lacks expertise and that is dominated by the CEO will not effectively contribute to decision making. Other powerful CEOs may not contribute to the effective work of the board. The advisory and monitoring roles of weak boards are undermined and this culminates in them just endorsing the decisions of the CEO. On the other hand, strong boards can offer a strong alternative position to the work of the CEOs. This means that an effort to strengthen corporate governance at Telecom Namibia has to take into account the work of the board and has to examine the strength and competencies of the board members to execute their functions effectively.

This researcher recommends that further studies be conducted to determine other variables not covered in the scope of this study. Thus, a further study with a change of methodology and widening of scope to cover a larger population is recommended.

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APPENDICES

APPENDIX 1- QUESTIONNAIRE

RESEARCH TOPIC: AN EVALUATION OF CORPORATE GOVERNANCE PROCESSES IN STATE OWNED ENTERPRISES: A CASE STUDY OF TELECOM NAMIBIA

Dear Sir/Madam,

Please accept my sincere gratitude for having time off your busy schedule to complete this questionnaire. It is indeed a privilege to gain your valuable insights into this research journey.

My name is Josefina Amunyela and I am a registered student with the University of Namibia, studying toward my Master Degree in Business Administration. I am currently employed as a Development Planner at the Ministry of Gender Equality and Child Welfare, Windhoek.

As part of my curriculum I am entailed to do a research dissertation on the identified topic of my choice.

Please be aware that information to be provided will be treated very confidential and will be used for research and academic purposes only. The anonymity of the respondents is hereby guaranteed.

I Thank You

TELECOM NAMIBIA CORPORATE GOVERNANCE QUESTIONNAIRE

SECTION A

PERSONAL DATA

Instructions:

Please tick the appropriate response.

1. My length of service in the Telecom Namibia Board of Directors is:
   0-12 months☐ 1-2 years☐ 2-5 years☐ over 5 years ☐

2. I am: Male☐ Female ☐

3. My age group is: Under 30☐ 31-40 ☐ 41-50 ☐ 51-60 ☐Above 60 ☐

SECTION B

GENERAL INFORMATION

Please express your view by a tick (√) or circling the appropriate parentheses below where necessary.

4. On how many corporate boards of directors do you serve now?

______________________________ [ ] boards

5. What is your major background? Please select only one.
6. ------------------------------

(A) Business Executive	
(B) Financial Institution	
(C) Academic	
(D) Public Servant	
(E) Aviation Industry	
(F) Other	

Please specify:

____

____

7. What is your view of corporate governance in Telecom Namibia currently?

(A) Much better	
(B) Slightly better	
(C) About the same	
(D) Slightly worse	
(E) Much worse	

8. How do you compare Telecom Namibia`s corporate governance practices with those of five years ago?

(A) Much better	
(B) Slightly better	
(C) About the same	
(D) Worse	

SECTION C

BOARD SIZE AND STRUCTURE

Please fill in your response in the space provided. Please tick (√) or circling the appropriate parentheses below where necessary.

9. Please state the composition of Telecom Namibia Board

9.1. How many directors does your board have in total? [ ]

9.2. How many outside directors does your board have? [ ]

9.3. How many independent directors does your board have? [ ]

9.4. What is the term of the board in the office? [ ]

9.5. Are there any foreign nationals on your board? Yes [ ] No [ ]

9.6. Does the TN also serve as board Chairman? Yes [ ] No [ ]

10. Do you have the following person on your board now (as a director)?

10.1. Current or former officer of a major creditor financial institution?

NO	**A**
YES	**B**

10.2. Labour representative or labour-recommended director

NO	**A**
YES	**B**

10.3. Officer of an affiliated company

NO	**A**
YES	**B**

10.4. Senior manager from a supplier or customer company

NO	**A**
YES	**B**

10.5. Someone from a law/accounting/consulting company that provides professional service to your company

NO	**A**
YES	**B**

Please rate, according to the following:

A. Needs significant improvement	
B. Needs improvement	
C. Consistently good	
D. Outstanding	
E. Poor	

11. Is the size of the board appropriate?

A	
B	
C	
D	
E	

If not, what is the appropriate size?

[ ]

12. Does the board have the right mix of capabilities, experiences, and skills to serve TN and its shareholders effectively?

A	
B	
C	
D	
E	

13. What capabilities, experience, or skills would you like to see represented to a greater degree?

____

____

____

____

____

____

Are the different capabilities, experience, and skills being properly applied to the various issues that come before the board?

A	
B	
C	
D	
E	

SECTION D
EFFECTIVENESS OF THE BOARD OF DIRECTORS

Instructions:

Please express your view by a tick (√) or circling the appropriate parentheses below.
Y+ strongly agree
Y – Agree
O – Neither agree nor disagree (or no opinion)
N – Disagree
N+ – strongly disagree

14. Do you believe that independent directors of TN are truly independent from the Chairperson of the board or controlling shareholders?

Y+	**Y**	**O**	**N**	**N+**

15. What do you think about the following reasons for independent directors not being fully independent from the Chairperson of the board or the controlling owner?

15.1. Because the Chairperson has effectively selected the board members

Y+	**Y**	**O**	**N**	**N+**

15.2. Because of concern over personal relationships with other directors

Y+	**Y**	**O**	**N**	**N+**

15.3. Because openly objecting to the management-proposed agenda is viewed as an act contrary to behavioural norm

Y+	**Y**	**O**	**N**	**N+**

15.4. Because the Chairperson will decide the extension or termination of the directorship

Y+	**Y**	**O**	**N**	**N+**

15.5. Because of the concern of possible responsibility/blame when their views will turn out to be wrong in the future

Y+	**Y**	**O**	**N**	**N+**

15.6. Because the CEO and management team are supposed to be better informed on most issues and have better judgement

Y+	Y	O	N	N+

16. What do you think about the role of the TN board of directors?

16.1. It is a forum of serious discussion for all the significant matters of the firm

Y+	Y	O	N	N+

16.2. It is rather perfunctory: The Chairperson dominates the board meeting, and different views of directors are not welcome

Y+	Y	O	N	N+

16.3. Do you agree that TN board is active and makes much contribution to the following tasks?

16.3.1. Actively involved in formulating long-term strategies

Y+	Y	O	N	N+

16.3.2. Plays an important role in selecting, monitoring, and replacing the CEO

Y+	Y	O	N	N+

16.3.3. Seriously reviews key executive and director remuneration

Y+	Y	O	N	N+

16.3.4. Effectively oversees potential conflicts of interest, including related company transactions

Y+	Y	O	N	N+

16.3.5. Ensures the integrity of the firm's financial reporting

Y+	Y	O	N	N+

16.3.6. Ensures proper disclosure and actively communicate with shareholders and stakeholders

Y+	Y	O	N	N+

16.3.7. Ensures the effectiveness of various governance practices

Y+	Y	O	N	N+

17. Who has the strongest voice in the selection and dismissal of independent directors?

Board or nomination committee (autonomously)	**A**
CEO	**B**
Controlling owner (who is not the CEO)	**C**
None of the Above	**D**
Other. State: **E**	

18. Who has the final authority in removing a poor performing CEO and appointing a new one <You may choose more than one answer.>

It is effectively the board of directors	**A**
It is done by the controlling owner, but the board puts some input	**B**
It is done by the controlling owner, but (middle and upper level) managers exert some influence (through the board or otherwise)	**C**
It is done solely by the controlling owner (Chairman, government, etc.)	**D**
None of the above, please specify: **E**	

SECTION E
DIRECTORS ACCESS TO INFORMATION

Instructions:

Please express your view by a tick **(√)** or circling the appropriate parentheses below.

19. How good do you think is access to information for independent directors?

No restriction at all **A**	Somewhat limited **B**	Very limited **C**

19.1. Meeting/discussing with managers (who are not board members) and workers of the company

Often **A**	Sometimes **B**	Rarely **C**	Never **D**

19.2. Access to business records and books of account

No restriction at all **A**	Somewhat limited **B**	Very limited **C**

19.3. Enough information in time to be digested before every board meeting?

Very much so **A**	Not always **B**	Rarely **C**

19.4. Permitted to obtain the services of outside legal, financial and other professional advisors at the company's expense?

Yes, they are **A**	Only exceptionally **B**	Never **C**

19.5. Are monthly financial statements of the company being provided to you on a regular and timely basis?

Yes, they are **A**	Not always **B**	Never **C**

19.6. Is the board providing you with the information needed to understand important issues and trends in business?

Very much so **A**	Not always **B**	Rarely **C**

19.7. Is the information you receive presented in such a way as to highlight these important issues and trends?

Yes, it is **A**	Only exceptionally **B**	Rarely **C**

19.8. Is the information provided prior to and during Board presentations giving you the necessary substance to make good decisions?

Yes, it is **A**	Only exceptionally **B**	Rarely **C**

19.9. Do you have sufficient access to officers outside of Board meetings?

Very much so **A**	Not always **B**	Rarely **C**

SECTION F
STRATEGY AND PLANNING

Instructions:

Please express your view by a tick (√) or circling the appropriate parentheses below.

20. Does the Board spend an appropriate amount of time discussing and determining the long-term future/strategy of the company?

Yes, it does **A**	Not always **B**	Rarely **C**

21. Is the strategy planning process sufficiently robust? Is a range of strategic alternatives evaluated? Do objectives and constructive debates occur on the proposed strategy?

Very much so **A**	Only exceptionally **B**	Rarely **C**

22. Does the Board clearly communicate the strategic goals and directions of the company to the CEO and management?

Yes, it does **A**	Not always **B**	Rarely **C**

23. Does the Board provide tactical guidance to the CEO and management by reviewing their implementation plans?

Yes, it does **A**	Not always **B**	Rarely **C**

24. Does the Board set and agree with management clear performance measures that are aligned to the company`s strategy, for assessing success in implementing the strategy?

Yes, it does **A**	Not always **B**	Rarely **C**

25. Comments and suggestions regarding the strategic planning process:

____
____
____

SECTION F
BOARD ACCOUNTABILITY

Instructions:

Please express your view by a tick (√) or circling the appropriate parentheses below.

26. Do Board members stay abreast of trends and issues affecting the company`s performance, and use this information to guide the company?

Very much so **A**	Only exceptionally **B**	Rarely **C**

27. How would you rate the Board`s consideration of shareholder value and long-term shareholder interests in its decision-making process?

Needs significant improvement **(A)**
Needs improvement **(B)**
Consistently good **(C)**
Outstanding **(C)**

28. Does the Board know and understand the company`s strategic and business plans, and reflect this understanding on key issues throughout the year?

Very much so **A**	Only exceptionally **B**	Rarely **C**

29. Do the Board members spend sufficient time learning about the company`s business and understand it well enough to provide critical oversight?

Very much so **A**	Only exceptionally **B**	Rarely **C**

30. Is the Board sufficiently challenging of the CEO and management?

Yes, it does **A**	Not always **B**	Rarely **C**

31. Do you believe Board members ask the appropriate questions of management?

Yes, it does **A**	Not always **B**	Rarely **C**

32. Does the Board review key tactical plans established by the CEO and management to ensure that they are linked to the company`s strategic goals?

Yes, it does **A**	Not always **B**	Rarely **C**

33. Does the Board continuously examine management`s success/progress in achieving the company`s strategic goals using the agreed performance measurements?

Yes, it does **A**	Not always **B**	Rarely **C**

34. Does the Board proactively work with management to achieve the company`s strategic goals?

Yes, it does **A**	Not always **B**	Rarely **C**

35. Does the Board sufficiently review and approve the annual capital and operating budgets?

Yes, it does **A**	Not always **B**	Rarely **C**

36. Does the Board regularly monitor progress throughout the year?

Yes, it does **A**	Not always **B**	Rarely **C**

37. Does the Board monitor cash flow, profitability, net revenue and expenses, productivity, and other financially driven indicators to ensure the company performs as projected?

Very much so **A**	Only exceptionally **B**	Rarely **C**

38. Does the Board monitor the company`s performance with industry comparative data?

Very much so **A**	Only exceptionally **B**	Rarely **C**

39. Does the Board encourage/ensure an open line of communication between the Board and senior management?

Very much so **A**	Only exceptionally **B**	Rarely **C**

40. Does the Board encourage/ensure an open line of communication between the Board members?

Very much so **A**	Only exceptionally **B**	Rarely **C**

41. Does the Board act to help the CEO by setting clear and well-understood policies?

Very much so **A**	Only exceptionally **B**	Rarely **C**

42. Is the Board doing a good job of evaluating the CEO and linking his or her compensation to performance?

Very much so **A**	Only exceptionally **B**	Rarely **C**

43. What changes can be made to improve the CEO evaluation process?

____

____

____

44. Does the Board have a CEO succession plan; that is, to identify a new CEO to lead the Company when necessary?

Yes, it does **A**	Not always **B**	Rarely **C**

45. Is the Board organized and/or prepared to handle a crisis situation; for example, resignation of CEO?

Yes, it does **A**	Not always **B**	Rarely **C**

46. Comments and suggestions regarding Board accountability:

____

____

____

47. What were the Board's significant contributions to TN Holding during the year (20114; 2015 and 2016)?

SECTION G

RISK MANAGEMENT

Instructions:

Please express your view by a tick (√) or circling the appropriate parentheses below.

48. How would you rate the Board`s level of satisfaction with respect to the effectiveness of the company`s risk management architecture, which management has put in place to identify risk, measures its potential impact, and proactively manage it?

Needs significant improvement **(A)**
Needs improvement **(B)**
Consistently good **(C)**
Outstanding **(C)**

48.1. What changes (if any) should be made to improve the Board`s satisfaction with the risk management architecture?

____
____
____

48.2. Has the risk management process been effectively aligned to the company`s strategy, business objectives, risks, actions, and controls?

Yes, it is **A**	Not always **B**	No, it`s not **C**

48.3. Is the Board appraised of all key risks that could have a significant impact on the company on a timely basis, and is it assured that management is managing them properly?

Yes, it is **A**	Not always **B**	No, it`s not **C**

48.4. If not, what changes should be made?

____
____
____

48.5. Does the Board focus with management on the few high-profile risk issues that could have a significant impact on the company?

Yes, it does **A**	Not always **B**	Rarely **C**

48.6. Does the Board have a system of auditing the other less high-profile risk issues that could have a significant impact on the company?

Yes, it does **A**	Not always **B**	Rarely **C**

48.7. Comments and suggestions regarding risk management:

____
____
____

SECTION H
BOARD COMMITTEES

Instructions:
Please express your view by a tick (√) or circling the appropriate parentheses below.

49. Are appropriate Board committees used to enable the Board to discharge its responsibilities effectively and on a timely basis?

Very much so **A**	Only exceptionally **B**	Rarely **C**

49.1. If not, which committee (s) should be added or eliminated?

49.2. Do the committees and the Board consider the distribution of business between them appropriate?

Very much so **A**	Only exceptionally **B**	Rarely **C**

49.3. If not, what changes should be made to their terms of reference?

49.4. Do the committee reports give the appropriate amount of information to the Board?

Very much so **A**	Only exceptionally **B**	Rarely **C**

49.5. If not, what changes should be made to improve the level of information being disseminated?

49.6. Comments and suggestions regarding current committees and their terms of reference:

SECTION I
PRIORITIES FOR A MORE EFEECTIVE BOARD

Instructions:
Please express your view by a tick (√) or circling the appropriate parentheses below.

Y+ – strongly agree
Y – agree
O – neither agree nor disagree (or no opinion)
N – disagree
N+ – strongly disagree

50. What do you think about the following tasks for the purpose of enhancing the effectiveness of the board?

50.1. Selecting more of better qualified, truly independent directors

Y+	**Y**	**O**	**N**	**N+**

50.2. Separating the CEO from the board chairman position

Y+	**Y**	**O**	**N**	**N+**

50.3. Promoting boardroom culture that encourages constructive criticism and alternative views

Y+	**Y**	**O**	**N**	**N+**

50.4. Timely provision of relevant information to the directors

Y+	**Y**	**O**	**N**	**N+**

50.5. Providing education programs and adopting codes of conduct for directors

Y+	**Y**	**O**	**N**	**N+**

50.6. Formal annual evaluation of the board and directors

Y+	**Y**	**O**	**N**	**N+**

50.7. Formal CEO evaluation by the board

Y+	**Y**	**O**	**N**	**N+**

50.8. Giving (independent) directors better compensation and making it more linked to firm performance

Y+	**Y**	**O**	**N**	**N+**

50.9. Better disclosure of board activity

Y+	**Y**	**O**	**N**	**N+**

51. Do you think that the following tasks will contribute to the better performance of outside directors?

51.1. Better attendance at the board meetings

Y+	**Y**	**O**	**N**	**N+**

51.2. Better preparation for, and more active participation in, board discussion

Y+	**Y**	**O**	**N**	**N+**

51.3. Better knowledge of the business of the firm

Y+	**Y**	**O**	**N**	**N+**

51.4. Better awareness of fiduciary duties to all shareholders, sometimes willing to speak for minority shareholders

Y+	**Y**	**O**	**N**	**N+**

51.5. Among various stakeholders, whose role do you think is most important in preventing the controlling owners (of your firm) from abusing their power (to pursue their private interests)?

(Write 1, 2, 3, 4, and 5 starting with the most important)

(A) Minority (non-controlling) shareholders	
(B) Institutional investors (investment trust companies, banks, etc.)	
(C) Outside directors	
(D) Creditor financial institutions	
(E) Labour unions or employees	

SECTION J
COMMITTEE PERFORMANCE

Instructions:

Please express your view by a tick (√) or circling the appropriate parentheses below.

52. Does the Audit Committee fulfil its responsibilities as set out in the terms of reference of the committee?

Yes, it does **A**	Not always **B**	Rarely **C**

52.1. If not, please provide comments and suggestions.

____

____

____

52.2. Does the Remuneration Committee perform its role as set out in the terms of reference of the committee?

Yes, it does **A**	Not always **B**	Rarely **C**

52.3. If not, please provide comments and suggestions.

____

____

____

53. Does the Nominating Committee perform its role as set out in the terms of reference of the committee?

Yes, it does **A**	Not always **B**	Rarely **C**

53.1. If not, please provide comments and suggestions.

____

____

____

53.2. Does the Executive Committee perform its role as set out in the terms of reference of the committee?

Yes, it does **A**	Not always **B**	Rarely **C**

53.3. If not, please provide comments and suggestions.

____

____

____

54. Does the Risk Management Committee perform its role as set out in the terms of reference of the committee?

Yes, it does **A**	Not always **B**	Rarely **C**

54.1. If not, please provide comments and suggestions.

____

____

____

55. Does the Board have appropriate opportunity to review its performance and that of its committees, and to improve its performance in areas that it deems appropriate?

56.

Yes, it does **A**	Not always **B**	Rarely **C**

56.1. Comments and suggestions (that is, ways to improve TN Board and committee performance):

____

____

____

Financial Performance (to be completed by Remuneration Committee members only)

56.2. Has the Board reviewed the integrity and quality of annual and interim financial reporting to stakeholders?

Yes, it does **A**	Not always **B**	Rarely **C**

56.3. Do the financial statements provide investors/shareholders with reliable information to assess how the company is run, its prospects, and risks?

Very much so **A**	Only exceptionally **B**	Rarely **C**

56.4. Has TN`s return on total assets performance vis-à-vis a benchmark index of its industry peers [the Board would have to set this] over a five-year period from 2014 accorded with the targets as set by the Board?

Very much so **A**	Only exceptionally **B**	Not at all **C**

56.5. Has TN achieved the following financial targets for year 2016:

Return (Profit after tax) on Total assets	Yes **(A)**	No **(B)**
Return on equity: X%-Y%	Yes **(A)**	No **(B)**
Debt/Equity ratio: 0.X-0.Y times by end 2016	Yes **(A)**	No **(B)**
Economic value added?	Yes **(A)**	No **(B)**
Total shareholder returns	Yes **(A)**	No **(B)**

56.6. If any of the financial targets have not been achieved, has there been an appropriate explanation provided, and have alternatives been proposed as to future improvements?

Very much so **A**	Only exceptionally **B**	Rarely **C**

SECTION K
BOARD MEETING

Instructions:

Please express your view by a tick (√) or circling the appropriate parentheses below.

57. Who sets the Board meeting agenda?

Board Chairperson **(A)** Chief Executive Officer **(B)** Others ________________________

34. How many times does the Board meet per year to discuss board issues?

Twice **(A)** 4 Times **(B)** 3 Times **(C)** Other ____________________________________

GENERAL RECOMMENDATIONS

Please feel free to add any recommendations to assist assessment of the Board`s performance or to enhance the Board`s effectiveness:

APPENDIX A: NBS Research Permission Letter

NBS
NAMIBIA BUSINESS SCHOOL
UNIVERSITY OF NAMIBIA

28 July 2017

TO WHOM IT MAY CONCERN

Ms. Josefina Amunyela of Student Number: 200017527 is registered for a Master in Business Administration – Management Strategy at the University of Namibia through the Namibia Business School.

This letter serves to inform you that her research proposal was reviewed and successfully met the University of Namibia requirements.

The student has been granted permission to carry out postgraduate studies research. The University of Namibia has approved the research to be carried out by the student for purposes of fulfilling the requirements of the degree being pursued.

If you have any queries please do not hesitate to contact the Business School at the University of Namibia.

Thank you so much in advance and many regards.

Yours sincerely

Albert Isaacs, PhD
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APPENDIX B: LANGUAGE EDITING CERTIFICATE

Dr.GM

The Rev. Dr. Greenfield Mwakipesile

ThD, MBA, HBS | mwakipg@outlook.com

CONTACT

PO Box 40529,
Ausspannplatz,
Windhoek,
Namibia

LANGUAGE & COPY-EDITING CERTIFICATE

20th June 2018

RE: LANGUAGE, COPYEDITING AND PROOFREADING OF JOSEFINA NDAHAMBELELA AMUNYELA's THESIS FOR THE MASTER OF BUSINESS ADMINISTRATION DEGREE OF THE NAMIBIA BUSINESS SCHOOL OF THE UNIVERSITY OF NAMIBIA

This certificate serves to confirm that I copyedited and proofread **JOSEFINA NDAHAMBELELA AMUNYELA's** Thesis for the **MASTER OF BUSINESS ADMINISTRATION DEGREE** entitled: **AN EVALUATION OF CORPORATE GOVERNANCE PROCESSES IN TELECOM NAMIBIA**

I declare that I professionally copyedited and proofread the thesis and removed mistakes and errors in spelling, grammar, and punctuation. In some cases, I improved sentence construction without changing the content provided by the student. I also removed some typographical errors from the thesis and formatted the thesis so that it complies with the University of Namibia's guidelines.

I am a trained language and copy editor and have edited many Postgraduate Diploma, Masters' Thesis, Dissertations and Doctoral Dissertations for students studying with universities in Namibia, Zimbabwe, Swaziland, South Africa and abroad. I have also copy-edited company documents for companies in the region and abroad.

Please feel free to contact me should the need arise.

Yours Sincerely,

The Rev. Dr. Greenfield Mwakipesile

greenfield.mwakipesile | @mwakipg | +264813901701 | Dr. Greenfield Mwakipesile