EFFECT OF CORPORATE GOVERNANCE ON ORGANISATIONAL PERFORMANCE IN THE TELECOMMUNICATIONS SECTOR IN KENYA. A CASE OF SAFARICOM LIMITED

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A RESEARCH PROJECT SUBMITTED TO THE SCHOOL OF MANAGEMENT AND LEADERSHIP IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF BACHELOR OF MANAGEMENT AND LEADERSHIP OF THE MANAGEMENT UNIVERSITY OF AFRICA

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DECLARATION

This research project is my original work and has not been presented for a degree in any other University.

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This research project has been submitted for examination with my approval as University Supervisor.

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DEDICATION

This research paper is sincerely dedicated to my loving and supportive mum, Ms. Jane M. Kariuki, and my children, Abigail, Zipporah, and Smith, for their encouragement and inspiration in conducting this study. They have given me the strength and hope when I thought of giving up. Without their assistance, this research wouldn't be considered feasible..

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ABSTRACT

The general purpose of this study was to investigate the influence of corporate governance on organizational performance in the telecommunications segment in Kenya. A case of Safaricom Limited. Specific objectives were: To examine the influence of board composition on the performance of Safaricom Limited, to examine the effect of stakeholder involvement on the performance of Safaricom Limited, to evaluate the effect of internal controls on the performance of Safaricom Limited, and to assess the effect of leadership structure on the performance of Safaricom Limited. The investigation was anchored by Agency theory, and it was supported by Stakeholder theory and Stewardship theory. A descriptive research design was employed for this investigation. The target population was 216 Safaricom management-level staff based at the head office in Westlands. The sample size was calculated using Fisher's method. The study's primary information was collected via the application of questionnaires provided electronically to respondents via email. A pilot test with 14 participants from a Safaricom branch was carried out for this study, mainly to determine any troublesome questions and to evaluate the viability and reliability. Data collected from questionnaires was cleaned to remove errors and then coded for organization before analysis in Microsoft Excel. Measurement descriptors like mean, standard deviation, and frequency tables summarized the data's characteristics, with results presented through tables and figures for clear interpretation. The findings highlight that Safaricom's board composition integrates diversity, appropriate size, competency, female representation, and operational independence, facilitating oversight and decision-making. The study concluded that stakeholder engagement is characterized by communication, feedback systems, and participatory practices, which enhance collaboration among various groups. The study also concluded that Safaricom maintains robust internal control mechanisms through risk management, audits, and compliance monitoring, supporting effective operational procedures. The leadership structure is marked by clear roles, collaborative styles, and accountability. The study's recommendations include enhancing board diversity, improving stakeholder communication, strengthening internal controls, and maintaining a clear leadership structure. More investigation ought to concentrate on longitudinal studies of governance of corporations and performance, and comparative analyses across industries.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

OECD	: Organization for Economic Co-operation and Development
RBV	: Resource-Based View
SMEs	: Small and Medium Enterprises
CEO	: Chief Executive Officer
ICT	: Information and Communication Technology
KES	: Kenya Shillings
NSE	**:** Nairobi Securities Exchange
ROA	**:** Return on Assets
ROE	**:** Return on Equity
USD	**:** United States Dollar

OPERATIONAL DEFINITION OF TERMS

Board Composition: Board composition pertains to the board's organizational structure in terms of size, independence, diversity, and skill. It serves the governance role of strategic oversight and accountability, affecting organizational performance via enhanced decision-making, risk oversight, and strategic direction.

Stakeholder Involvement: Stakeholder participation refers to the extent to which stakeholders participate in organizational decisions. It promotes the governance function of inclusion and responsiveness, boosting organizational performance by fostering trust, legitimacy, and support for organizational initiatives.

Internal Controls: Internal controls relate to the systems and processes implemented to secure assets and ensure compliance. They serve the governance role of risk management and accountability, contributing to corporate success via fraud prevention, regulatory compliance, and accurate financial reporting.

Leadership Structure: Leadership structure refers to the allocation of power and duties within the company. It performs the governance function of role clarity and control, impacting organizational performance by increasing coordination, accountability, and strategy execution.

Corporate Governance: refers to the structure through which a company is directed and governed. It blends board composition, stakeholder participation, internal controls, and leadership structure to increase transparency, accountability, and ethical behavior, ultimately increasing organizational performance.

CHAPTER ONE
INTRODUCTION

1.0 Introduction

This section discussed the investigation's background, problem statement, research aims, and questions; this part also discussed the study's advantages and scope.

1.1 Background of the Study

Globally, studies show that telecommunications companies have struggled to consistently deliver shareholder value, despite being central to digital economies. For example, Marzuki, Haji-Abdullah et al., Harymawan (2019) examined fraudulent financial reporting and governance diversity in Malaysian-listed firms, finding that diversity in boards and audit committees enhanced earnings quality and transparency. They recommended that firms globally adopt diverse and independent governance structures to strengthen accountability and improve organizational performance. This underscores that telecoms worldwide face ongoing challenges in balancing profitability with governance, making performance a persistent concern (Mwangi & Muturi, 2018).

According to a study in the telecommunications sector by Wan Mohammad and Wasiuzzaman (2020), board independence and gender diversity positively impacted firm performance. Madah Marzuki (2022) concluded that the diversity of audit committees in Malaysian firms helped to mitigate earnings manipulation and enhance forecast accuracy, strengthening performance in the market. Guo and Liang (2022) indicated that ownership concentration, executive incentives, and board size positively influenced financial performance, while board size and the ratio of independent directors on the board had a negative influence. According to Hashim et al. (2019), the diverse composition of boards in terms of gender and ethnicity had a meaningfully positive influence on the firm’s efficiency and innovation, and was a reason for the improved strategic decision-making that the firm was able to perform. Inclusive practices, they advised, should be formalized (Ngumi & Senelwa, 2021).

On regional perspective, Nwachukwu and Mohammed (2019) examined the corporate governance practices in Nigeria and their relationship to firm performance within listed companies. They identified that the quality of leadership and the independence of the council were positive impact on the outcome on assets (ROA), while weak governance structures curtailed long-term growth. Strengthening board oversight and internal control frameworks was recommended for the performance of Nigeria's telecom and financial sectors. Tumwine (2020) examined corporate governance practices in state-owned enterprises in Uganda and identified that effective board composition and audit independence were positively correlated with financial performance. The study recommended that firms adopt independent audit committees to strengthen oversight and enhance transparency. Mugisha (2021) figured out a way to improve governance alongside service firms' provision performance in Rwanda, and noted improvement in operational outcomes due to financial accountability coupled with executive accountability, and proposed the enforcement of governance to a greater extent. It is evident that those firms in East Africa, even in developing markets, can derive performance returns within developing markets and governance enhancement (Ogindo et al., 2023).

Locally in Kenya, Simiyu and Murigi (2023) studied administration of stakeholders in Safaricom, Airtel, and Telkom Kenya and noted enhancement in performance by way of defensive stakeholder strategies and suggested the need for telecoms to scale stakeholder involvement. In the same line, Ogindo, Mwanzia, and Chepkemoi (2023) positively noted organizational outcomes by way of strategic planning and consultation and suggested the need for persistent engagements vis-a-vis planning and consultation to internal and external stakeholders.

Earlier, Gikungi et al. (2018) noted the influence of leadership structure on performance at Telkom Kenya and proposed leadership changes to be made in order to improve competition. It is beyond doubt that the performance of a firm is influenced by governance features, including the board composition (Ogindo et al., 2023). In this regard, the research looked at how governance structures at Safaricom, the biggest telecommunications company in Kenya, affect performance to provide an explanation further the relations between effectiveness and administration in the telecommunications industry.

1.1.1 Board Composition

Board composition is an important part of corporate management, influencing decision-making and organizational outcomes. It is determined by the structural configuration of a board, including its size, independence, and diversity. Studies have shown that higher proportions of independent directors improve governance outcomes and financial performance in South African listed firms. Diversity and expertise also play a role in defining board composition. Bear et al. (2017) argue that greater diversity strengthens corporate governance by enhancing creativity and problem-solving in strategic matters. Lehri et al. (2024) define board composition as the arrangement of directors with respect to independence, size, and experience, which shape the board's influence on corporate financial decisions and sustainability practices. A well-composed board improves not only financial outcomes but also ethical standards and stakeholder trust (Lehri et al., 2024).

1.1.2 Stakeholder Involvement

Stakeholder involvement is a critical component of business governance, involving the active participation of stakeholders in organizational processes. Studies have shown that strong stakeholder involvement significantly contributes to project success by aligning organizational goals with stakeholder expectations. Stakeholder-oriented firms often achieve long-term sustainability. Another definition emphasizes the integrative nature of stakeholder participation, as it integrates stakeholder expectations into strategic planning, particularly in the context of corporate social responsibility. Responding to stakeholder needs enhances firm legitimacy and financial outcomes. Balancing competing interests is essential to avoid conflict and maintain corporate reputation. Thus, stakeholder involvement is both a governance mechanism and a strategic asset (Awa & Ogbonda, 2024).

1.1.3 Internal Controls

Internal controls are mechanisms that protect an organization against risk and fraud. They are governance mechanisms that ensure the correctness, reliability, and reporting on earnings conformity. Audit committees also board monitoring significantly enhance the quality of internal controls. They also play a crucial role in strengthening governance frameworks in Kenyan firms.

Internal controls can be defined as a holistic framework of risk management practices that cover financial, operational, and compliance activities. Strong internal controls improve efficiency and accountability. They are also essential for maintaining integrity and sustainability. Both definitions emphasize the importance of internal controls in maintaining an organization's integrity and sustainability (Hazaea et al., 2021).

1.1.4 Leadership Structure

Leadership structure is an essential component of organizational authority, influencing the distribution of authority also responsibility. It is defined by board leadership roles, such as CEO duality and board independence, and can lead to better financial performance. Separation of powers enhances monitoring and accountability. Leadership structure can also encompass leadership styles and governance behavior, such as transformational and authentic leadership, which influence transparency, ethical conduct, and stakeholder relationships. Misaligned structures can lead to entrenchment and reduced firm value. Both perspectives emphasize the importance of leadership structure not only in formal roles but also in the quality of leadership practices within governance systems (Chandaria, 2023).

1.1.5 Profile of Safaricom Limited

Established in 1997 as a division of Telkom Kenya, Safaricom Limited, was transformed into Kenya's leading cellphone provider in 2000 after Vodafone Group acquired a 40% stake. Under early leadership, the company became known for its mobile money platform, M-PESA. As of the financial year ending March 31, 2025, Safaricom posted an average annual revenue of KES 388.7 billion, making it the first publicly listed company in Eastern Africa to cross this revenue milestone. Its net income rose 10.8% to KES 69.8 billion, driven by growth in core segments like M-PESA, mobile data, and voice revenue. Beyond Kenya, Safaricom is expanding its digital footprint, with Ethiopia contributing nearly 10% to group revenue and expecting profitability by fiscal year 2027. The company's customer base in Kenya surpassed 50 million users in mid-2025, highlighting its significant impact on Kenya's digital transformation journey (TechArena, 2025).

1.2 Statement of the Problem

The telecommunications business's organizational performance should focus on consistency, predictability, equity, and fairness. Proper governance practices, including inclusive leadership, autonomous board participation, and constructive internal governance, can enhance performance and improve returns on equity and operational viability. Companies like Safaricom, with their premium worth, should demonstrate value, accountability, constant growth, and operational responsiveness to competition. Modern convergence processes and an organized governance framework should yield consistency, accountability, and a profit distribution aligned with performance achieved. Resilient and formidable companies like Safaricom should demonstrate value, accountability, constant growth, and operational responsiveness to competition (Al-Sraheen, 2022).

Despite high revenues and profits, companies may struggle to balance operational governance systems with profitability and sustainability. A study by Guo and Liang (2022) found that underperformance in large corporations is often due to poorly defined governance systems. In the African region, particularly in telecommunications governance, poorly defined systems and weak control frameworks are common. This is due to leadership concentration, governance pressure, regulatory pressure, and the need for deeper stakeholder involvement. As a result, operational performance in telecoms requires accountability and control frameworks, which are typically found in service enterprises (Lehri et al., 2024).

Strategic decisions within a board may be delayed due to a gap in board member incentives, and decision-making may be uninformed due to inadequate oversight. Stakeholders who are kept in the dark may escalate mistrust and brand discouragement. Weak internal control systems can lead to fraud and inefficiency. Ill-defined leading structures may escalate the risks of conflicts of interest, particularly where duality of the Chief Executive Officer exists, and inefficiency, fraud, or error may cascade within the organization (Al-Sraheen, 2022). In the case of Safaricom, these phenomena may discourage investment, weaken the service, and distract from regional growth. For governance failures, the employees and shareholders of Safaricom, alongside millions of customers, suffer the most, which makes the problem immediate and far-reaching (Lincoln, 2021).

There is little work focusing on the telecommunication sector in Kenya, and even less focusing on corporate governance and Safaricom as a case. In Kenya, the majority of studies and governance coverage remain focused on state-owned corporations and governance in the financial sector (Tumwine, 2020; Simiyu & Murigi, 2023). As such, the impact on private companies such as Safaricom by identifying and focusing on relevant governance elements remains largely unexplored. These elements include board structure, stakeholder control, and leading systems. Therefore, our study aimed to close this gap by examining the effect of corporate governance on organizational performance at Safaricom Limited, offering evidence that can inform governance reforms in Kenya's telecommunications business.

1.3 Objectives of the Study

1.3.1 General Objective

The general objective of this research was to examine the effect of corporate governance on organizational performance in the telecommunications sector in Kenya. A case of Safaricom Limited.

1.3.2 Specific objectives

i. To examine the effect of board composition on the performance of Safaricom Limited
ii. To examine the effect of stakeholder involvement on the performance of Safaricom Limited
iii. To evaluate the effect of internal controls on the performance of Safaricom Limited
iv. To assess the effect of leadership structure on the performance of Safaricom Limited

1.4 Research Questions

i. How does board composition affect the performance of Safaricom Limited?
ii. To what extent does stakeholder involvement affect the performance of Safaricom Limited?
iii. How do internal controls affect the performance of Safaricom Limited?
iv. To what extent does leadership structure affect the performance of Safaricom Limited?

1.5 Significance of the Study

For administration at Safaricom and other telecommunications companies, this investigation is important because it shows how governance practices influence performance. The findings will help managers understand how factors such as board composition, stakeholder involvement, internal controls, and leadership structure affect decision-making and long-term results. With this knowledge, managers can identify areas of weakness, improve accountability, and adopt strategies that drive efficiency, innovation, and sustainable growth.

For policymakers and regulators in Kenya, the study provides useful insights into how corporate governance can shape the success of the telecommunications industry. It will help them design or refine policies and regulatory frameworks that strengthen oversight, enhance transparency, and protect stakeholders. By highlighting governance practices that work, the study can support policy decisions that encourage fair competition, attract investors, and promote stability in the sector.

For academicians and researchers, this investigation adds to the corpus of information currently available on governance Regarding the effectiveness of organizations, particularly in the setting of developing economies. It provides a case study from Kenya that can be compared with other countries, helping to deepen understanding of how governance influences firm outcomes. Additionally, the results will serve as a point of reference for students and researchers who want to explore related areas, and they will open the door for more studies that build on the lessons learned from Safaricom

1.6 Scope of the Study

This researcher examined the impact of corporate governance on company performance the telecommunications segment in Kenya, a case of Safaricom Limited. The target population was 216 management-level staff based at the head office in Westlands. The study was carried out at Safaricom's head office located at Westlands, Nairobi, Kenya. The study was conducted between July 2025 and January 2026.

1.7 Chapter Summary

This part examined the backdrop and the problem statement. The broad purpose, particular objectives, and research questions, significance of the research, and study scope were also presented in this section. The next chapter reviewed the literature related to the topic under study.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This part included a review of the theoretical and empirical literature, a presentation of the research gaps, an operationalization of the variables as well as and a section summary.

2.1 Theoretical Literature Review

The research was anchored by Agency theory, and it was supported by Stakeholder theory and Stewardship theory.

2.2.1 Agency Theory

The Agency Theory was introduced by Jensen and Meckling in 1976. According to Jensen and Meckling (1976), an agency relationship is a contract in which one or more individuals, known as the principal, hire another individual, known as the agent, to carry out a service or manage on their behalf. This entails giving the agent some decision-making power (Castrillón, 2021). As a result, it increases the likelihood that the executive will act in their own best interests as opposed to those of the primary or owner. The principal will have to pay agency fees to address such issues. These expenses result from the need to develop incentives that balance the executive's and shareholders' interests. They also include expenses related to the need to keep an eye on executive behavior in order to stop owner interests from being abused (Al-Faryan, 2024).

According to agency theory, owners (principals) assign duties to agents who carry them out on their behalf. Principals maintain supervision and control over organizational choices even while agents carry out the task (Al-Faryan, 2024). In order to avoid the abuse of power and resources, it is recommended that agents have some authority together with strong institutional protections. Numerous well-known businesses throughout the world have had major failures as a result of inadequate monitoring. The notion promotes contractual arrangements between principals and agents, particularly as businesses grow and need more funding, which attracts more principals. Effective corporate governance is crucial because of this growth in complexity. Agency theory is often criticized despite its widespread use, especially since it frequently ignores real contractual connections and mutual agreements (Castrillón, 2021).

According to agency theory, managers, or agents, were more concerned with immediate financial gain. If shareholders keep an eye on the business, issues like increased agency costs may be avoided or minimized. Voting at the AGM should provide the shareholders with influence over the business. Additionally, investors might choose to diversify their holdings. Having periodic in-person meetings between management and investment institution representatives is another method of resolving agency issues. Giving top management incentives to promote wealth-maximizing policies is another potential solution to the agency dilemma. As the number of shareholders rises, so do the monitoring expenses (Al-Faryan, 2024).

The theory is pertinent to this research because it explains the connection between management (agents) also shareholders (principals) in ensuring organizational performance. It supports board composition and internal controls, emphasizing accountability, monitoring, and alignment of interests to minimize conflicts between management and owners, thereby enhancing transparency and organizational effectiveness.

2.1.2 Stakeholder Theory

The main proponent of stakeholder theory is Edward Freeman, who detailed the notion in his 1984. The idea was created by Freeman (1984) to address morality and values in relation to business management. Compared to other governance theories of corporations and Agency Theory, the philosophy is more comprehensive. Stakeholder theory takes into account more than simply shareholders. Employees, clients, creditors, debtors, the government, and local communities make up the broader group. The group to whom the company is answerable has expanded according to stakeholder theory. This approach respects shareholder interests by making effective use of the organization's resources and informing shareholders about them. Increasing shareholder value is always the goal of good governance (Stoelhorst & Vishwanathan, 2024).

The theory, which emphasizes making choices in leadership, acknowledges that each stakeholder's interests have inherent value and that no set of objectives is assumed to outweigh the others. The issue with this idea, however, is that it fails to provide a clear explanation of the trade-off made against the interests of each stakeholder group. The management lack clarity and refuse to take responsibility for their actions. Since a large number of individuals are engaged in a business, it is evident that different people have different expectations, which is why corporate governance is essential (Awa et al., 2024).

The model is pertinent to this research since it emphasizes the significance of involving all stakeholders in organizational decision-making. It supports stakeholder involvement and leadership structure, highlighting that a business's capacity to succeed hinges on balancing the needs and interests of employees, customers, shareholders, and the community to achieve sustainable performance.

2.1.3 Stewardship Theory

The main proponents of Stewardship Theory are Donaldson and Davis (1991). According to Donaldson and Davis (1991), stewardship theory emphasizes the common destiny of owners and agents rather than the distinctions between them. Sociology and psychology are the foundations of the stewardship theory. Based on organizational theory, the theory examines and debates various motivational strategies for managers. Supervisors are seen as devoted to the organization and motivated to attain excellence. Managers' desire to perform well is the primary motivator that drives them to complete their tasks. In particular, managers are said to be driven by a desire to succeed, get intrinsic fulfillment from completing intrinsically difficult tasks, and exercise power and responsibility to be acknowledged by their superiors and peers (Jasir et al., 2023).

According to stewardship theory, managers are driven by non-financial considerations and act as guardians of the organization's resources, coordinating their objectives with those of the shareholders. By highlighting senior management's function as stewards, it differs from agency theory, especially in companies where the CEO and chairman positions are combined under a single leader, enabled by a board with a majority of internal members. A deep comprehension of the company and a strong commitment to its success are fostered by this structure. The model has shown flexibility in response to changing circumstances. Directors are chosen by shareholders to operate on their behalf, and they are required to put the interests of shareholders first while also taking into account those of workers, clients, suppliers, and other stakeholders (Banda, 2023).

The concept is pertinent to our research as it views supervisors as stewards who behave in the best interest of the organization. It supports leadership structure and organizational performance, suggesting that effective leadership and trust-based governance enhance commitment, cooperation, and long-term organizational success, rather than self-serving managerial behavior.

2.2 Empirical Literature Review

2.2.1 Board composition and organizational performance

Mwangi (2020) studied the effect of corporate governance structures on the organizational performance of state corporations in the education sector in Kenya. This focused on descriptive research design targeting 98 state corporations with a sample of 245 respondents chosen through Random sampling with stratification. Data was gathered using structured surveys, and SPSS's inference and descriptive statistics were employed for analysis. Findings showed that the organizational performance of state corporations positively and significantly appreciated the boards composition and more even the heterogeneity of the expertise and gender of the boards. This led to the conclusion that positively constituted boards accompanied by heterogeneity and diversity fairly improve Making decisions, accountability, also consequently The company's effectiveness as a whole.

Usendok et al. (2022) studied the effect of board size and board composition on organizational performance of selected banks in Nigeria. This study employed an ex post facto methodology that included the annual reports of 15 banks over a five-year period (2016 - 2020). Regression modeling was employed to examine the relationships among various factors. Findings revealed that the composition of the boards particularly the independent and non-executive directors' ratio was one of the major factors that positively influenced the banks profitability and efficiency. This led to the conclusion that effective oversight, strategic control, and improved organizational performance is as a result of balanced board composition.

Gachoka, (2021) examined the composition of the board of directors and performance of commercial banks in Kenya. Using a descriptive statistical approach, the target demographic was made up of 43 commercial banks, and data were collected from 120 senior managers. Information was gathered using surveys and bank reports, and regression testing was used to analyze the relationship between the variables. The board's size component was disclosed, gender diversity and professional experience, significantly determined return to investment and the stability of the firm. The study, therefore, concluded that the optimal the board's makeup improves the effectiveness of governance, and the transparency and finance results of commercial banks improves.

2.2.2 Stakeholder involvement and organizational performance

Yaxin and Adnan (2025) examined organizational structure and stakeholder engagement in organizational performance. This study used a systematic review design whereby 65 peer-reviewed publications from 2010 to 2024 in the public and private organizations were analyzed. The data were synthesized through thematic and content analysis to identify patterns. Findings highlighted that trust, efficiency, and quality of decision-making were pillars of enhanced organizational performance resulting from the participation of employees in decision-making consultative processes of the organization. The study concluded that stakeholder engagement integrated within organizational structures stimulates innovation, transparency, and sustainable performance, thus enhancing institutional legitimacy and long-term competitiveness in various industries.

Kilonzi et al. (2023) studied leadership practices, stakeholder involvement and performance of national government departments in Kenya. This descriptive and correlational research targeted 473 departmental officers, and a stratified random sample of 217 respondents was employed. Structured questionnaires were used to gather the initial information and the statistical information correlation and regression analysis was conducted through SPSS. It was found that stakeholder involvement affected organizational performance through participatory decision making, transparency, and accountability. The research indicated that stakeholder involvement in planning and implementation processes improved departmental performance beyond benchmarks, enhancing service delivery and aligning organizational objectives.

Omondi and Kinoti (2020) studied stakeholder participation and performance of road construction projects in Kilifi County, Kenya. A descriptive survey design targeted 42 road construction projects. The sample for the survey was made up of 126 respondents, comprising contractors, consultants, and county officials. Interviews and surveys were used to gather data for this research, and the analysis was conducted using descriptive as well as regression evaluation. The investigation's conclusions demonstrated that stakeholder participation in planning, budgeting, and monitoring stages of a construction project was positively correlated to the project's success and the performance of the organization. The study concluded that stakeholder engagement in construction initiatives facilitated accountability, minimized project delays, and improved performance significantly.

2.2.3 Internal controls and organizational performance

Mungai and others (2021) exhibited study effects of internal control mechanisms on Kenyan public universities' financial results. The research followed a descriptive research design of 31 public universities and a sample of 186 finance and audit officers selected through stratified random sampling. The study used descriptive statistics, organized surveys, and numerous regressions in the analysis. The research found that organizational performance was positively affected by internal controls, particularly in financial compliance, reporting, and risk management. The research concluded that strong systems for internal control encourage accountability, reduce monetary irregularities, and output of public universities.

Chepkonga and Mbirithi (2023) explored the impact of internal control systems on the operational performance of the organization, primarily through the KRA Headquarters, Kenya. The study descriptive research design. An employee population of 480 with a random sample of 144 respondents was used. Questionnaires were used in the analysis along with descriptive and statistical inference. The research revealed that internal oversight was including systems of authorization, documentation, and supervision, positively impacted operational efficiency and performance. The study concluded that within the public sector, the operational Control system utilization and company efficiency have a favorable correlation, and are within the KRA headquarters in Kenya.

Simon (2021) studied the impact of internal control on organizational performance within Nigeria's South and South East regional Telecommunications Industry. Survey research design was employed with the study sample of 240 employees across 5 major telecom corporations and surveys were the primary data gathering tools. instruments. For the analysis of the consequences, he employed correlation analysis and regression analysis. Simon discovered that the internal control systems, which emphasized auditing, authorization procedures, and segregation of duties, favorably and much impacted the efficiency of the company. Simon determined that internal control systems that are reliable and efficient in the telecoms industry in Nigeria will result in improved effectiveness, improved performance, accountability, and overall enhanced performance.

2.2.4 Leadership structure and organizational performance

An investigation was held by Siwiyanti et al. (2022), and it was entitled The Effect of Leadership Effectiveness on Organizational Performance. The quantitative design used in this study was used, and the sample was made of 150 employees of public organizations in Indonesia, with purposive sampling as the technique. The data collection technique was questionnaires, which were also used as the main gathering of information technique. The investigator employed regression analysis for the information analysis. The Findings indicate that organizational efficiency improved because of the impact of structural leadership structures positively and significantly, which included the organizational communication hierarchies, role definitions, and delegation of duties in the organization. The researcher concluded that sustainable organizational productivity and performance that is sustainable is achieved by an organization through improved decision making, enhanced motivation, and improved accountability.

Kiptoo and Sawe (2022) explored strategic leadership practices on organizational performance: a case study of Kenya Ports Authority. This descriptive research design study focused on 320 managerial and supervisory employees and had a stratified random sampling of 175 respondents. Using structured questionnaires for gathering data, information was examined utilizing SPSS inferential and descriptive statistics. It was found that organizational performance was positively influenced by a leadership structure that had clear lines of authority, autonomy for decision-making, and effective coordinated interdependence. The study posited that public organizations' efficiency and competitive strategic implementation improve when a functional leadership hierarchy is in place.

Wakhisi (2021) focused on the effect of strategic leadership on the organizational performance of state-owned sugar manufacturing firms in Western Kenya. This study descriptive and correlational research design study targeted 365 senior and middle managers, and sampled 190 respondents. Questionnaires served for data collection, and multiple regression analysis was used. It was found that organizational performance markedly improved when authority was distributed, coordinated, and control mechanisms of leadership styles were applied. This emphasizes that effective leadership structure improves communication flow, enhances timely decision-making and coordinates the organization toward strategic as well as performance goals in the manufacturing sector.

2.3 Summary and Research Gaps

Table 1: **Summary of Knowledge Gaps**

Author and Year	**Focus of Study**	**Methodology**	**Findings**	**Knowledge Gap**	**Focus of the Current Study**
Mwangi (2020)	Investigated the impact of corporate governance frameworks on state enterprises' organizational performance in Kenya's education sector.	Descriptive design	Found that board composition significantly improved performance through enhanced accountability and decision-making.	The study focused on the education sector and public corporations.	The present investigation concentrated on the telecommunications segment (Safaricom Limited) to assess corporate governance's influence on performance.
Gachoka (2021)	Examined Kenyan commercial banks' performance and the makeup of their boards of directors.	Correlational design	Revealed that board composition and diversity positively affected organizational performance.	The research was carried out in the banking industry.	The current study extends analysis to the telecommunications industry to assess board composition effects on performance.
Kilonzi et al. (2023)	Evaluated Kenyan national government agencies' performance, stakeholder	Descriptive design	Found that stakeholder involvement improved transparency, accountability, and performance.	The study was conducted in government departments.	The present investigation focused on the private telecommunications segment to evaluate

Author and Year	Focus of Study	Methodology	Findings	Knowledge Gap	Focus of the Current Study
	participation, and leadership styles.				stakeholder involvement and performance.
Mungai et al. (2021)	Investigated how Kenyan public universities' financial performance was impacted by internal control mechanisms.	Descriptive design	Reported that effective internal controls enhanced financial management and performance.	The investigation used public universities as the focus sector.	The current study applies similar concepts to Safaricom Limited to examine internal controls and their effect on performance.
Wakhisi (2021)	Examined how state-owned sugar-producing companies in Western Kenya performed in relation to strategic leadership.	Descriptive design	Showed that leadership structure positively influenced organizational performance.	The research was restricted to state-owned manufacturing firms.	The current study addressed leadership structure in a private telecommunications firm to determine its impact on performance.

2.4 Conceptual Framework

According to Bradley (2008), a conceptual framework is a written or visual output that explains the primary topics to be examined, the important variables, ideas, or elements, as well as the assumed relationships between them, either visually or narratively. According to Bradley (2008), it is thus a model used in research to give a preferred approach to a concept or thinking or to define potential courses of action. An essential component of every research project is a framework for concepts. It shows the relationship between the independent and dependent variables.

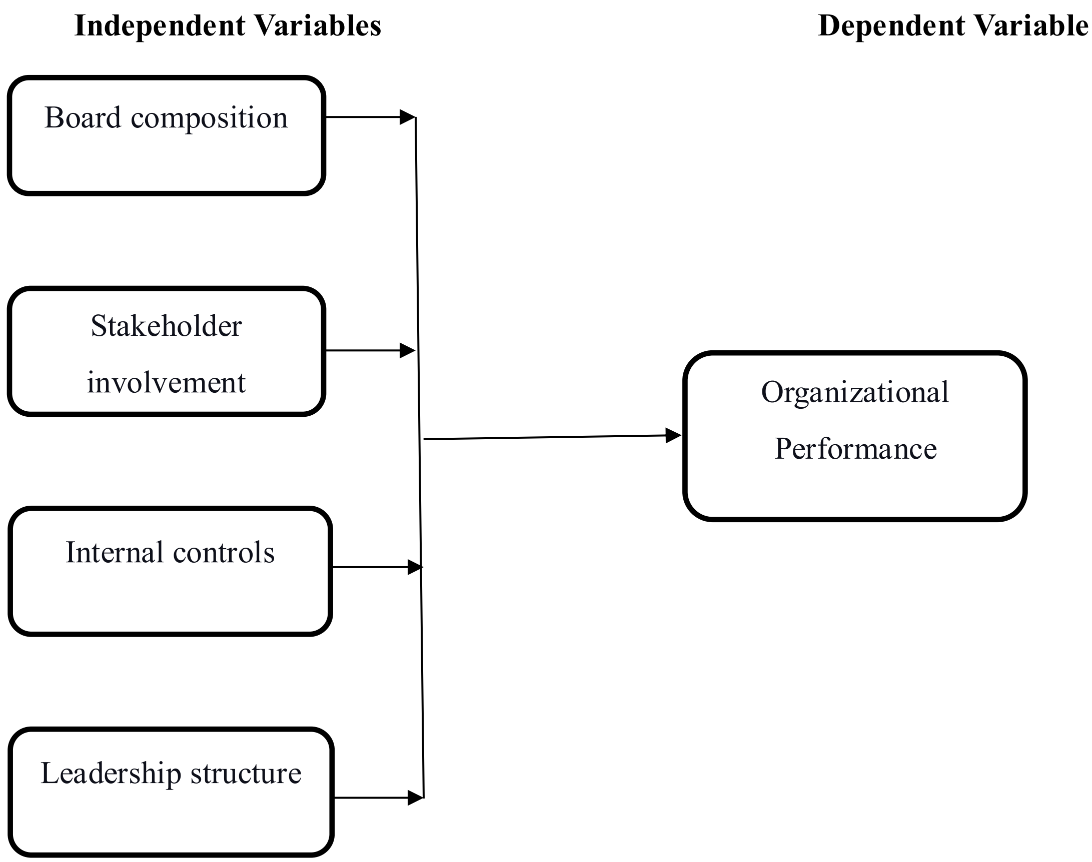

Figure 1: Conceptual Framework

2.5 Operationalization of Variables

Table 2: Operationalization of Variables

Variable	Indicators	Measurement	Variable
Board composition	• Board diversity • Board size • Director expertise • Gender representation • Independence level	Likert scale	Descriptive statistics
Stakeholder involvement	• Communication channels • Feedback mechanisms • Stakeholder meetings	Likert scale	Descriptive statistics

Variable	Indicators	Measurement	Variable
Internal controls	• Decision participation • Transparency practices • Risk management • Audit systems • Compliance monitoring • Financial accuracy • Control procedures	Likert scale	Descriptive statistics
Leadership structure	• Decision hierarchy • Role clarity • Leadership style • Accountability lines • Delegation efficiency	Likert scale	Descriptive statistics
Organizational performance	• Profit growth • Market share • Customer satisfaction • Employee productivity • Service quality	Likert scale	Descriptive statistics

2.6 Chapter Summary

This section analyzed the literature on the topic, detailing how previous scholars have addressed the connection between dependent and independent variables. It presented an overview of the study and identified gaps, examined the usage of a conceptual framework as a basis, and covered the operationalization of variables.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

The research approach employed in this study was described in this chapter. Research design, target population, sample and sampling strategy, instruments, pilot study, data collecting process, data analysis and presentation, ethical issues, and chapter summary are all covered in this part..

3.1 Research Design

A methodical approach to data collecting and analysis is made possible by research design, which includes the thorough framework and structure that direct the inquiry process (Yin, 2018). For this study, a descriptive research design was employed. Understanding how corporate governance affects organizational performance in Kenya's telecom industry was made easier with using a descriptive study design. A thorough examination of causal links was made possible by this method's explanatory component. This is in line with well-known experts like Yin (2018) and Creswell and Creswell (2017), who stress the value of descriptive and explanatory research methodologies for comprehending phenomena and causal links. This method was useful for determining how corporate governance affects organizational performance due to its mix of descriptive richness and explanatory clarity.

3.2 Target Population

Mertler and Vannatta (2010) define the population of the research as all individuals, circumstances, or objects that possess certain observable characteristics. The target population was 216 Safaricom management-level staff based at the head office in Westlands.

Table 3: Target Population

Category	Target Population	Percentage
Top Level Management	36	17%
Middle Management team	96	44%
Supervisory Level	84	39%
Total	216	100%

SOURCE: HRM Safaricom PLC, 2025

3.3 Sample and sampling technique

A sampling frame is a set of things that do not entirely reflect the population under study and from which a sample is selected (Flick, 2015). A sample is a subset of a larger group used to conclude the whole population (Mugenda and Mugenda, 2013). To achieve representativeness, the research used stratified random sampling. The sample size was calculated using Fisher's method and a target population of 216 workers. The formula was provided by:

$$n = \frac{N}{1 + N(e)^2}$$

Total population (N) = 216

Level of precision (e) = 0.05

$216/1+216(0.05)^2$

Sample Size (n) = 140 respondents

Table 4: Sample Size

Category	Sample Size	Percentage
Top Level Management	23	17%
Middle Management team	62	44%
Supervisory Level	55	39%
Total	140	100

3.4 Data Collection Instruments

The primary information used in the research was gathered via the use of questionnaires provided electronically to respondents via email. This technique included closed-ended questions that enabled respondents to rate their agreement with statements on a five-point Likert scale, allowing for more efficient quantitative data collection and statistical analysis. The structured surveys were intended to collect information on views, opinions, and attitudes about corporate governance and their influence on organizational performance. The methodology guaranteed that data collection is realistic, efficient, and cost-effective, in line with the research's methodological aims (Kothari et al., 2019).

3.5 Pilot Study

Pilot studies are initial surveys used to examine the validity and dependability of instruments for research and procedures. The study included participants from the target demographic, simulating data collection procedures, and pre-testing questionnaires to guarantee comprehension. According to Kothari and Sekaran, 10% of the final sample size is recommended. Separate from the main investigation, a pilot test with 14 participants from a Safaricom branch was carried out for this study, mainly to determine any troublesome questions and to evaluate the viability and reliability.

3.5.1 Validity

Validity is the extent to which a test accurately evaluates what it is intended to measure. Face validity, content validity, and concept validity are the three basic techniques for assessing validity that Cooper and Schindler (2011) established. In order for a tool for study to accurately test the variables, it is meant to gather and hence represent the phenomena being studied; validity is crucial. To assess the legitimacy of face and content, the researcher consulted specialists in corporate governance from the Management University of Africa. The degree to which test items accurately represent the topic of the trait being assessed is known as content validity. Construct validity, on the other hand, is concerned with how well the test captures the desired construct, which is a particular facet of human behavior.

3.5.2 Reliability Test

Reliability is described as the stability of the research tools, guarantees that observed changes accurately represent differences in the phenomena under study and permits confident data interpretation. Cronbach's alpha coefficients are used to evaluate the internal consistency of the study's instruments, which is crucial for guaranteeing dependability and producing consistent results under various circumstances, according to Sekaran (2009). Participants in the pilot research underwent a reliability test to help identify problems with the comprehension and clarity of the questionnaire. A Cronbach's alpha coefficient greater than 0.7 indicated an appropriate degree of internal consistency, which made a substantial contribution to the improvement of research tools and the general caliber of the study.

3.6 Data Collection Procedure

Before disseminating the questionnaire, the researcher received permission from the Management University of Africa, conforming to ethical principles as underlined by Kothari (2006), which advocate for gaining agreement prior to scientific studies. The researcher communicated its goals and assured confidentiality to all affected parties. Because of the sample size, A drop-and-pick technique was employed to distribute the surveys, giving respondents plenty of time to finish the surveys and enabling human contact for prompt follow-ups.

3.7 Data Analysis and Presentation

In order to draw significant conclusions, analyzing data is a crucial procedure that involves the examination, interpretation, as well classification of gathered information. Initially, the collected input data went through a thorough cleaning procedure to remove errors after respondents finished the questionnaires. The data was then coded to help organize it for further research. Because Microsoft Excel can create relevant tables and visualizations like charts, it was used for the analysis phase. The examination of the data was conducted utilizing various measurement descriptors, including the standard deviation and mean, alongside frequency tables to summarize the data's traits effectively. Tables and figures were used to show the results, guaranteeing an understandable and accessible interpretation of the data that was evaluated.

3.8 Ethical Consideration

Ethical concerns are fundamental principles that guide researchers' behavior, safeguarding the rights and dignity of research participants during the study. They are crucial for developing confidence between researchers and participants, preserving research credibility, and adhering to legal and institutional restrictions. This study prioritized ethical considerations due to fundamental issues related to the dignity, rights, and safety of every participant.

3.8.1 Informed Consent

An essential ethical principle was informed consent. criterion in this investigation. The study's goals, methods, risks, and advantages were thoroughly explained to participants. They were informed of their rights, which include the freedom to leave at any time without paying any costs. Participants received a written consent form to sign, confirming their voluntary choice to participate. The authorization procedure made certain that attendees understood the consequences of their participation and that it was entirely voluntary and informed.

3.8.2 Voluntary Participation

It is completely voluntary to participate in this research. Participants were made fully aware of their freedom to decline or leave the study at any moment without facing any consequences. This idea safeguarded people's autonomy and ensured that no coercion or force was used. Researchers stress that participation is completely voluntary throughout the study process since it is essential to uphold ethical standards.

3.8.3 Confidentiality

Complete confidentiality was maintained to protect participants' privacy. All information gathered was safely kept, and only those with permission were able to view it. To guarantee that participants are not linked to the information they provided, personal identifiers were removed or anonymized throughout data processing and analysis. In order to prevent any person from being identified as a consequence of the research, subjects were notified that their answers remained unidentified, and that the results were given in aggregate form.

3.8.4 Privacy

Throughout the research, participants' privacy was maintained. Information was obtained solely with their agreement, and any personal information provided was kept safe. The data collection approach was intended to minimize interference with participants' personal lives. Participants were informed about the type of information gathered, as well as the security measures in place to secure their personal information.

3.8.5 Anonymity

Anonymity is preserved, particularly when surveys or questionnaires are used. The researcher did not collect any personally identifying information from the participants, and their identities remained unknown. Anonymity is crucial for helping participants feel comfortable sharing honest and truthful feedback. All data were maintained in such a manner that participants' replies cannot be traced or correlated, further protecting their identities in the research.

3.9 Chapter Summary

This portion of the episode explained the investigation's methods of inquiry. It comprised specifics of the study design, the target population, the sample and sampling method, the research equipment, and the techniques used to gather data. The questionnaire, pilot research, data analysis and presentation, and the ethical concerns, in general, supported the research in assessing the influence regarding business governance on the organization’s efficiency.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.0 Introduction

The research findings, study limitations, and chapter summary are all included in this chapter.

4.1 Presentation of Research Findings

4.1.1 Response Rate

The study's sample population consisted of 140 employees at the management level of Safaricom. 110 people finished the surveys and sent them back, yielding a response rate of 78.5%. This response rate surpasses the cut-off criterion set by Saunders et al. (2017), who pointed out that if a 50% response rate is achieved, survey findings should be generalizable to the whole population of interest. A reaction rate of 60 percent is regarded as acceptable, whereas over 70 percent is optimal and often suggested for usage. These results are effectively shown in Table 5.

Table 5: Response Rate

Response	Frequency	Percent
Response	110	78.5%
Non response	30	21.5%
Total	140	100

4.1.2 Demographic Findings

4.1.2.1 Gender

According to the results, 45% of respondents were women and 55% of respondents were men. This implies that the survey comprised both male and female respondents. Gender is an important consideration for assessing respondents' perspectives on a variety of topics, according to Kothari (2017).

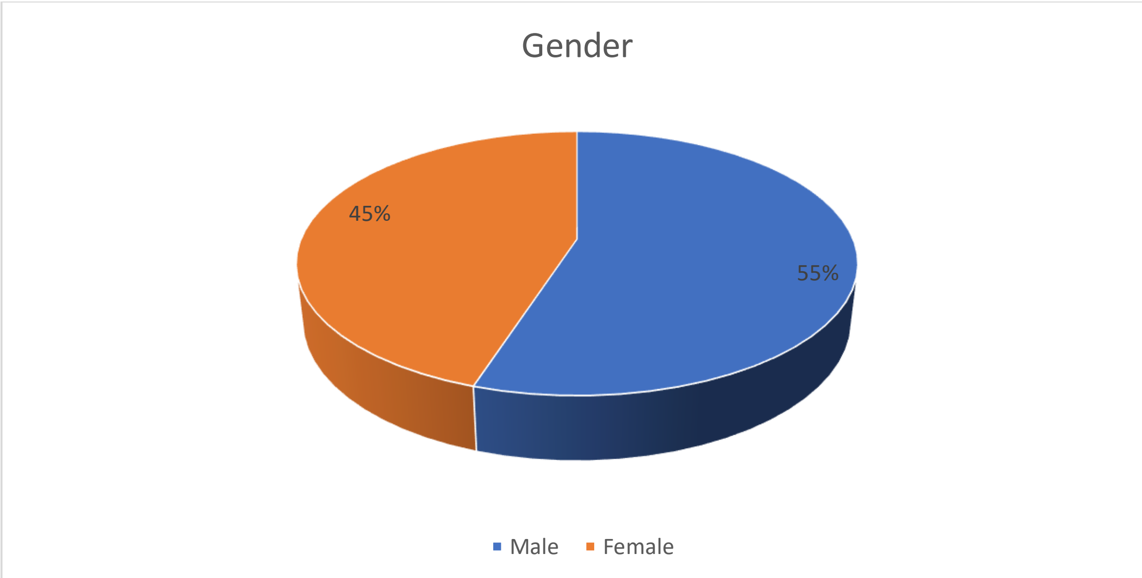

Figure 2: Gender

4.1.2.2 Highest Educational Level

Table 6: Highest Educational Level

Category	Frequency	Percent
Diploma	20	18%
Undergraduate Degree	60	55%
Master's Degree	18	16%
PhD	12	11%
Total	110	100

The statistics showed that 55% had undergraduate degrees, 16% had master's degrees, 11% had PhDs, and 18% had diplomas. This shows that most respondents had strong educational backgrounds, indicating that they could comprehend the study's questions. According to Smith (2021), a person's reactions may be influenced by their educational background. As such, this must be taken into account while evaluating the results.

4.1.2.3 Years of Experience

Table 7: Years of Experience

Category	Frequency	Percent
1– 4 years	16	15%
5– 10 years	42	38%
11 years and above	52	47%
Total	110	100

Forty-seven percent of the participants had worked for Safaricom for 11 years or more, 38% for five to ten years, and 15% for less than four years, according to the statistics. The fact that most of those surveyed had been employed by the firm for more than five years indicates that, in terms of work experience, they were best suited for the study. According to Srisinthon (2021), job experience increases the reliability of survey responses because long-term employees are better able to recall and assess organizational changes.

4.1.3 Descriptive Findings

4.1.3.1 Board Composition

Table 8: Board Composition

Statements	Mean	SD
The board of directors consists of members with diverse backgrounds and perspectives.	3.763	0.809
The current board size is adequate for effective oversight and decision-making.	3.943	0.709
Most board members have the necessary expertise and experience relevant to the industry.	3.741	1.194
There is an appropriate level of gender representation among board members.	4.073	0.994
The board operates independently without undue influence from management.	3.922	0.694

The findings in Table 8 demonstrate answers related to the effect of the board's composition on the profitability of a company. Board diversity represented (Mean=3.763, STD=0.809), and appropriateness of board size reported (Mean=3.943, STD=0.709). Board competence related to the industry was displayed by (Mean=3.741, STD=1.194). Gender representation documented (Mean=4.073, STD=0.994), whereas independence from management showed (Mean=3.922, STD=0.694). These findings indicate how respondents regarded distinct features of board composition that correlate with how such structures work inside Safaricom.

4.1.3.2 Stakeholder Involvement

Table 9: Stakeholder Involvement

Statements	Mean	SD
The company maintains effective and open communication channels with all stakeholders.	4.001	0.714
There are reliable systems in place to collect and address stakeholder feedback.	3.805	0.812
Stakeholder meetings are conducted regularly to discuss key business matters.	3.934	1.110
Stakeholders are actively involved in important decision-making processes.	3.978	1.162
The company demonstrates transparency in all its interactions with stakeholders.	4.078	0.916

The findings in Table 9 give replies showing how stakeholder participation is related to organizational effectiveness. Communication channels recorded (Mean=4.001, STD=0.714), whereas feedback systems reflected (Mean=3.805, STD=0.812). Stakeholder meetings demonstrated (Mean=3.934, STD=1.110), and engagement in decision-making was documented (Mean=3.978, STD=1.162). Transparency in interactions was characterized as (Mean=4.078, STD=0.916). These ratings highlight distinct respondent perceptions on how stakeholder involvement, communication, and engagement methods are represented in the company and how these characteristics work within Safaricom's operating environment.

4.1.3.3 Internal Controls

Table 10: Internal Controls

Statements	Mean	SD
The company has established effective risk management procedures to minimize losses.	4.078	1.162
Internal audit systems are regularly conducted to ensure operational integrity.	3.988	0.962
Compliance with company policies and regulations is closely monitored.	3.978	0.762
Financial records are accurate and reflect the true position of the organization.	4.033	0.809
Control procedures are clearly defined and consistently implemented across departments.	3.873	0.909

The findings in Table 10 show outcomes related to internal controls and organizational performance. Risk management methods reported (Mean=4.078, STD=1.162), whereas internal audits indicated (Mean=3.988, STD=0.962). Monitoring of compliance revealed (Mean=3.978, STD=0.762). Accuracy of financial records was indicated by (Mean=4.033, STD=0.809), and clarity of control methods across departments was recorded (Mean=3.873, STD=0.909). These replies show how the different parts of internal control were seen by respondents and how these mechanisms work inside Safaricom’s operational systems.

4.1.3.4 Leadership Structure

Table 11: Leadership Structure

Statements	Mean	SD
The company has a well-defined decision-making hierarchy that enhances efficiency.	4.056	0.962
Employee roles and responsibilities are clearly communicated and understood.	3.988	0.862
The leadership style encourages collaboration, innovation, and accountability.	4.977	0.962
Clear lines of accountability exist at all management levels within the organization.	3.708	1.062
Decision-making authority is effectively delegated to promote timely operations.	3.903	0.709

The findings in Table 11 describes answers about leadership structure and its relationship with organizational success. The decision-making hierarchy recorded (Mean=4.056, STD=0.962), whereas clarity of duties represented (Mean=3.988, STD=0.862). Leadership style supporting innovation got a high grade of (Mean=4.977, STD=0.962). Accountability across management levels was shown by (Mean=3.708, STD=1.062), while delegation for timely operations was reflected by (Mean=3.903, STD=0.709). These findings highlight the main features of leadership structure as viewed by respondents within Safaricom.

4.1.3.5 Organizational Performance

Table 12: Organizational Performance

Statements	Mean	SD
The company has experienced consistent growth in profitability over recent years.	4.014	0.946
Safaricom has continued to expand its market share within the telecommunications sector.	3.966	0.947
Most customers express satisfaction with the company's products and services.	3.876	1.035
Employees at all levels demonstrate high productivity and work efficiency.	3.989	0.904
The organization continually delivers high-quality services that meet customer expectations.	3.649	0.854

The findings in Table 12, coupled with the results from Tables 8 to 11, reflect how respondents assessed corporate governance features and organizational effectiveness at Safaricom. The findings on board composition, stakeholder participation, internal controls, and leadership structure each revealed varied levels of agreement via their means and standard deviations. Organizational performance factors such as profitability, market share, customer satisfaction, productivity, and service quality all exhibited different scores. These data together reflect how respondents regarded governance methods and performance metrics within the telecoms industry environment.

4.2 Limitations of the Study

The research had limitations relating to respondents' willingness to offer comprehensive and accurate information, since some participants were hesitant when responding to governance-related questions. This was addressed by maintaining secrecy and utilizing self-administered surveys to promote honest replies. The research was also confined to a single company, which hindered the applicability of the results. To counter this, the researcher secured broad coverage of essential departments to boost representation. Additionally, relying on information supplied by oneself presented a risk of bias in response, which was minimized by clear instructions and uniform administration of the study equipment.

4.3 Chapter Summary

The chapter discussed the display of study results, outlined the study's limitations, and provided a summary of the core content covered in the chapter.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS, AND CONCLUSIONS

5.0 Introduction

The findings summarized in this chapter, the conclusion, and the recommendations are presented. It highlights key findings from the research, discusses their implications, and offers actionable recommendations. Additionally, it outlines suggestions for further studies to expand on the research conducted.

5.1 Summary of Findings

The results demonstrate that respondents acknowledged the existence of board diversity, suitable board size, relevant industry experience, gender representation, and independence from management. These elements represent how board composition is established within Safaricom. Overall, the findings highlight respondents' perspectives on important board traits and how these aspects are mirrored in the organization's governance architecture and monitoring procedures.

The findings reveal that respondents recognized the presence of stakeholder communication channels, feedback mechanisms, frequent meetings, engagement in decision-making, and openness. These results explain how stakeholder involvement and engagement methods are mirrored inside Safaricom. The replies indicate how stakeholders connect with the business and how engagement methods are entrenched in the company's operational and governance procedures.

The results demonstrate that respondents recognized established risk management methods, internal audits, compliance monitoring, accurate financial reporting, and specified control procedures. These findings highlight how internal control mechanisms function at Safaricom. Overall, the replies demonstrate the existence of organized control systems supporting operational procedures, accountability, and adherence to organizational norms across divisions.

The findings reveal that respondents acknowledged a defined decision-making structure, clear roles and duties, collaborative leadership practices, accountability procedures, and delegated authority. These results outline how the leadership structure is arranged at Safaricom. The replies reflect how leadership coordination, accountability, and management procedures are organized across various organizational levels.

5.2 Conclusion

The findings conclude that board composition at Safaricom represents a structure defined by diversity, suitable size, relevant competence, female representation, and operational independence. Respondents indicated consistent awareness of certain board features, implying that such characteristics are prevalent inside the business. The results reveal if the board is set up in a way that facilitates oversight and decision-making duties. Generally, the findings imply that board composition at Safaricom conforms with known corporate governance traits and represents an orderly governance system inside the firm.

The study concludes that stakeholder engagement at Safaricom is expressed via communication, feedback systems, frequent meetings, decision-making participation, and openness. Respondents consistently confirmed the existence of engagement practices that enable stakeholders to communicate with the company. The findings demonstrate that stakeholder involvement is entrenched in organizational processes and interactions. Therefore, the results imply that Safaricom maintains established stakeholder engagement procedures that facilitate contact, communication, and collaboration across diverse stakeholder groups inside the firm.

The findings conclude that Safaricom has internal control mechanisms expressed via risk management procedures, internal audits, compliance monitoring, accurate financial records, and well-defined control processes. Respondents consistently acknowledged the existence of various control mechanisms inside the company. The data imply that internal controls are built across multiple operational domains and are incorporated into organizational processes. Inclusively, the findings suggest that Safaricom maintains organized internal control systems that support operational procedures and financial responsibility.

The results conclude that leadership structure at Safaricom is characterized by a defined decision-making hierarchy, clear roles and duties, a collaborative leadership style, accountability measures, and transfer of power. Respondents noticed the existence of leadership behaviors that enhance coordination and the effectiveness of the company. The results imply that management positions and authority are established throughout management levels. Thus, the data demonstrate that Safaricom has an established leadership structure that promotes organizational coordination, accountability, and management procedures.

5.3 Recommendations

The study recommended that Safaricom continue enhancing board membership by preserving variety in skills, experience, and professional backgrounds to enable effective supervision. Emphasis should concentrate on preserving an adequate board size that supports decision-making processes. The company should also promote balanced gender representation and safeguard board independence to guarantee impartial governance. Continuous review of board expertise was suggested to match members' abilities with the dynamic telecom environment, ensuring the board stays capable of tackling growing governance and strategic concerns.

The study recommended that Safaricom expand stakeholder participation by keeping open communication lines and enhancing processes for gathering and resolving stakeholder input. Regular stakeholder meetings should be routinely sponsored to promote involvement in major organizational topics. The company should also foster stakeholder engagement in decision-making processes and preserve openness in all interactions. Strengthening these engagement techniques was advised to help stakeholders stay informed, engaged, and aligned with organizational activities and goals across multiple operational levels.

The research recommended that Safaricom continue enhancing internal control mechanisms by strengthening risk management processes and performing frequent internal audits. Ongoing monitoring of conformity with organizational rules and regulatory obligations should be prioritized. The business should also ensure continuing accuracy in financial reporting and uniformity in executing control measures across departments. Strengthening these internal control systems was advised to improve operational integrity, accountability, and effective management of organizational operations.

The report recommended that Safaricom preserve a clear leadership structure by maintaining defined decision-making structures and clear communication of duties and responsibilities. Leadership techniques that foster cooperation, innovation, and accountability should be consistently reinforced. The company should also strengthen accountability procedures across management levels and guarantee effective transfer of responsibility to allow timely operations. Strengthening leadership structure was advised to improve coordination, efficiency, and consistency in organizational management and decision-making processes.

5.4 Suggestions for Further Research

The researcher recommended that future investigations analyze corporate governance and organizational performance using longitudinal methods to capture changes over time. Similar studies might be undertaken in other areas outside telecoms to offer comparative comparison across industries. Future studies may also use qualitative methodologies to acquire greater insights into governance procedures and stakeholder perspectives. Expanding the scope to incorporate more governance variables and external environmental elements might give a fuller knowledge of how corporate governance affects organizational performance in diverse circumstances.

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APPENDIX I: INTRODUCTION LETTER

Dear respondent

The aim of this questionnaire is to collect data from Safaricom Limited Employees. The data will be analysed to establish the: **EFFECT OF CORPORATE GOVERNANCE ON ORGANISATIONAL PERFORMANCE IN THE TELECOMMUNICATIONS SECTOR IN KENYA. A CASE OF SAFARICOM LIMITED.** The data collected will be used for academic purposes only and will be treated with strict confidence. Kindly spare some time to respond to the questions.

Thank you very much.

Yours Truly,

ESTHER W. NG'ANG'A.

APPENDIX II: QUESTIONNAIRE

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender:

Male ( )

Female ( )

2. Highest Educational Background:

Diploma ( )

Degree ( )

Master ( )

PhD ( )

3. Years of Experience:

1– 4 years ( )

5– 10 years ( )

11 years and above ( )

SECTION B: STUDY VARIABLES

Use the Likert scale provided in this section to respond to the best of your knowledge and ability, TICK as appropriate. Where 1= Not at all, 2 = To less extent, 3= To moderate extent, 4= To large extent and 5= To a very large extent.

Variables	Statements	1	2	3	4	5
Board composition	The board of directors consists of members with diverse backgrounds and perspectives.					
	The current board size is adequate for effective oversight and decision-making.					

	Most board members have the necessary expertise and experience relevant to the industry.					
	There is an appropriate level of gender representation among board members.					
	The board operates independently without undue influence from management.					
Stakeholder involvement	The company maintains effective and open communication channels with all stakeholders.					
	There are reliable systems in place to collect and address stakeholder feedback.					
	Stakeholder meetings are conducted regularly to discuss key business matters.					
	Stakeholders are actively involved in important decision-making processes.					
	The company demonstrates transparency in all its interactions with stakeholders.					
Internal controls	The company has established effective risk management procedures to minimize losses.					
	Internal audit systems are regularly conducted to ensure operational integrity.					
	Compliance with company policies and regulations is closely monitored.					
	Financial records are accurate and reflect the true position of the organization.					
	Control procedures are clearly defined and consistently implemented across departments.					
Leadership structure	The company has a well-defined decision-making hierarchy that enhances efficiency.					

	Employee roles and responsibilities are clearly communicated and understood.					
	The leadership style encourages collaboration, innovation, and accountability.					
	Clear lines of accountability exist at all management levels within the organization.					
	Decision-making authority is effectively delegated to promote timely operations.					
Organizational performance	The company has experienced consistent growth in profitability over recent years.					
	Safaricom has continued to expand its market share within the telecommunications sector.					
	Most customers express satisfaction with the company's products and services.					
	Employees at all levels demonstrate high productivity and work efficiency.					
	The organization continually delivers high-quality services that meet customer expectations.					

APPENDIX III: WORK PLAN & TIMELINES

ACTIVITY	July, 2025	August, 2025	September, 2025	October, 2025	November, 2025	December, 2025
Identification of a topic						
Concept Paper preparation						
Proposal draft						
Proposal corrections						
Data collection						
Final report submission						

APPENDIX IV: BUDGET

S/N	PARTICULARS	AMOUNT
1	Transport expenses	2,000/=
2	Photocopy and Printing costs	3,000/=
3	Typesetting	3,000/=
4	Telephone	2,000/=
TOTAL		**10,000/=**