ISSN (Online) : 2455 - 3662
SJIF Impact Factor :4.924

EPRA International Journal of

Multidisciplinary Research

Monthly Peer Reviewed & Indexed
International Online Journal

Volume: 4 Issue:6 June 2018

Published By :
EPRA Journals

Volume: 4 | Issue: 6 | June 2018 SJIF Impact Factor: 4.924 ISSN (Online): 2455-3

EPRA International Journal of
Multidisciplinary Research (IJMR)

CORPORATE GOVERNANCE AND ORGANIZATIONAL EFFECTIVENESS IN TELECOMMUNICATION FIRMS IN NIGERIA

Nwoye O. Christian[1]

[1]Department of Management,
Faculty of Management Sciences,
University of Port Harcourt,
Nigeria

Prof. Umoh, G. I[2]

[2]Department of Management,
Faculty of Management Sciences,
University of Port Harcourt,
Nigeria

ABSTRACT

This study explored the relationship between corporate governance and organizational effectiveness in telecommunication firms in Nigeria. Cross sectional research design was adopted for the study. Our respondents were departmental heads of functional units in these organizations (a total number of forty functional managers) constituting the population of our study. From the field survey, we retrieved and analysed all forty (40) copies of questionnaire from key informants amongst the participants; Spearman's rank order (rho) correlation coefficient was used to determine the relationship existing between the variables while the p-value was used to test hypotheses developed for the study. The findings revealed that the dimensions of corporate governance namely; board effectiveness, board knowledge and board commitment exhibited significant relationship with the measures of organization effectiveness (stakeholder satisfaction and innovativeness). It was then concluded that good and effective corporate governance mechanism are needed in organizations to adapt to the changing situations and dynamic nature of business environment. This gave rise to our recommendations for the firms (telecom operators) alongside other business organizations operating in this era of stiff competition that they should give adequate consideration on the effectiveness, knowledge and commitment of their corporate governance system and the measures of organizational effectiveness when designing and implementing policies in their organizations, organizations should satisfied its stakeholders adequately in order to engender effectiveness, firms Corporate governance mechanism should be directed to support innovativeness through the promotion of flexible and consistent organizational culture and processes.

KEYWORDS: *Corporate governance, Board effectiveness, Board knowledge, Board commitment and Organizational Effectiveness*

1. INTRODUCTION

Organizations today are increasingly aware of the need to prepare for the unexpected because of the dynamic and highly volatile nature of the modern business environment, especially the activities of competitors and external agents (Okuwa, Nwuche & Anyanwu, 2016).

To be effective and efficient, organizations need to be integrated and to consider three different perspectives simultaneously; structural design, work flow and human factors (Huse & Bowditch, 1973).

They also do need to avoid the risk of deviating from their goals or engaging in attractive and multiple but unattainable activities. This may lead to lose sense of purpose, direction and inability to prepare for changes in their business environment. Failure to adapt to the environment may force them to be phased out or just manage to survive (Prescott, 1984).

Organizations must be effective in all their operations in order to survive and make progress. Effectiveness is the degree to which an organization achieves its goals (Anderson, 2006). Chelladurai and Haggerty (1991) noted that organizational effectiveness refers to how smoothly, efficiently and goal-directed an organization's internal processes are. It is believed that various factors affect organizational effectiveness, including organizational culture and corporate governance.

The mission of an organization is a guiding element in its strategic pursuit and organizations must innovate consistently and seek other alternatives in improving profitability and market share for survival. Internal functions of an organization influence its effectiveness. It is absolutely critical for decision makers to be competent and have adequate knowledge in coping with fluctuations in the business environment.

The concept of corporate governance has been observed as one of the most important structure concerns and mechanism that regulate the relationship between executives and shareholders (Zahra, 1996). Corporate governance is a means of regulating and maintaining the relationship between managers, boards and owners of organization (Molokwu, Barreria & Urban, 2013). According to Osundina, Olayinka and Chukwuma (2016) good corporate governance is the system of controls, process, policies, rules and proceedings set up by the board and management of a company to ensure the smooth running of the company, maximize shareholders wealth and satisfy the interest of every stakeholder.

For Armstrong (2003); corporate governance is instituted with a view to safe guarding and increasing shareholder value and meeting the expectations of other stakeholders. Firms with effective corporate governance system in most cases realize robust economic growth and development.

Organization that have well defined and effective corporate governance mechanism enable board members and executives to shape company vision and increase managerial commitment towards formulating strategies that will engender organizational effectiveness. Effective organization tends to be innovative and encourage creative initiatives in new products and services; as well enhances stakeholder satisfaction. The most critical challenges faced by organizations when implementing corporate governance structure is to ensure compliance. Organization boards must provide appropriate reward systems, top management support, explicit goals and appropriate organizational values that give every stakeholder sense of belonging. Practitioners should scrutinize corporate governance mechanism in their organizations in order to enhance effectiveness.

This study will adapt dimension of corporate governance by Molokwu et al. (2013), which includes; board effectiveness, board knowledge and board commitment.

Board should be effectiveness and competent in diagnosing and evaluating events and trends in the larger environment that may hinder organizational effectiveness. Board of any given firms performed these three important roles; provide strategic direction for the firm, control management as well provides advisory support. Minichilli, Zattoni and Zona (2009) posited that for the evaluation of board's effectiveness; these roles must check to see how much they were adequately performed.

Directors and executives knowledge and experience in the organizational strategic issues, such as competitive position in the industrial environment and their ability to examine performance will hinder or engender effectiveness. The knowledge and experience that board and executive members possess has direct impact on how governance principle are applied and organizational goal achieved (Pukthuanthonge & Sundaramurthy, 2009).

Several researches have been conducted on organizational effectiveness and its relationship with other constructs. For instance; Obi-Anike and Ekwe (2014) examine the impact of training and development on organizational effectiveness in selected public sector in Nigeria and the findings indicates that there is positive relationship between training and development and organizational effectiveness.

Ashraf and Khan (2013) conducted a study on organization innovation and organization effectiveness among employee of cellular companies in Pakistan and their findings suggests a strong association between innovation and overall organizational effectiveness of a firm.

Amah (2012) carried out a study on corporate culture and organizational effectiveness in Nigeria banking industry and the study results indicates that adaptability positively influences organizational profitability. Similarly Hartnell, OU and Kinicki (2011) conducted a study on organizational culture and organizational effective in Arizona and they concluded that cultures are different and positively associated with the effectiveness criteria.

Also, Dizgah, Chegini, Farahbod and Kordabadi (2011) conducted a study on employee empowerment and organizational effectiveness in the executive organizations in Iran and the study shows that there is a positive relationship among employee empowerment and organizational effectiveness.

Chen and Yang (2005) in their study examines the relationship between organizational knowledge capabilities, knowledge sharing and organization effectiveness among different industries located in Taiwan and the study concludes that, there is a positive relationship between organizational knowledge capabilities, knowledge sharing and organizational effectiveness. From the foregoing studies that examined the relationship between corporate governance and organizational effectiveness as well as the moderating role of organizational culture in telecommunication firms in Nigeria, particularly Port Harcourt, Rivers State are sparse; thereby creating a gap in the literature. To bridge this gap, this study seeks to explore the relationship between corporate governance and organizational effectiveness in telecommunication firms operating in the city of Port Harcourt, Rivers State of Nigeria.

2. LITERATURE REVIEW

Agency theory

Many empirical works has been done on corporate governance on theoretical perspective. Agency theory was proposed by Alchian and Demsetz (1972) in the field of economics directed at the agency relationship in which one party (principals) delegate work or duties to another (agent) who performs that work (Alchian & Demsetz, 1972; Eisenhardt, 1989). Shareholders' interests necessitate security by split-up incumbency of the role of a board and CEO (Donalson & Davis, 1991). Similarly the segregation of management role and ownership lead to a serious matter of control over the risk altitude (Berle & Mean, 1934). However the basis of the theory is on mechanism where board of directors and owners act as the monitoring authority where as agents are the managers (Mallin, 2004).

The effect of the framework is that agent may not work for paramount interest of principal. Agent and principal may have different attitude towards risk. Thus, it explains the behavior of persons in the firms in their own self-interest and when it is not govern to minimize this behaviour, it will trigger agency problem because contracts are written and enforced by considering costs. There is agency cost to demoralize agents from benefiting at the expanse of principals (Alexander, 2010). Those costs include the costs of structuring, monitoring and branding a set of contracts among agents of divergent interests (Fama & Jensen, 1983). Eisenhardt (1989) posits that principal – agent theory specifies mechanism which reduces agency loss.

Early views on CEO – directors' relationship were on the basis of agency theory. According to the theory, directors monitor the decision and performance of the top management. The top management gives valuable information that enables the directors to monitor them efficiently (Fama & Jensen, 1983). The agency role of the directors serves as a governing function which translates into the interests of the shareholders. The Directors not only approved the decisions made by managements but also monitor its interpretation over the time period. The essence of this responsibility of the board of directors towards the shareholders is to enhance their wealth, more importantly; agency theory is normally used to predict the behavior of management and also serves as control base. In addition it centered on the link between the board independence or leadership structure and firm performance.

Resource Dependency Theory

The tenet of resource dependence theory hinges on the need for environmental linkages between the firm and external resources. Resource dependency theory was drawn from both sociology and management. According to Pfeffer and Salancik (1978) directors serve to connect the firm with external factors by co-opting the resources needed to survive Thus, boards of directors are an important mechanism for absorbing critical elements of environmental uncertainty into the firm. Williamson (1985) held that environmental linkages could reduce transaction costs associated with environmental interdependency. The resource dependency theory investigate the association between directors interlink and different facets of organization performance (Pfeffer & Salancik, 1978). In other words, resources and power are directly linked. Those firms who have resources can be considered more powerful as compared to its competitors. The dependence on other firms normally affects the productivity of firms. The scarcity of resources leads to uncertainty for organizations. Firms always strive to exploit the resources for the growth of its own long term survival. The organization's need to acquire resources and these leads to the development of exchange relationships and network of governance between firms. Further, the unequal distribution of required resources results in interdependence in organizational relationships. Moreover, directors may serve to link the external resources with the firm to overwhelm uncertainty (Hillman, Cannella & Paetzols, 2000). According to the resource dependency rule, the directors bring resources such as information, skills, key constituents (suppliers, buyers, public policy decision makers, social groups) and legitimacy that will reduce uncertainty (Gales & Kesner, 1994). Thus, resource dependence theory supports the appointment of directors to multiple boards because of their opportunities to gather information and network in various ways because the acquisitions of external resources are vital for strategic management of any organization.

Stakeholders Theory

The essence of the theory is to identify, develop and manage strong co-ordination among the stakeholders (Freeman, 1984). It is in juxtaposition to agency theory; in agency theory the maximization of shareholders wealth is paramount, whereas the stakeholders focused on wider stakeholders groups. The theory is prominent corporate governance theory because of the accountability of the firm to a wider group than focusing on its shareholders alone. According to Jensen (2001), the theory suggests that the performance of the corporation cannot be measured only in term of gain to its shareholders.

Abrams (1951) argues that corporate entity invariably seeks to provide a balance between the interests of its diverse stakeholders in order to ensure that each interest constituency receives some degree of satisfaction.

McDonald and Puxty (1979) states that companies are no longer the instrument of shareholders alone but exist with society and therefore, has responsibilities to society.

Rajan and Zingales (1998) argue that the company has to safeguard the interests of all who contribute to the general value creation to a given corporation.

Concept of Corporate Governance

The set of processes, customs, policies, law and institutions affecting the way a corporation is directed, administered and controlled. The system or process by which corporate entities exercising accountability to shareholders and responsibility to stakeholders are directed and controlled to achieve sustainable improvement in shareholder values (Nzotta, 2010).

For Armstrong (2003) Corporate governance is a system by which corporation are governed and controlled with a view to increasing shareholder value and meeting the expectations of the other stakeholders.

Aguilera and Jackson (2003) Opines that corporate governance specifies the rights and obligations among the various interest groups in the organization.

Mousavi and Moridipour (2013) states that good corporate governance enables firms to comply with extent laws and policies thereby avoiding costs that could arise from legal battles.

Corporate governance system has been observed as of the most important structure ad mechanism that regulates the relationship between executives and shareholders (Zahra, 1996).

Owolabi and Dada (2011) defines corporate governance as the set of processed, customs policies, laws and regulations affecting the way a corporation is directed, administered or controlled.

Osundina, Olayinka and Chukwuma (2016) view corporate governance as the system of controls, process, policies, rules and proceedings set up by the board and management of a company to ensure the smooth running of the company, maximize shareholders wealth and satisfy the interest of every stakeholder.

Hess (1996) opined that corporate governance is the process of administration and control of the firm's human resources and capital in the firm's owner's interest.

The Centre of European Policy Studies (CEPS, 1995) describes corporate governance as a whole system of processes, rights and controls that is expanded externally and internally over the entity of business management with the aim of protecting stakeholders' interests

Shleifer and Vishny (1997) defined corporate governance as a way in which the corporation's financial suppliers ensure that they will receive an investment return.

O'Donovan (2003) define corporate governance is an internal system that includes; process, policies and people that serve the requirements of shareholders as well as other stakeholders by controlling and directing activities by the firm's management with good business objectivity, savvy and integrity. He further stated that Sound corporate governance is related to external marketplace legislation and to a commitment to adding a healthy board culture that protects processes and policies.

Board Effectiveness and Organizational Effectiveness

The boards of organizations must invest their potential towards governance roles by balancing risk and opportunity.

The board of any given firms performed these three important roles; provide strategic direction for the firm, control management as well provides advisory support. Minichilli, Zattoni and Zona (2009) posits that for the evaluation of board's effectiveness; these roles must check to see how much they were adequately performed.

Okpara (2010) argued that effectiveness of boards hinges on their competence to challenge management preferences and monitor performance.

Finkelstein and Mooney (2003) in their qualitative investigation in board of directors' performance conclude that for effectiveness, team spirit and cohesiveness were very important factors.

Boards are effective if their performance meets stakeholder's expectation as well have adequate information on the industry environment, able to monitor demand and supply trends, forecast, act proactively by considering capacity building in terms of the firms earning potential (Henderson & Cool, 2003).

An effective board adopts control mechanism which ensures that there is conformance to expectation of stakeholders from behavior of the management (Hillman & Dalziel, 2003; Minichilli et al., 2009).

Nicholson and Kiel (2004) contends that effective boards are one that can efficiently implement its role and responsibilities.

$H0_1$: *There is no significant relationship between board effectiveness and organizational effectiveness of telecommunication firms in Port Harcourt, Rivers State.*

Board knowledge and Organizational Effectiveness

The knowledge and experience that board and executive members possess has direct impact on how governance principle are applied and organizational goal achieved (Pukthuanthonge & Sundaramurthy, 2009).

For boards and executives to effectively perform their duties, they need to have the requisite capabilities, general knowledge and expertise (Kor, 2003).

The absence of qualified board and executive members may negatively affect the ability of the board to perform effectively, particularly as trends indicate that boards of directors have been grossly undermined by shareholders in terms of appointments and recruitment (Allcock & Filatotchev, 2010; Ensley, Pearson & Amason, 2002; Larcker & Tayan, 2011).

Mwenja and Lewis (2009) argued that one of the basic considerations in appointing and recruiting executives is to ensure a high quality and knowledgeable board that understands the organizations core competencies and its own distinct roles and responsibilities in other to achieve long-term performance.

Knowledge and experience possessed by directors and executives in organizational strategic issues to a great extent determine how long such enterprise will live in its designated industry (Umoh & Amah, 2013).

Board that have composite background and skills provide adequate balance and diversity of skills; experience and knowledge concerning operations of the firm as well as that of its competitors which in turn help the organization to be strategically positioned to remain both resilient and sustainable (Worley & Bregley-Parker, 2011).

The long term success of any given organization is to a great extent associated with effectiveness of the visionaries (i.e the board of directors), this they do by ensuring that the set strategic role are attained (Adams et al., 2010; Ogbechie, Koufopoulos & Argyropoulou, 2009).

$H0_2$: *There is no significant relationship between board knowledge and organizational effectiveness of telecommunication firms in Port Harcourt, Rivers State.*

Board Commitment and Organizational Effectiveness

Commitment is a function of cohesiveness within boards. Board commitment requires towards integrity building in order to execute firms task. Effective board not only shows a strong commitment towards carrying out its function and obligations but also strives to successfully execute the strategic entrepreneurial decisions of the organization (Nicholson & Kiel, 2004; Mustakallio, Autio & Zahra, 2002).

Commitment entails the willingness to examine and recommend long term plans, manage risks, carryout valuation of capital requirements and partake in intricately interwoven organizations wide strategic decisions (Kor & SundaraMurthy, 2009).

Commitment is essential for board members, for they are required to work together by mutual interaction, sharing information, resources and making collaborative decisions (Christopher, 2012; Adam et al., 2010). Board represents a social driven by interpersonal relationship and as such there is need for adequate collaboration among members (Cascio, 2004; Sonnenfeld, 2002).

Cascio (2004) contends that board commitment ultimately results to improved quality of team work, constructive debates and efficiency of the administrative machinery.

$H0_3$: *There is no significant relationship between board commitment and organizational effectiveness of telecommunication firms in Port Harcourt, Rivers State.*

Concept of Organizational Effectiveness

Effectiveness evaluates the extent to which the multiple goals of the organization are attained. Effectiveness is a broad concept and is difficult to measure in organization Daft (2003).

Chen and Yang (2005) posits that the main goal of business development is to obtain a superior competitive advantage and organizational performance for a firm's sustainable growth.

Effectiveness is the degree to which an organization achieves its goals (Andersen, 2006). Organizational effectiveness is the measure of how successfully organizations achieved their missions through their core strategies. The main reason companies do so poorly at execution is that their leaders have either been unable or unwilling to make a connection between their company's goals and the realities of how their companies actually operate.

Organizational effectiveness may be typified as being mutable (composed of different stages), comprehensive (including a multiplicity of dimensions), divergent (relating to different constituencies), trans-positive (altering relevant criteria when different level of analysis are used) and complex (having non-parsimonious relationship among dimension, (Cameron, 1978). Effectiveness is one of the fundamental concepts in any organization (Sharif, Jafari & Hojati 2006).

Seashore and Yuchtman (1967) viewed effectiveness as the ability of the organization to exploit the environment in acquisition of critical resources. They further stated that; optimization of resources, acquisition and maximization of bargaining position with respect to the environment are effectiveness criteria.

Katz & Kahn (1966) sees efficiency, political effectiveness, growth, storage, survival and control over the environment as effectiveness criteria.

Price (1968) defined effectiveness as the degree of goal achievement. According to him; productivity, morale, adaptation, conformity and utilization are effectiveness criteria. Duncan (1973) sees adaptation, integration and goal-attainment as effectiveness criteria. Schein (1970) sees open communication, flexibility, creativity and psychological as effectiveness criteria.

Robbins (2009) Sees effectiveness as extent that makes an organization realizes its goals.

Organizational effectiveness can be considered as a quantitative and qualitative output and reflects the quality and output associated with a broad range of organizational goals (Kohan, 1998).

Corporate Governance and Organizational Effectiveness

There are bulk of evidence that suggests a positive association between corporate governance and organizations effectiveness.

Babatunde and Akeju (2016) in their study; the impact of corporate governance on firm's profitability in Nigeria, examine the relationship between Corporate governance mechanism and firms profitability and the findings confirmed that corporate governance mechanisms enhance firms profitability.

Jaskyte (2017) examined the relationship between board effectiveness and innovation in service providing associations from the perspectives of agency, resource dependency, and resource-based theories. Results based on 349 respondent surveys showed that the relationship between board effectiveness and innovation varied by the type of innovation (service, administrative, product, process, and capacity for innovation). The studysuggest that organizations will focus on educating boards on the potential impact they might have on innovation through an effective performance of their tasks.

Waithaka (2014) examine the influence of board effectiveness on corporate financial performance in the banking industry in Kenya and the study findings indicate that there was significant relationship between board expertise and financial performance.

Duke and Kankpang (2011) in their study linking corporate governance with organizational performance and their findings indicates that there is strong relationship between a number of corporate governance variables and firm performance measures.

Lasisi (2017) examines the relationship between corporate governance mechanism and organizational performance in non-financial firms listed on the Nigerian stock exchange and the findings indicates a positive but not statistically significant relationship between corporate governance mechanism and financial performance.

Abor and Adjasi (2007) posit that most of the studies on the link between corporate governance and organizational performance confirm casualty.

This lack of unanimity in the relationship existing between corporate governance and organizational effectiveness continue to render the discussion inconclusive which is the essence why this study is embark upon to ascertain if there exist any relationship between corporate governance and organization effectiveness in Nigeria telecommunication firms.

3. METHODOLOGY

This study adopted a cross sectional survey research design in studying the telecommunication firms namely MTN Nigeria, Globacom, Airtel Nigeria and 9Mobile out of eighteen (18) registered with the Nigeria Communications Commission (NCC) which forms our accessible population (NCC Report, 2017), however our study units include the managerial employees of the firms having that our unit of analysis is organizational and such employees are to stand in proxy for the organizations. The human resource department provided us the needed information. Because the study elements were remarkably few in number; there was no need for sampling as we included all as our study objects. The instrument with which we elicited data from the respondents is the questionnaire (40 copies of questionnaire) and was analyzed using Spearman's rank order coefficient of correlation statistical tool.

Operational Measures of Variables

Corporate Governance; in order to measure corporate governance, three dimensions was adapted from Molokwu et al. (2013) to include board effectiveness, board knowledge and board commitment each of them having statement item numbers of nine

(9), nine (9), and eleven (11) respectively.(for example; The board possesses skills and abilities that motivate employee involvement to achieve goals and objectives, The board is well experienced in the industry environment in which the firm operates, The board is committed to examining risks associated to investment options intended for better choices).

On the other hand, measure of organizational effectiveness were adapted from Carton and Hofer (2006) had Eight (8) items to explain employee satisfaction (a constituent of stakeholder satisfaction) and innovativeness (for example; In my Organization, the number of leaving managers and supervisors is increasing, My Organization constantly develops new services).While organizational culture the moderating variable was adapted from work of Denison and Mishra (1995) had four items to explain the variable (for example; There is high level of agreement about the way that we do things in this company). All items for the constructs were rated on 5-point Likert-type scale which range from strongly agree (=5) to strongly disagree (=1)

4. RESULTS AND DISCUSSION

Correlations

			Board Effectiveness	Board Knowledge	Board Commitment	Organizational Effectiveness
Spearman' rho	Board Effectiveness	Correlation Coefficient	1.000	.790**	.883**	.881**
		Sig. (2-tailed)	.	.000	.000	.000
		N	40	40	40	40
	Board Knowledge	Correlation Coefficient	.790**	1.000	.769**	.862**
		Sig. (2-tailed)	.000	.	.000	.000
		N	40	40	40	40
	Board Commitment	Correlation Coefficient	.883**	.769**	1.000	.711**
		Sig. (2-tailed)	.000	.000	.	.000
		N	40	40	40	40
	Organizational Effectiveness	Correlation Coefficient	.881**	.862**	.711**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	40	40	40	40

**. Correlation is significant at the 0.05 level (2-tailed).

SPSS output for field survey, 2018

The first hypothesis ($H0_1$) examined the relationship between board effectiveness and organizational effectiveness in telecommunication firms in Port Harcourt, Rivers State using Spearman's rank correlation (.881**; $0.000 < 0.05$), the study reveal a high and positive association between the constructs. This is supported by Waithaka (2014) in that corporate financial performance influenced by board effectiveness on corporate financial performance in the Kenyan banking industry; also board expertise was seen as a major factor in financial performance of the corporations studied. Also corroborated by Minichilli et al. (2009) in their position of what makes an effective board; according to them, when boards execute their major roles of providing strategic direction, objective monitoring and control of activities of management and provision of advisory support thus enabling the organization achieve its sustainable goals.

The tested $H0_2$ (rho = .862**, $n = 40$, $p = .000 < 0.05$ (alpha value) revealed the existence of significant relationship between board knowledge and organizational effectiveness in telecommunication firms in Port Harcourt, Rivers State; which corresponds to Osundina et al. (2016) assertion that the knowledge and experience possessed by directors and executives in organizational strategic issues such as the firm's competitive position in the industry, strategies adopted to carry out the firms operations, as well as their abilities in examining currents practices and performance levels of the organization to a great extent determine how long such enterprise will live in its designated industry.

The tested $H0_3$ (rho = .711**, $n = 40$, $p = .000 < 0.05$ (alpha value) revealed the existence of significant relationship between board commitment and organizational effectiveness in telecommunication firms in Port Harcourt, Rivers State; which is in consistent with Cascio (2004) position in regarding boards as a unit of a social system driven by interpersonal relationships and as such advocated for collaboration among members so that effectiveness is achieved in their operations which will ultimately contribute to the attainment of sustainable goals of the organization.

5. CONCLUSION

Good and effective corporate governance mechanisms are needed in organizations to adapt to the changing situations and dynamic nature of business environment. Organizations that have good corporate governance performed effectively and achieves organizational objectives. Organizations must ensure that their boards are effective, knowledgeable, committed and their stakeholder are adequately satisfied. Organizations ability to constantly develops new service, focusing on quality of performance and quickly react to changes in operating environment enable them to gain competitive advantage.

The study consider boards effectiveness, knowledge, commitment, stakeholder satisfaction, ,innovativeness and organizational culture that focus on stakeholders right as essential to ensures organizational effectiveness.

Based on our findings, we conclude that good corporate governance mechanism in telecommunication firms can be used to enhance innovativeness and stakeholder satisfaction and thereby making organizations to be effective.

6. RECOMMENDATIONS

Based on the findings of this study, the followings are recommended:

i. Policymakers should provide strategic directions, future oriented strategies and initiatives, novel ideas skills and abilities when designing and implementing policies in their organizations.
ii. Organizations should have boards that have adequate expertise, versed in knowledge towards trends in their industry environment in order to engender effectiveness.
iii. Organization Board members should be actively committed in providing insight, advice and support when examining risks associated to investment options.

7. REFERENCES

1. *Abrams, F. W. (1951). Management's responsibilities in a complex world. Harvard Business Review, 29, 54–64.*
2. *Aguilera, R. V., &Jackson, T. (2003). The cross-national diversity of corporate governance: Dimensions and determinants. Academy of Management Review, 28, 447–466.*
3. *Alchian, A., & Demsetz, H. (1972). Production, information costs, and economic organization.American Economic Review, 62(5), 777–795.*
4. *Alexander, D. (2010). Corporate governance and earnings management: Going beyond agency theory and secondary data. International Journal of Corporate Governance, 2(1), 31–41.*
5. *Allcock, D., &Filatotchev, I. (2010). Executive incentive schemes in initial public offerings: The effects of multiple-agency conflicts and corporate governance. Journal of Management, 36(3), 663–686.*
6. *Andersen, J. A. (2006). Leadership, personality, and effectiveness. Journal of Socio-Economics, 35, 1078–1091.*
7. *Armstrong, P. (2003). The concept of corporate governance. Banking and Finance Journal, Lagos West African Bankers Association.*
8. *Ashraf, F., & Khan, M. A. (2013). Organizational innovation and organizational effectiveness among employees of cellular companies Pakistan. Journal of Psychological Research, 28(1), 01–24.*
9. *Berle, A. A., & Means, G. C. (1934). The modern corporation and private property. Macmillan, New York.*
10. *Cameron, S. K. (1986). Effective as paradox: consensus and conflict in conceptions of organizational effectiveness. Management Science, 32(5), 1-10.*
11. *Cascio, W. F. (2004). Board governance: A social systems perspective. Academy of Management Executive, 18, 97–100.*
12. *Chelladurai, P., & Haggerty, T. (1991). Measures of organizational effectiveness of Canadian national sport organizations. Canadian Journal of Sport Sciences 16(2) 126-133.*
13. *Chen, L. C., & Yang, C. (2005). The study of organizational knowledge capabilities, knowledge sharing and organizational effectiveness: A socio-technical perspective. Institute of Information Management. National Chiao Tung University.*
14. *Dizgah, M. R., Chegini, M. G., Farahbod, F., & Kordabadi, S. S. (2011). Employee empowerment and organizational effectiveness in the executive organizations. Journal of Basic Applied Science Research, 1(9), 973–980.*
15. *Denison, D. R., & Mishra, A. K. (1995). Toward a theory of organizational culture and effectiveness. Organization Science, 6, 204–223.*
16. *Donaldson, L., & Davis, J. H. (1991). Stewardship theory or agency theory: CEO governance and shareholder returns. Australian Journal of Management, 16(1), 49–64.*
17. *Eisenhardt, M, K. (1989). Agency theory: An assessment and review. Academy of Management Review, 14(1), 57–72.*
18. *Ensley, M. D., Pearson, A. W., &Amason, A. C. (2002). Understanding the dynamics of new venture top management teams cohesion, conflict, and new venture performance. Journal of Business Venturing, 17(4), 365–386.*
19. *Fama, E. F., & Jensen, M. C. (1983).Separation of ownership and control. Journal of Law and Economics, 26(2), 327–349.*
20. *Finkelstein, S., &Mooney, A. C. (2003). Not the usual suspects: How to use the board process to make boards*

better. Academy of Management Executive, 17(2), 101–113.

21. Freeman, R. E. (1984). Strategic management: A stakeholder approach. Pitman, Boston, MA.
22. Gales, L., & Kesner, I. (1994). An analysis of board of director size and composition in Bankrupt organizations. Journal of Business Research, 30(3), 271-282.
23. Hartnell, C. A., Ou, A. Y., & Kinicki, A. (2011). Organizational culture and organizational effectiveness: A meta-analytic investigation of the competing values framework's theoretical suppositions. Journal of Applied Psychology American Psychological Association, 96(4), 677–694.
24. Henderson, J., & Cool, K. (2003). Corporate governance, investment bandwagons and overcapacity: An analysis of the worldwide petrochemical industry, 1975–95. Strategic Management Journal, 24(4), 349–373.
25. Hillman, A. J., CannellaJr, A. A., & Paetzols, R. L. (2000). The resource dependency role of corporate directors: Strategic adaptation of board composition in response to environmental change. Journal of Management Studies, 37(2), 235-25
26. Huse, I. C., & Bowditch, M. S. (1973). Consequences of individual feedback on behaviour in organizations. Journal of Applied Psychology, 64, 349-371.
27. Jensen, M. C. (2001). Value maximization, stakeholder theory, and the corporate objective function. Journal of Applied Corporate Finance, 14, 8–21.
28. Katz, D., & Kahn, R. K. (1966). The social psychology of organizations. New York John Wiley and sons
29. Kor, Y. Y. (2003).Experienced-based top management team competence and sustained growth. Organization Science, 14(6), 707–719.
30. Kor, Y. Y., & Sundaramurthy, C. (2009). Experienced-based human capital and social capital of outside directors. Journal of Management, 35(4), 981–100.
31. Larcker, D. F., & Tayan, B. (2011). Board of directors: Selection, compensation, and removal. Corporate Governance Research Program: Stanford Graduate of Business School.
32. Mallin, C. A. (2004). Corporate governance. Oxford University Press.
33. McDonald, D., & Puxty, A. G. (1979). An inducement: Contribution approach to corporate financial reporting. Accounting Organization and Society, 4(1/2), 53–65.
34. Minichilli, A., Zattoni, A., & Zona, F. (2009). Making boards effective: And empirical examination of board task performance. British Journal of Management, 20, 55-74.
35. Molokwu, V., Barreria, J., & Urban, B. (2013). Entrepreneurial orientation and corporate governance structures at the firm level in the South African oil and gas industry. South African Journal of Human Resource Management, 11(1), 1–15.
36. Mousavi, Z., & Moridipour, H. (2013). Corporate governance quality: A literature review. International Research Journal of Applied and Basic Sciences, 4(10), 3093–3098.
37. Mustakallio, M., Autio, E., & Zahra, S. A. (2002). Relational and contractual governance in family firms: Effects of strategic decision-making. Family Business Review, 15(3), 205–222.
38. Mwenja, D., & Lewis, A. (2009).Exploring the impact of the board of directors on the performance of not-for-profit organizations. Business Strategies Series, 10(6), 359–365.
39. Nicholson, G. J., & Kiel, G. C. (2004). A framework for diagnosing board effectiveness: Corporate governance. An International Review, 12(4), 442–460.
40. Nzotta, S. M. (2010). Corporate governance in post consolidated insurance in Nigeria. Journal of Banking and Finance Studies, 1(1), 1-10.
41. O'Donovan. G. (2003). Change management: A board culture of corporate governance. Mondaq Business Briefing.
42. Obi-Anike, H. O., & Ekwe, M. C. (2014). Impact of training and development on organizational effectiveness: Evidence from Selected Public Sector Organizations in Nigeria. European Journal of Business and Management, 6(29), 1-10.
43. Ogbechie, C., Koufopoulos, D. N., & Argyropoulou, M. (2009). Board characteristics and involvement in strategic decision making: The Nigerian perspective. Management Research News, 32(2), 169–184.
44. Okpara, J. O. (2010). Perspective on corporate governance challenges in a sub-Saharan African economy. Journal of Business and Policy Research, 5(1), 110–122.
45. Okuwa, J. A., Nwuche, C. A., & Anyanwu, S. A. C. (2016). Human capital development and organizational resilience in selected manufacturing firms in Rivers State. International Journal of Novel Research in Humanity and Social Science, 3(2), 43-50.
46. Osundina, J. A., Olayinka, I. M., & Chukwuma, J. U. (2016). Corporate governance and financial performance of selected manufacturing companies in Nigeria. International Journal of Advanced Academic Research, 2(10), 29–43.
47. Owolabi, S. A., & Dada, S. O. (2011). The role of shareholders and directors in corporate governance: An appraisal of Babcock University. Journal of Economics, Banking and Finance, 101–109.
48. Pfeffer, J. (1978). Size and composition of corporate board of directors: The organization and its environment. Administrative Science Quarterly, 17(1), 29-218.
49. Prescott, J. E. (1984) Environmental fit and performance. Paper presented to the national academy of management meeting, Boston. Retrieved from http://www.amazon.com.dp/0750697016
50. Pukthuanthong, K., & Sundaramurthy, C. (2009). Human capital of the CEO and the corporate board of directors and IPO performance. Presented at the Financial

Management Association, San Diego University, October 2009.

51. *Rajan, R., & Zingales, L. (1998). Power in a theory of the firm. Quarterly Journal of Economics, 113(2), 361–386.*
52. *Sharif, S. M., Jafari, S. I., & Hojati, S. (2006).The study of relationship between managers effectiveness with three factors of leadership positions in the Fidler pattern, AndishehayeNovinModiriyati, Faculty of Education andPsychology University of Al-Zahra, 2,(1)2.*
53. *Shleifer, A., & Vishny, R. (1997). A survey of corporate governance. Journal of Finance, 52,737-783.*
54. *Sonnenfeld, J. A. (2002). What makes great boards great? Harvard Business Review, 80(9), 106–114.*
55. *Umoh, G. I., & Amah, E. (2013).Knowledge management and organizational resilience in Nigerian manufacturing organizations. The International Institute for Science, Technology and Education (IISTE), 3(9), 104–120.*
56. *Waithaka, W. (2014). Influence of board effectiveness on financial performance in the banking industry in Kenya. United States International University.*
57. *Worley, C. G., & Bregley-Parker, S. (2011). Building multi-stakeholder sustainability networks: How problem definition and consensus affected the Cuyahoga Valley Initiative. In S. A. Mohrman & A. B. Shani (Eds.), Organizing for Sustainability, (pp. 187–214).*
58. *Zahra, S. A. (1996). Governance, ownership, and corporate entrepreneurship: The moderating impact of industry technological opportunities. Academic of Management Journal, 39(6), 1713–1735.*