

**CORPORATE GOVERNANCE AND ORGANIZATIONAL
PERFORMANCE IN NEPALESE TELECOMMUNICATION
INDUSTRY**

A Dissertation submitted to the Office of the Dean, Faculty of Management in
Partial fulfilment of the requirements for the Master's Degree

By

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Certificate of Authorship

I hereby corroborate that I have researched and submitted the final draft of dissertation entitled “**Corporate Governance and Organizational Performance in Nepalese Telecommunication Industry**” The work of this dissertation has not been submitted previously for the purpose of conferral of any degrees nor it has been proposed and presented as part of requirements for any other academic purposes.

The assistance and cooperation that I have received during this research work has been acknowledged. In addition, I declare that all information sources and literature used are cited in the reference section of the dissertation.

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Report of Research Committee

Ms.Sujita K.C has defended research proposal entitled “**Corporate Governance and Organizational Performance in Nepalese Telecommunication Industry**” successfully. The research committee has registered the dissertation for further progress. It is recommended to carry out the work as per suggestions and guidance of supervisor Dinesh Basnet and Hiranya Niraula and submit the thesis for evaluation and viva voce examination.

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We have examined the dissertation entitled “**Corporate Governance and Organizational Performance in Nepalese Telecommunication Industry**” presented by Sujita K.C for the degree of Master of Business Studies (MBS Semester) and conducted the viva voce examination of the candidate of the candidate. We hereby certify that the dissertation is acceptable for the award of degree.

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Abbreviations

&	: And
CED	: Corporate environmental disclosure
CSR	: Corporate Social Responsibility
FRCN	: Financial Reporting Council of Nigeria
IMF	: International Monetary Fund
OECD	: Organization of Economic Co-operation and Development
ROE	: Return on Equity
SPSS	: Statistical Package for the Social Sciences

Abstract

This study examines “Corporate Governance and Organizational Performance in Nepalese Telecommunication Industry”. Businesses are frequently characterized as ephemeral, narrow-minded owners who have no desire to participate in governance. We investigate whether institutional owners limit managerial discretion by limiting earnings manipulation in order to test the veracity of this claim. Numerous attempts have been made to develop corporate governance (CG) rating methodologies as a result of institutional investors' need to assess the CG practices of listed companies. In light of this circumstance, this paper makes an effort to measure how closely Greek large-cap companies adhere to global best practices. Specifically, we investigate the connection between accounting behavior measured by discretionary accruals and institutional ownership. Our results are in line with institutional investors' encouragement of myopic management practices as well as institutional monitoring. Additionally, we run triangular tests that look at the effects of managerial discretion on capital market pricing at various institutional ownership levels. Corporate governance that is efficient and founded on values is the responsibility of independent directors, institutional investors, and regulators. This essay discusses activism related to corporate governance.

Keywords: *Corporate Governance, Board Size, innovation, innovative culture, organizational performance.*

CHAPTER-I

INTRODUCTION

1.1. Background of the Study

With an increasing number of corporate frauds occurring in both developed and developing nations, corporate governance has become more important as one of the screening mechanisms for all businesses, both profitable and non-profit. Fraud had a detrimental impact on stakeholders' interests and company performance; in certain cases, it even caused businesses to go bankrupt (Friedman, 2024). Furthermore, the worst conditions were frequently produced by the organization's inability to handle governance. As demonstrated, for instance, in Monem (2023). At the time of its demise, it ranked as Australia's fourth-largest telecommunications company, serving over a million customers across eight nations.

Several academics concluded from their examinations of both quantitative and qualitative data that One-Tel is a classic example of unrealistic expectations, poor strategic choices, poor pricing, and unchecked growth. The company's corporate governance was severely lacking in the following areas: adequate and acceptable internal control; financial reporting and audit quality; board oversight of management; inadequate internal communications; and excessive executive compensation. Since corporate governance lays the groundwork for long-term value creation and sustainable growth, its duties have a significant impact on the financial success of firms (Bai et al., 2023).

The necessity of effective governance Ghana's ongoing energy problems, which have been attributed to inadequate management in the public energy sector, have been linked to power outages (Dye, 2023). The more firms manage a more dynamic global environment, the more apparent endures. Dewri (2022) defines corporate governance as the set of regulations, policies, and procedures that regulate and control organizations. In an effort to ameliorate the situation, the government has gone into a number of public-private partnerships, but the majority of government agencies have been unable to turn energy production into a profitable endeavor for the nation (Osei-Tutu et al., 2021). A board with diversity, independence, and experience is more

likely to act as an efficient check and balance, lowering errors in management and upholding financial policies. Good governance frameworks encourage prudent money management, which lowers cash.

However, poor leadership may worsen economic downturns, causing financial instability and value deconstruction. Business governance now requires social responsibility. Increasing public expectations make companies consider environmental, social, and governance (ESG) issues in their decision-making. Sustainable and responsible company practices prevent environmental and social hazards and attract a growing number of socially conscious investors, improving financial performance. In a volatile business environment, corporate governance and financial performance are intricately linked and affect firm success. An expertly managed organization exhibits resilience, adaptability, and ethics, which are essential for long-term financial success. Solid corporate governance practices guide enterprises toward long-term financial success in the 21st century. Corporate governance drives the financial performance of Nepalese commercial banks, and this study examines the variables that influence long-term financial success (Karwowski & Raulinajtys, 2021).

Companies with stronger governance would also perform better organizationally, according to a study by Shaheen et al. (2020), particularly in Ghana during the economic crisis. It is unfortunate that there aren't many studies that compare corporate governance to the energy industry's success. Furthermore, the structure and cultural background of Ghana's corporate governance system are unique. Ghana's growing energy crisis posed a threat to the nation's economic expansion.

Corporate governance's main objective is to increase a company's internal accountability, ethics, and transparency while creating a long-term positive work environment. Corporate governance and economic growth have a complicated relationship. Establishing a strong board of directors is essential. The board of directors is responsible for overseeing and making strategic decisions; it is the cornerstone of corporate governance (Mertzanis et al., 2020).

As the world of today has demonstrated, the cornerstones of good governance practices include financial disclosure, independence, board size and composition, committees, diversity, and the fiduciary duties of directors. The majority of international meetings and conferences, such as those held by the World Bank, the International Monetary Fund (IMF), and the Organization for Economic Co-operation and Development (OECD), have these variables on their main agendas (Inyanga, 2009, as cited in Shungu et al., 2014). Todorovic (2013) noted that performance is negatively impacted by corporate governance failures. Furthermore, according to these organizations, well-informed corporate governance standards are essential for assisting developing nations in regaining investor confidence, competitiveness, and sustainable economic growth (Reddy, 2001; Koufopoulos, 2006; as cited in Inyanga, 2009). One-Tel was a major company that failed in Australia.

1.2. Problem Statement

Nepal has recorded a significant variety of bank failures during the last decade. Several Public Enterprises have been positioned beneath Neath the control of a curator; a few closed their door while many are nonetheless dealing with survival demanding situations and maximum writers are concerning this to poor corporate governance. Telecommunication industries are not the best-affected part of the economy, even different public and personal corporations are shaking.

Ghana's growing energy crisis posed a threat to the nation's economic expansion. Todorovic (2013) noted that performance is negatively impacted by corporate governance failures. Ghana's ongoing energy problems have been linked to power outages, which have been attributed to inadequate management of the public energy sector in the nation (Dye, 2023). The government has engaged in a number of public-private partnerships in an effort to improve the situation, as the majority of government agencies have failed to turn energy production into a profitable endeavor for the nation (Osei-Tutu et al., 2021). Companies with stronger governance will also perform better organizationally, according to a study by Shaheen et al. (2020), particularly in Ghana after the economic crisis. The paucity of research contrasting corporate governance is unfortunate.

Scholars have deliberated over the hypothesis that a rise in company failures stems from insufficient corporate governance procedures (Palmrose, 2013). Essentially, the

problem is that scholars continue to disagree about how much corporate governance and organizational performance are correlated (O'Connor & Byrne, 2015). The implication of this discrepancy in study findings is that corporate managers might not have the required knowledge or might find it difficult to put the best corporate governance practices into practice (El-Faitouri, 2014). The unique problem, especially in Nigeria, is that corporate managers don't know enough about how corporate governance affects businesses' performance and what advantages might result from better corporate governance. Although numerous investigations have been carried out regarding the Nigerian this study aims to address the existing knowledge gap.

All of this encouraged the researcher to carefully examine corporate governance practices in relation to the telecom sector in Nepal, since this is the most delicate and important sector of any economy. Improving corporate governance can help achieve some of the most important public policy goals for economies focused on development, such as Nepal. Effective corporate governance lowers the market's increasing susceptibility to financial crises, upholds property rights, lowers transaction costs and the capital fee, and leads to the expansion of the capital market. Conversely, weak corporate governance frameworks undermine investor confidence and may deter foreign investment. The research questions that were employed in this study are covered in this section. Taking into the consideration, the missing link, objectives and statement of the problems, this research has been embarked upon to discover the solutions to the following research questions:

- i. Does Telecommunication industries of Nepal are practicing corporate governance?
- ii. How is the relationship among factor of corporate governance in Nepalese Telecommunication industries?
- iii. Does factor of corporate governance have their impact on performance in Nepalese Telecommunication industries?

1.3. Objective of the Study

To achieve this basic objective, the specific objective are as follows:

- i. To assess the extent to which corporate governance is being practiced in the Telecommunication industries of Nepal.
- ii. To analyze the relationships among various factors of corporate governance within the Nepalese Telecommunication industries.
- iii. To examine the impact of corporate governance factors on the performance of Nepalese Telecommunication industries.

1.4. Hypotheses

This section deals with the hypothesis and propositions that have been used in this study. Based on it, following hypothesizes are generated for testing statistical significance between the variables:

H₁: There is impact of Board Size on Organizational performance of Nepalese Telecommunication Industry.

H₂: There is positive impact of Board Independence on Organizational performance of Nepalese Telecommunication Industry

H₃: There is positive impact of Board Diversity on Organizational performance of Nepalese Telecommunication Industry

H₄: There is significant impact of Numbers of board committees on Organizational performance of Nepalese Telecommunication Industry.

H₅: There is positive impact of Board meetings held in a year on Organizational performance of Nepalese Telecommunication Industry.

H₆: There is positive impact of Innovative Culture on Organizational performance of Nepalese Telecommunication Industry

1.5. Rationale of the Study

This study examines the factors that affects corporate governance in the Telecommunication sector of Nepal. A study should be made in order to know the major factors that influence the corporate governance in Telecommunication sector. This study tries to explore the influence of various factors on the practice of corporate governance of Nepalese Telecommunication sector. This will reflect how the factors affect the practice of the corporate governance in the Telecommunication sector. This

analysis will help to make the performance of the Telecommunication sector better as it analyses the factor affecting the corporate governance in Telecommunication sector of Nepal. This analysis will also throw light on various factors, which has most and least impact on corporate governance in working environment.

The findings of this study will provide a significant contribution to understanding the issues and the current state of corporate governance in the Nepalese Telecommunication sector. This study can be generally useful for researchers who are investigating the factors affecting corporate governance in improving firm performance, as this study is one of the few that have examined the factors affecting the corporate governance in Nepalese Telecommunication sector. In general, this study provides a comprehensive representation of corporate governance to practitioners with a clear view of the factors that affects corporate governance in Nepal's Telecommunication sector.

1.6. Limitations of the Study

- i. The research is constrained by a time limit, which may impact the depth and comprehensiveness of the study.
- ii. The analysis relies on primary data, and any deviation from reality may be attributed to the subjective nature of respondents' business perspectives.
- iii. The study considers only a limited set of components as independent variables, potentially overlooking other factors that could influence corporate governance.
- iv. The focus is exclusively on the Telecommunication sector, limiting the generalizability of findings to the broader Nepalese industrial market.
- v. The sample collection is restricted to Kathmandu, and the limited sample size may not represent the diverse sectors adequately.
- vi. Responses are influenced by the mood, emotions, and mental states of the respondents during the questionnaire administration, introducing subjectivity into the results.

CHAPTER II

LITERATURE REVIEW

The introduction of this section signifies its focus on providing a concise overview of existing empirical studies that have delved into the subject matter under consideration. Specifically, the research centers on exploring the influence of corporate governance on bank performance, a topic that has garnered attention from scholars over an extended period (Freeman, 2024). This section seeks to distill knowledge from a wide range of research projects carried out in different parts of the world, covering both developed and developing economies. The goal of this review of the literature is to incorporate pertinent findings and viewpoints from earlier research projects, enhancing our contextual knowledge of how corporate governance affects bank performance (Aggarwal, 2023). The selected studies for review most likely offer a wide range of approaches, results, and interpretations, providing a thorough analysis of the nuances and complexity of the topic.

Improving financial performance and maximizing shareholder wealth are the two main goals of business (Joseph & Dai, 2009). But achieving these objectives depends on the caliber of organizational performance (Katou & Budhwar, 2007). Organizational performance indicators typically include metrics that are pertinent to the business, such as employee and customer satisfaction levels, effectiveness, and efficiency. Based on observations drawn from the reviewed literature, it appears that Nigeria's listed economy employs different levels of corporate governance with regard to audit committee independence, board independence, CEO status, and board composition. This landscape is still developing, though, and it is periodically revised to reflect shifts in Nigeria's economic environment. The Financial Reporting Council of Nigeria's founding and functioning

The existing body of literature has certain gaps and controversies that highlight the need for additional research. This study intends to fill this gap by examining the relationship between corporate governance and the performance of Nigerian listed non-financial companies. Return on Equity (ROE) and board size have a positive and

significant relationship, according to Kajola (2008), although there are no significant relationships between ROE and audit committees or board composition. Since small and medium-sized businesses make up the majority of businesses in Africa, Kajola suggested giving the study of these businesses more attention.

According to Mudasiru, Babatunde, Bakare, and Ismaeel (2014), corporate governance improves a number of an organization's performance metrics. Positive correlations between ownership structure, dividend policy, audit committee size and independence, CEO tenure, board size, and board management abilities were found to exist with organizational performance. The authors stressed the audit committee's critical role in guaranteeing the accuracy of financial statements, which are essential instruments for stakeholder communication.

The results of Priyanka Aggarwal's (2013) study on the relationship between corporate governance and financial performance showed that a company's financial performance is strongly and favorably impacted by its governance rating. This result is consistent with earlier research highlighting the role that sound governance procedures play in producing positive financial results. The impact of corporate governance on the performance of Zimbabwe's telecommunications industries is examined by Shungu, Ngirande, and Ndlovu (2014). The study employed established variables such as bank overall performance and impartial variables such as board size, composition, diversity, and inner board committees.

According to Babalola and Adedipe (2013), the issue of corporate governance gained international attention following business financial scandals caused by a lack of accountability and transparency in governance. However, sustainable banking is a philosophy that forms the basis of all banking; it is a cost system that declares that a bank's operations should benefit not only its clients and the wider economy, but also its employees and shareholders, while also preventing or minimizing any unfavorable effects on society and the environment.

A study by Sapkota et al. (2015) looked at the connection between bank performance and corporate governance. The bank's efficiency has been measured by non-

performing loans, return on equity, and return on assets; corporate governance has been measured by board size, institutional ownership, foreign ownership, board independence, and audit committee. The importance and significance of corporate governance in Nepal's telecommunications industries were evaluated using a variety of regression models. The outcome suggests that capital structure in the telecommunications industry is directly impacted by corporate governance. The size of the board, the CEO's dual role, tangibility, and return on assets all have a negative relationship with the capital structure, but the capital structure has a positive relationship.

Lama et al. (2015) carried out research to examine the connection between corporate governance and firm performance. The present analysis has employed various criteria, including CEO duality, board size, independent directors, leverage, EPS, equity capital, and total assets, that are known to influence the performance of a company as measured by ROA and ROE. The purpose of this research is to determine whether improved corporate governance is associated with improved business outcomes. The study shows that the company's ROA and ROE, and ultimately the company's success, are significantly impacted by corporate governance practices. The result demonstrates that the performance is negatively impacted by the CEO's dual role, the number of independent directors, and the amount of debt utilized.

2.1 Theoretical Review

A theoretical review of corporate governance involves examining various theoretical perspectives, models, and frameworks that provide insights into the principles, mechanisms, and practices of governance within organizations. These theories help us understand the rationale behind corporate governance and its impact on organizational behavior, performance, and stakeholder relationships. Here are some prominent theoretical perspectives in the field of corporate governance.

2.1.1 Theories on corporate governance

Corporate governance is of growing importance, particularly concerning the monitoring role of insiders. Now, this section reviews various theoretical perspectives that are relevant to this study. Special attention goes to the underlying theories of

corporate governance like agency theory, stewardship theory, stakeholder theory and resource dependency theory.

2.1.1.1 The agency theory

Supporting the interests of managers and managers is the focus of agency theory, as demonstrated by Jensen and Meckling (1976), Stano (1976), Fama (1980), and Jensen and Fama (1983). Its foundation is the idea that there is an inherent conflict between an owner's and management's interests in a company, according to Fama and Jensen (1983). Its foundation is the idea that the owner of the company and its management have inherent conflicts of interest Fama and Jensen (1983). Adam Smith (1776) and Ross (1973) were the first to recognize this conflict, but it wasn't until the late 1800s and early 1900s, when the growth of capitalism resulted in a widespread separation of the ownership and control functions. The agency theory states that shareholders want the agents to perform and make decisions that are optimal for the principal. On the other hand, the agent's choices might not always be optimal for the principal. They may have competing objectives like increasing their salary, be dedicated to particular investment initiatives, or seek to gain a larger market share. Jensen and Meckling (1976) established this theory by arguing that agency costs are a crucial aspect of the management/ownership relationship. Numerous influential publications have discussed this agency conundrum and demonstrated that management self-interest is clear (e.g., Fama 1980; Fama and Jensen, 1983).

2.1.1.2 Stewardship theory

Stewardship theory asserts that managers are generally reliable people who take good care of the resources entrusted to them, in opposition to agency theory. Davis, Donaldson, and Donaldson (1991, 1994). Inside directors are more knowledgeable about the business than outside directors because they have worked for the company they oversee their entire careers. As a result, they are able to make better decisions. Davis, Donaldson, and Donaldson (1991, 1994). Because inside directors by nature seek to maximize profit for owners, stewardship theory proponents assert that a majority of inside directors are associated with superior corporate performance. According to stewardship theory, the chairman and CEO should play a more

combined role in the organization's stewardship while also cutting agency costs. Empirical research reveals that

2.1.1.3 The stakeholder theory

After being firmly established in the management field in 1970, stakeholder theory evolved over time by embracing corporate accountability to a wide range of stakeholders. According to Wheeler et al. (2003), the organizational and sociological fields combined to create stakeholder theory. The role of any group or individual connected to the company is highlighted by the stakeholder theory. This theory emphasizes how dependent various groups are on the firm. This theory makes an effort to address the set of stakeholders that management should and must pay attention to. According to Clarkson (1995), an organization is a system with stakeholders and a goal of generating wealth for its constituents. According to Freeman (1984), the network of relationships with multiple groups can influence the decision-making process.

2.1.1.4 Resource dependence theory

The resource dependency theory focuses on the board of directors' role in granting access to resources required to maximize performance, while the stakeholder theory focuses on relationships with multiple groups. Resource dependency theory, according to Hillman, Canella, and Paetzold (2000), is centered on the part director's play in supplying or obtaining vital resources for an organization through their connections to the outside world. Given that resource dependence theory incorporates concepts from both sociology and management (Pettigrew, 1992), there is no consensus on what constitutes an important resource. Sociologists have a tendency to focus on three different kinds of links: linksthat a board offers to the business elite of a country Useem (1984), linksthat provide access to capital Mizruchi and Stearns (1993), or links

2.2. Empirical Review

Pradhan (2013) examined the connection between Nepali banks' performance and corporate governance. Given corporate frauds and the need to protect shareholders' interests, corporate governance has become increasingly important. Corporate governance is the framework that governs how businesses are run, with a focus on

safeguarding the interests of shareholders, according to the Cadbury Report (1992) (Smerdon, 1998). Because corporate governance has such a big influence on organizational performance, it has recently become a research focus (Love, 2011). It is commonly known that sound corporate governance procedures contribute to an organization's efficacy.

Bernard (2014) "Good Corporate Governance and Employee Job Satisfaction: Empirical Evidence from the Ghanaian Telecommunication Sector" was the title of the study that was carried out. In the Ghanaian telecommunications industry, this study investigates the relationship between corporate governance and worker job satisfaction. Employees are frequently thought of as the most valuable assets in organizations. Their behavior and dedication to the organization's goals are critical because they are essential to the day-to-day operations of a company. Good corporate governance is thought to encourage employees' sense of corporate responsibility and to reward actions that advance the goals of the company.

High-profile corporate scandals like Enron and WorldCom in recent years have brought the importance of sound corporate governance back into focus. The Wells Fargo scandal, which surfaced more recently, brought to light persistent problems with unethical and illegal sales practices (Egan, 2016). "A set of relationships between an organization's management, its board of directors, its shareholders and stakeholders, and other relevant bodies" is the definition of corporate governance (OECD, 2004: 11). According to Thorne, Ferrell, and Ferrell (2010), this definition emphasizes the necessity of an official system of oversight, accountability, and control over organizational decisions and resources. The Japanese, Continental-European, and Anglo-Saxon corporate governance models can be broadly divided into three categories (Nestor & Thompson, 2000). The most common of these is the Continental-European model, which highlights that (Proctor & Miles, 2002).

In order to regain investor trust, corporate governance guidelines and practices have been reevaluated in the wake of recent business failures like Enron and WorldCom. The effectiveness of boards of directors is the central focus of these reforms (Williamson, 1985). Van den Berghe and De Ridder (1999) have argued that structural modifications, such as the appointment of independent directors and the division of the CEO and board chairman roles, are crucial steps in strengthening board

authority and safeguarding the interests of shareholders. Abriyani (2016) looked into how financial performance and sound corporate governance affected the disclosure of corporate social responsibility in Indonesia's telecom sector. Companies are becoming more aware of the impact they have on the environment and society through their Corporate Social Responsibility (CSR) initiatives.

The fundamental tenet of corporate governance is that businesses should have both official and informal internal rules in place in order for them to function efficiently and be well-managed (Parker, 2006). Furthermore, the significance of employee consideration in corporate decision-making processes is emphasized by European corporate governance (Donald & Dowling, 2000-2001). This viewpoint emphasizes how important it is for workers to have a say in how a company is run (Supra, 1987). The study "Factors Influencing Corporate Governance of State-Owned Enterprises in Nigeria: The Case of Imo State" was carried out by Nwafor et al. (2017). With an emphasis on Imo State, this study investigates the variables influencing corporate governance in Nigerian state-owned businesses.

Levrau (2020) explored the subject matter of the paper "Corporate Governance and Board Effectiveness: Beyond Formalism" in relation to board effectiveness. Corporate governance has received a lot of attention in academic research and real-world applications since the mid-1980s. "The ways in which suppliers of finance to corporations assure themselves of getting a return on their investment" is how Shleifer and Vishny (1997) define corporate governance. In order to safeguard their interests, stakeholders can use these mechanisms to exert control over corporate insiders and management (John and Senbet, 1998). For the long-term survival of the company, CSR disclosure is a managerial tool used to avoid social and environmental conflicts, comply with regulations, and build active collaboration with stakeholders (Utama, 2007). CSR disclosure is a component of sustainability reporting, which has become a requirement.

Shamaila (2020) explored the connection between corporate social responsibility (CSR) and corporate governance in Pakistan's telecom industry. The practices of corporate governance and corporate social responsibility (CSR) have been widely embraced and spread throughout Western nations. According to Khatab et al. (2011), corporate governance is the set of laws, rules, and policies that affect how a company

is run. It is essential to the success of CSR initiatives. The ability to meet societal welfare demands and economic growth are positively impacted by effective corporate governance.

Ali (2021) explored elements influencing environmental disclosure by corporations in developing nations, with a particular emphasis on the function of corporate governance frameworks. Corporate environmental disclosure (CED) is becoming more and more important as people become more aware of global climate issues. CED entails using annual reports to inform the public about a company's environmental impact (Fun, 2002). The mitigation of environmental consequences and greenhouse gas emissions is emphasized by international and governmental initiatives like the Paris Agreement and the Kyoto Protocol (Cadez and Czerny, 2016). Olaifa and Ajagbe (2015) investigated the variables influencing the corporate governance framework and financial decisions of Nigerian commercial banks. Making wise financial decisions can reduce the likelihood of a business failing and is essential to bank performance. Obstacles like inadequate capital planning, restricted funding availability, unanticipated expansion, and capital mishandling.

Sinaga, et al., (2022) conducted a research on the variables influencing corporate governance and how they affect the quality of accounting data in reputable Indonesian companies. Protection of the rights and claims of non-financial stakeholders, such as clients, staff, vendors, and the general public, can be aided by corporate governance practices. A sharing rule between financial and non-financial claimants is specified by corporate limited liability, which may result in agency costs. Aiming to strengthen board authority and safeguard shareholders' interests, modifications to board composition include the creation of committees and the appointment of independent directors.

Goet (2022) conducted a research on how corporate governance affects Nepalese commercial banks' financial results. The study emphasizes how crucial banks' financial health and effectiveness are to promoting stability and economic growth. In order to lessen agency conflicts, corporate governance is implemented differently in banks because of the existence of shareholders, depositors, and a plethora of government regulations (Bozec & Bozec, 2007). The size, independence, and

composition of the board, among other internal and external corporate governance practices, are important components of bank corporate governance.

Wahidahwati (2023) discussed the role that corporate governance plays in making sure that businesses are managed properly and perform financially. Improved financial performance and higher shareholder value are the results of management's ability to accomplish company goals with the support of good corporate governance (Dang et al., 2020). According to Napitupulu et al. (2020), CSR initiatives and environmental performance also enhance stakeholder value, which stimulates the stock market and raises the value of the company.

Pradhan, (2024) discussed the impact of corporate governance mechanisms on corporate failure. Corporate governance is the framework that governs how businesses are run, with a focus on safeguarding the interests of shareholders, according to the Cadbury Report (1992) (Smerdon, 1998). Because corporate governance has such a big influence on organizational performance, it has recently become a research focus (Love, 2011). It is commonly known that sound corporate governance procedures contribute to an organization's efficacy.

Table:1

Summary table of the review:

Author(s) Year	Title of Article	Objectives	Methodology	Major Findings
Abigail (2007)	Corporate governance and board effectiveness: beyond formalism	The main objective of this research is to explain the differences between successful boards and board failures.	Input-process output approach	The research helps explain the differences between successful boards and board failures.
Pradhan (2013)	Corporate governance and bank performance in Nepal	The paper examines the impact and importance of Corporate Governance on firm performance.	Diagnostic Tests, Multicollinearity Tests, Unit Root Tests, Co-integration Test, Testing for Autocorrelation, Normality	The results show that a larger number of executive directors lead to higher non-performing loans, while a larger number of independent directors results in lower non-performing loans.

			Tests, Correlation Analysis	
Bernard (2014)	Good Corporate Governance and Employee Job Satisfaction: Empirical Evidence from the Ghanaian Telecommuni- cation Sector	The study investigates the predictive relationship between corporate governance and employee job satisfaction.	Mean, standard deviation, correlation, regression analysis	Good corporate governance significantly and positively predicts employee job satisfaction, along with the three dimensions of corporate governance.
Olaifa and Ajagbe (2015)	Factors Affecting Financial Decisions and Corporate Governance Structure of Commercial Banks in Nigeria	The main purpose is to ascertain factors affecting financial decisions and corporate governance structure of commercial banks in Nigeria.	Mean, standard deviation, minimum and maximum, correlation analysis	The research finds that a high board size would significantly reduce finance decisions, potentially affecting overall profit in the long run.
Destya Ramia and Abriyani (2016)	The effect of good corporate governance & financial performance on corporate social responsibility disclosure of the Telecommuni- cation company in Indonesia	Aims to provide insight into corporate social responsibility disclosure in the Indonesian telecommunication sector and assess the impact of good corporate governance.	Correlation Analysis, Classic Assumption Test, Hypothesis Testing	Larger companies and higher profits do not guarantee more extensive disclosure of social responsibility; annual reports are not an efficient tool for disseminating CSR information.
Lloyd and Virakul, (2017)	Factors Influencing Corporate Governance of State-Owned Enterprises in Nigeria: The Case of Imo State	Objectives are to study factors influencing corporate governance in State-Owned Enterprises and understand disparities within the firm.	Grounded theory method	State-Owned Enterprises need more effective alliances to prevent service replication and increase cost- effectiveness.
Shamaila (2020)	Corporate governance	The article studies the influence of	Deductive approach,	Effective corporate governance mechanisms

	and corporate social responsibility: A study on the telecommunication sector of Pakistan	corporate governance on different corporate social responsibility activities in Pakistani organizations.	correlation, regression analysis	enable organizations to engage in CSR activities on a larger scale.
Ali (2021)	Factors affecting corporate environmental disclosure in emerging economies – the role of corporate governance structures	Aims to determine recent trends, levels, and patterns of Corporate environmental disclosure among a selected sample of Jordanian listed firms.	Financial and statistical tools	Results emphasize the need for more concerted efforts to integrate governance and environmental regulations within company law.
Judith et al., (2022)	Factors Affecting Corporate Governance and Its Implication on Accounting Information Quality: Indonesia Trusted Company Awardees	Aims to explain the factors affecting corporate governance and its implications for accounting information quality.	Partial Least Square - Structural Equation Modeling	Institutional ownership decrease implies better corporate governance; more independent directors increase good corporate governance.
Goet (2022)	The Impact of Corporate Governance on Nepalese Commercial Banks' Financial Performance	The overall goal is to determine the characteristics that have a major impact on the financial performance of Nepalese commercial banks.	Correlation analysis & Regression analysis	Findings reveal that board size, firm size, foreign ownership, and credit deposit ratio substantially influence the bank performance (ROE) of Nepalese commercial banks.
Wahidah wati (2023)	Corporate Governance and Environmental Performance: How They Affect Firm Value	Aims to examine the effect of environmental performance and good corporate governance on firm values mediated by	Purposive sampling method, multiple linear regression method	Corporate social responsibility affects firm value; the direct effect of GCG is stronger than the effect of GCG through CSR.

		corporate social responsibility.		
Pradhan, (2024).	The impact of corporate governance mechanisms on corporate failure.	Objectives are to study factors influencing corporate governance in State-Owned Enterprises and understand disparities within the firm.	Deductive approach, correlation, regression analysis	Effective corporate governance mechanisms enable organizations to engage in CSR activities on a larger scale.

2.3. Research Gap

The majority of the literature on corporate governance that is currently available concentrates on the board of directors as a means of resolving agency issues brought on by the division of ownership and management. Agency theory acknowledges the inherent conflicts of interest that exist in contemporary corporations; however, more recently, research has focused on the effects of external and internal factors on corporate governance, especially in developing nations such as Nepal. This review highlights the importance of corporate governance for stability and economic development by shedding light on the situation of corporate governance in these countries.

This study aims to fill a research vacuum by undertaking an empirical analysis of the effectiveness of past and present corporate governance reforms in the Nepalese telecoms industry. The goal is to evaluate these reforms' effects, identify implementation problems, and clarify how these changes impact governance processes. Treating components as independent variables is a novel approach taken by the study to examine their combined effects on corporate governance. Moreover, it broadens its scope by embracing several telecoms sectors, providing a deeper understanding of governance.

Through an examination of the interplay of key factors, the study seeks to illuminate those significantly influencing corporate governance within the Nepalese telecommunications sector. Identifying and understanding these factors' relative importance will contribute to the development of targeted measures and reforms aimed at enhancing governance practices. Ultimately, the research aims to improve

the efficiency and success of the public sector in Nepal by providing evidence-based recommendations for enhanced corporate governance in the context of evolving economic landscapes and the consolidation of the telecommunications sector.

CHAPTER III

RESEARCH METHODOLOGY

3.1 Introduction

This chapter explain about the importance and process of entire research methodology and methods applied for this study.

3.2 Research Design

The aim of the study was to identify corporate governance that impacts organizational performance in Telecommunication sectors of Nepal. The survey was carried out in the form of questionnaire in order to meet the research objectives. A descriptive as well as causal research design has been carried out for this research. The data for this research was collected by formulating a set of questionnaires and the questionnaire were distributed to the respondents. The questionnaire was self-administered.

3.3 Population, Sample and Sampling design

In this research the concept of population, sample and sampling design are crucial for conducting the research. All the employee working in Nepalese telecommunication industry are considered as the population however employee from Nepal Telecom and NCELL the two largest telecommunication company in Nepal were considered as sample frame of study. All the employees of the enterprise are huge in numbers. Roscoe (1975) proposes the rule of thumb for unknown population with a minimum sample size of 150. Hence, the sample collected for the study 250. The sampling technique for this study follows convenience-sampling method. Convenience-sampling method was used to select sample from the Nepalese Telecommunication sector.

3.4. Data Collection and Instrumentation

This study was based on primary source of data. Data collection has been done through the employees of the Telecommunication industries. The respondents of the Telecommunication industries include from different branches of the Telecommunication industries located in Kathmandu valley.

There were structured Likert scale questions for data collection. The study involves the examination of fifty-five items related to BSZ, BID, BDV, NBCM, BM, INV, innovative culture, and organizational performance. Each item is extensively

measured using a five-point Likert scale (ranging from 5 for strongly agree to 1 for strongly disagree). The choice of a five-Likert scale is motivated by several factors, including its ability to reduce respondent frustration or irritation, ultimately leading to improved response quality and enhanced response rates (Sachdev & Verma, 2004). The corporate governance elements, are adapted from the work of Honghui (2017) Organizational performance items, is adapted from the studies of Henri (2006) and Teeratansirikool, Siengthai, Badir, and Charoenngam (2013).

3.5. Data Analysis

Data were processed in systematic manner so that they are accurate and consistent in order to meet research objectives. To analyze and interpret the data, Microsoft Excel and SPSS were used. For presentation of data, several tools like tables and diagrams were used. Moreover, other tools like ANOVA test, t-tests, mean, frequency distribution, standard deviation, correlation and regression were carried out to draw the inferences from the collected responses

3.6. Model Specification of Study

Multiple regressions is a statistical tool used to derive the value of a criterion from several other independent, or predictor, variables. It is the simultaneous combination of multiple factors to assess how and to what extent they affect a certain outcome. It can be used to forecast effects or impacts of corporate governance practices on organizational performance. The multiple linear regression analysis can be used to get point estimates.

Regression model

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + E_i$$

Where,

Y = Organizational Performance

X₁ = Board Interdependences

X₂ = Board Size

X₃ = Board Diversity

X₄ = Number of Board Committees

X₅ = Board Meetings Held in a Year

X₆ = Innovative Culture

a = Constant

E_i = Error term

3.7. Research Framework and Definition of Variables

After the cautious look of articles and research, the following conceptual version is formulated to demonstrate the connection among corporate governance, banking overall performance and sustainable banking.

Independent Variable

Dependent Variable

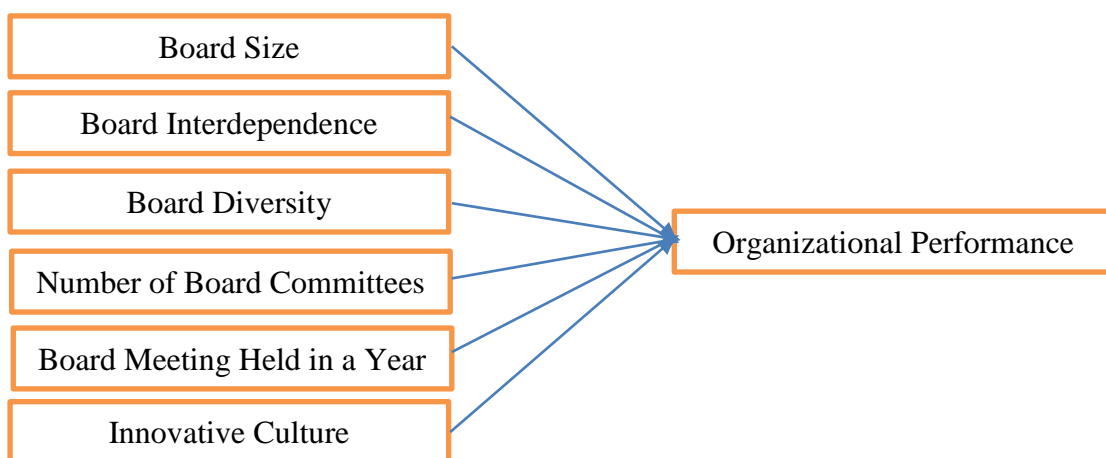


Figure 3.1 Research Framework

Source: Sajjad Nawaz Khan et al., (2019)

Board Size

Board size refers to the number of individuals serving on a company's board of directors. Board size can influence decision-making processes, communication dynamics, and overall governance effectiveness within an organization.

Board Independence

Board independence measures the degree to which members of a board of directors are independent and not directly affiliated with the company, its management, or significant shareholders. Board independence is crucial for ensuring unbiased decision-making and effective oversight of management actions, reducing potential conflicts of interest.

Board Diversity

Board diversity involves the inclusion of individuals from different backgrounds, experiences, and demographics on a company's board of directors. A diverse board brings varied perspectives, skills, and insights, contributing to better decision-making and governance outcomes.

Number of Board Committees

The number of board committees represents the specialized groups formed within the board to address specific functions or tasks, such as audit committees, compensation committees, or governance committees. Board committees enable more focused attention on critical aspects of governance, providing expertise in specialized areas.

Board Meetings Held in a Year

Board Meetings Held in a Year indicates the frequency with which the board of directors convenes for formal meetings within a specific time frame, usually a year. The frequency of board meetings influences the board's ability to address emerging issues, make strategic decisions, and maintain effective communication with management.

Innovative Culture

Innovative culture refers to the shared values, attitudes, and practices within an organization that encourage and support creativity, experimentation, and the generation of new ideas. An innovative culture fosters an environment where employees feel empowered to contribute novel solutions, driving the organization's adaptability and competitiveness.

Organizational Performance

Perceived organizational performance reflects the subjective assessment of how well an organization is achieving its goals and objectives, as perceived by individuals within or associated with the organization. This variable captures the subjective evaluation of the organization's success and effectiveness, considering factors beyond traditional financial metrics.

CHAPTER IV

RESULT AND DISCUSSION

This chapter contains the analysis, discussion and interpretation of the result based in data collection. The analysis is mainly based on primary data which were collected through the questionnaire filled by respondents. The data is analyzed with the help of Statistical Package for the Social Sciences (SPSS) software. The data are presented with tables and diagram to make it convenient possible to interpret. The mean, standard deviation and frequencies has also done to examine the significant relationship between different variables. Tables and figures are extensively used to analyze the data.

4.1 Presentation of Results

In total, 250 responses were collected for this study and the questionnaire were distributed to them through online form as well as printed form through different social media or personally reaching them. Among them all 250 of the respondents were employee of telecommunication sectors and were asked about organizational performance knowledge.

4.1.1 Gender Group of Respondent

Table 2 shows the age group of the respondent. Out of 250 respondents, 157 of them were male and 93 of them were female respondents. The result shows that the maximum number of respondents were male.

Table 2: Gender Group of Respondents

Gender Group	Frequency	Percent
Male	157	62.8
Female	93	37.2
Total	250	100

Sources: Field Survey, 2024

4.2 Age of Respondents

Table 3 shows the Age of the respondent. Out of 250 respondents, 28 of the respondents were Less than 30.109 of the respondents were 31 to 40. 113 of the respondents were 41 to 50. The result shows that the maximum number of employee were of 41-50 years of age.

Table 3: Age Group of Respondents

Age Group	Frequency	Percent
Less than 30	28	11.2
31-40	109	43.6
41-50	113	45.2
Total	250	100

Sources: Field Survey, 2024

4.1.3 Education Background of Respondents

Table 4 shows the Educational of the respondent. Out of 250 respondents, 2 of the respondents were Intermediate pass. 77 of the respondents Bachelor pass. 168 of the respondents were masters pass. The result shows that the maximum number employee working in telecommunication sectors were Master degree holder.

Table 4: Educational Background of Respondents

Educational Background	Frequency	Percent
Up to Intermediate	5	2.0
Bachelor	77	30.8
Master	168	67.2
Total	250	100

Sources: Field Survey, 2024

4.1.4 Position of Respondents

Table 5 shows the profession of the respondent. Out of 250 respondents, 5 of the respondents were Executive. 99 of the respondents were manager. 146 of the respondents were officer. The result shows that the maximum number of employee were officer.

Table 5: Position of Respondents

Position Group	Frequency	Percent
Executive	5	2.0
Manager	99	39.6
Officer	146	58.4
Total	250	100

Sources: Field Survey, 2024

4.1.5 Job Experience of Respondents

Table 6 shows the Job Experience of the respondent. Out of 250 respondents, 9 of the respondents had job experience of less than 5 year. 113 of the respondents had job experience of 5-10 year. 121 of the respondents had job experience of 11-15 year and 7 of the respondents had job experience of 7 year. The result shows that the maximum number of employee had job experience of 5-10 year.

Table 6: Job Experience of Respondents

Job Experience in year	Frequency	Percent
Less than 5	9	3.6
5-10	113	45.2
11-15	121	48.4
16-20	7	2.8
Total	250	100

Sources: Field Survey, 2024

4.2 Descriptive Statistics

This section deals with the descriptive analysis of the data collected through the questionnaires during the research process. Descriptive statistics is the discipline of quantitatively describing the main features of a collection of data. Descriptive statistics provides simple summarizes about the sample and about the observations that have been made. Descriptive statistics help us to simplify large amounts of data associated with these variables in a sensible way. For this purpose, “Five Point Likert Scale” questions were asked to the respondents which scaled from strongly disagree, disagree, neutral, agree and strongly agree which ranked from 1, 2, 3, 4, and 5 respectively. Number of respondents of each question items was 250. Here, factors affecting organizational performance is described by independent variables which Board Size, Board Interdependence, Board Diversity, Number of Board Committees, and Board Meeting Held in a year, Innovative Culture. Likewise dependent variable is described as organizational performance. Descriptive statistics are shown below.

Table 7 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
B_S	250	6.20	21.00	15.2112	3.15285
B_I	250	2.67	11.67	7.7467	2.07098
B_D	250	8.33	25.50	18.4073	3.70073
N_BC	250	4.00	16.25	11.3560	2.69086
B_M	249	4.00	16.25	11.3554	2.68455
I_C	250	10.13	34.63	25.4795	4.81879
O-P	250	10.63	34.63	24.1970	4.54510

Table 7 shows the mean and the standard deviation score of each item of the Attitude towards the organizational performance. The overall mean for the Innovative Culture is 25.4795 which indicates that the respondent has the positive attitude towards the organizational performance in the Nepal.

Majority of the respondent agreed on the items under the organizational performance descriptive statistics that are coded O-P, B_D, B_S, N_BC, B_M, B_I as indicated by the respective mean value of 24.1970, 18.4073, 15.2112, 11.3560, 11.3554 and

7.7467 respectively. It indicates that the respondent has the positive attitude towards the organizational performance in the Nepal. Similarly, they agreed on the statement that the engaging on organization, wise and meaningful to them and further agreed that engaging in the employee performance activities is a good idea to them. 25.4795. From this it can be concluded that the employee job performance has a positive performance towards the organization.

From this it can be concluded that all the variable have the positive sentiments towards the performance in the organization and are encouraged and motivated to involve in organizational performance in the Nepal. Further, they are encouraging their friends, family and the people around them to organizational performance.

4.3 Reliability Analysis

For establishing reliability of this study, the questionnaire was developed carefully along with the use of correct word and meaning. A pilot study was conducted for pre-test among certain number of respondents to detect any kind of misunderstanding in the question. The designed questionnaire was finalized before requesting the respondents to participate. Further, reliability test, Cronbach's Alpha was calculated for this questionnaire. Cronbach's Alpha coefficient was also calculated to identify the reliability of the instruments used. After the data collection, from the respondents Cronbach's Alpha coefficient was also calculated to identify the reliability of the instruments used.

The result of the reliability test is shown Table 8:

Table 8*Cronbach's Alpha test for 250 respondents*

Variables	Cronbach's Alpha	No. of Items
Board Size	0.748	5
Board Interdependence	0.673	3
Board Diversity	0.658	6
Number of Board Committees	0.693	4
Board Meeting Held in a year	0.691	4
Innovative Culture	0.727	8

Table 8 shows the Cronbach's alpha coefficient of independent variables i.e., Board Size, Board Interdependence, Board Diversity, Number of Board Committees, Board Meeting Held in a year and Innovative Culture. It is typically associated with internal consistency and its value ranges from 0 to 1. Cronbach's Alpha coefficient less than 0.6 are considered poor; greater than 0.6 but less than 0.8 are considered acceptable and greater than 0.8 are considered good. Cronbach's Alpha of all the variables is considered as good. Therefore, the instruments used in this research are considered to be reliable.

4.4 Correlation Analysis

This section of analysis covers all the statistical analysis made to verify the hypothesis and ascertain the factor affecting organizational performance in Nepalese telecommunication sectors. Pearson correlation test was also conducted to see the correlations between the independent variable and dependent variables. Correlation is a bivariate analysis that measures the strength of association between two variables and the direction of the relationship. Higher correlation value indicates stronger relationship between both sets of data. When the correlation is 1 or -1, a perfectly linear positive or negative relationship exists; when the correlation is 0, there is no relationship between the two variables; when the correlation is greater than 0, there

exists positive relationship between the two variables; when the correlation is less than 0, there exists negative relationship between the two variables.

Table 9

Correlation Analysis

Variables	B-S	B-I	B-D	N-BC	B-M	I-C	O-P
B-S	1	.324**	.464**	.226**	.426*	.766**	.268**
B-I		1	.373**	.227**	.392**	.300**	.101**
B-D			1	.269**	.505**	.426*	.253**
N-BC				1	.229**	.215**	.141**
B-M					1	.596**	.548**
I-C						1	.164**
O-P							1

*. Correlation is significant at the 0.01 level (2-tailed).

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

Source: Data Analysis (field survey 2024)

Table 9 shows that the correlation between Board Size, Board Interdependence, Board Diversity, Number of Board Committees, and Board Meeting Held in a year, Innovative Culture with organizational performance is 0.268, 0.101, 0.253, 0.141, 0.548 and 0.164 respectively, all of which are high degree positive correlations indicating that the variables have the same direction changing relationship and the coefficients are significant at the 5% and 1% level. These significant coefficients imply that the relationship between Board Size, Board Interdependence, Board Diversity, Number of Board Committees, and Board Meeting Held in a year, Innovative Culture with organizational performance is substantial.

The correlation between Board Interdependence, board diversity, and Innovative Culture with technology is 0.101, 0.253, and 0.548 respectively, all of which are high degree positive correlations indicating that the variables have the same direction changing relationship and the coefficients are significant at the 5% and 1% level. These significant coefficients imply that the relationship between Board Size, Board

Interdependence, Board Diversity, Number of Board Committees, Board meeting Held in a year, Innovative Culture with organizational performance..

The correlation between the variables is high degree positive correlations indicating that the variables have the same direction changing relationship and the coefficients are significant at the 5% and 1% level. These significant coefficients imply that the positive correlation between the variables.

4.5 Regression Analysis

Regression analysis is a set of statistical processes for estimating the relationships between a dependent variable and one or more independent variables. It contains a variety of techniques for modeling and evaluating a variety of variables. A correlation analysis can only determine whether

Or not two variables have a close relationship. However, even though a correlation coefficient implies that two variables have a strong relationship, the precise form of that relationship cannot be determined. In this case, regression analysis provides more information about the relationship's depth. It's used to explain a relationship's nature and make predictions.

In this study, the regression analysis was used to test the hypothesis. This section determines which independent variable explains variability in the outcome, how much variability in dependent variable is explained by independent variables, and which variables are significant (over other variables) in explaining the variability of the dependent variable. Linear regression analysis was conducted to identify relationship between the dependent variable (Organizational performance) and independent variables (Board Size, Board Interference, Board Diversity, Number of Board Committees, Board Meeting Held in a year, Innovative Culture). Linear regression is more suitable because of its simplicity, interpretability, scientific acceptance and widespread availability.

Multiple Regression Model

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + b_5X_5 + b_6X_6 + E_i$$

Where,

Y = Organizational performance

X₁ = Board Size

X₂ = Board Interdependence

X₃ = Board Diversity

X₄ = Number of Board Committees

X₅ = Board Meeting Held in a year

X₆ = Innovative Culture

a = Constant

E_i = Error term

Tables below show the findings of regression analysis between independent and dependent variables.

Table 10

Model Summary

R	R Square	Adjusted R Square	Std. Error Of the estimation	Durbin-Watson
0.334 ^a	0.111	0.089	4.32171	1.907

a. Predictors: (Constant), Board Size, Board Interdependence, Board Diversity, Number of Board Committees, Board Meeting Held in a year, Innovative Culture, Organizational Performance.

b. Dependent Variable: Organizational Performance.

Source: Data Analysis

Table 10 shows the model summary of the factor affecting organizational performance in Nepalese telecommunication sectors. R² is also called coefficient of determination. It is the statistical measure of how close the data are fitted to the regression line. It is defined as the percentage of response variable variation that is explained by a linear regression model. R-square is always between 0 to 100 % and higher the percentage better the model fits the data. Here in table 4.15 the value of R² is 0.111 which means 11.1% variation in dependent variable i.e., Organizational Performance is explained by independent variables like Board Size, Board

Interdependence, Board Diversity, Number of Board Committees, and Board Meeting Held in a year, Innovative Culture, Organizational Performance.

After adjusting degree of freedom 89% of Organizational Performance is predicted by independent variables like Board Size, Board Interdependence, Board Diversity, Number of Board Committees, Board Meeting Held in a year, Innovative Culture, Organizational Performance. Model summary also indicates the standard error of estimate 4.32171 which shows the variability of the observed value of organizational performance from the regression line is 4.32171 units.

Table 11

Regression ANNOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	566.383	6	99.397	5.054	.000 ^b
Residual	4519.880	243	18.677		
Total	5086.264	250			

a. Dependent Variable: OP

b. Predictors: (Constant), Board Size, Board Interdependence, Board Diversity, Number of Board Committees, Board Meeting Held in a year, Innovative Culture, Organizational Performance

Source: Data Analysis

Table 11 gives the description of ANOVA table. ANOVA table is used to analyze whether the overall model is significant and if model can be applied to the research. The result of table 11 shows that p-value is less than α i.e., $0.00 < 0.01$. So, the model is significant at 1% level of significance. So multiple linear models can be used to analyze the data. It is the most fitted model for the analysis of this study.

Table 12*Regression Coefficient*

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficient		
	B	Std. Error	Beta		
(Constant)	16.217	1.874		8.652	.000
B-S	.386	.141	.269	2.738	.007
B-I	.130	.150	-.059	-.864	.389
B-D	.186	.093	.152	1.999	.047
N-BC	.127	.108	.075	1.171	.243
B-M	.130	.126	.077	1.035	.302
I-C	.125	.089	-.133	-1.396	.164

a. Dependent Variable: O-P

Source: Data Analysis

From the regression coefficient table 12, it can be inferred that higher beta values indicate higher dominant influence of independent variables on the dependent variable. It can be inferred that Board Size has the highest dominant influence with a beta of 0.386, followed by Board Diversity with beta of 0.186, Board Interdependence 0.130, Board Meeting held in a year 0.130, Number Of Board Committees 0.127, Innovative Culture 0.125. The regression analysis shows that there is a significant positive relationship between Board Size and organizational performance. There is no significant relationship between Board Interdependence and organizational performance. The coefficient of a moderate relation, suggesting that effective board leadership has a substantial influence on performance practices. There is a significant positive relationship between board diversity and organizational performance. There is no significant relationship between Board Meeting held in a year influence and organizational performance. The coefficient of a moderate relation, indicating that Board Meeting held in a year factors can influence performance practices in telecommunication sectors. There is no significant relationship between Number of Board Committees and organizational performance. The coefficient of a moderate relation, suggesting that Number of Board Committees influences performance practices in telecommunication sectors. There is no significant relationship between

Innovative Culture and organizational performance. The coefficient of a moderate correlation, implying that innovative culture doesn't have a substantial impact on performance practices in telecommunication sector.

The regression equation based on the coefficient of variables can be inferred as:

$$OP \text{ (est.)} = 16.217 + .386 BS + .130BL + .186BD + .127 NI + .130 BM + .125 IC$$

Where,

BS = Board Size

BI = Board Interdependence

BD = Board Diversity

NI = Number of Board Committees

BM = Board Meeting Held in a year

IC = Innovative Culture

OP = Organizational Performance

4.7 Discussion

The study focused on examine the factors affecting organizational performance in Nepalese telecommunication sectors. It examined the relationship between various independent variables, including Board Size, Board Interdependence, board diversity, Board Meeting held in a year, Number of Board Committees and Innovative Culture, and their impact on organizational performance as the dependent variable. The findings indicate that there are significant positive relationships between Board Size, Board Interdependence, board diversity, Board Meeting held in a year, Number of Board Committees and Innovative Culture with organizational performance. This suggests that these factors play crucial roles in shaping performance practices in Nepalese telecommunication sector.

Regression analysis results indicate that creative culture has the most overall impact on organizational performance, more so than board diversity, interdependence, and committee count. The regression analysis shows that there is a significant positive relationship between Board Size and organizational performance. It is consistent with the finding of Pradhan (2022). It in that increase of board size positively impact on

performance. The coefficient of a moderate correlation, suggesting that the way Board Size doesn't influence organizational performance practices.

There is no significant relationship between Board Interdependence and organizational performance. It is inconsistent with the finding of Goet (2021). It is that increase of Board Interdependence negatively impact on performance. The coefficient of a moderate relation, suggesting that the way Board Interdependence of the company doesn't have effect on performance.

There is significant positive relationship between board diversity and organizational performance. The coefficient of a moderate correlation, implying that having a diverse board with varied backgrounds and experiences contributes to better performance practices. It is consistent with the finding of Abigail (2011). The coefficient of a moderate relation, suggesting that the way Board diversity of the company positively impact on performance effect on performance.

There is no significant relationship between Board Meeting held in a year influence and organizational performance. The coefficient of a moderate relation, indicating that Board Meeting held in a year factors can influence performance practices in telecommunication sectors. It is inconsistent with the finding of Sharmila (2021). It is that increase of Board Meeting negatively impact on performance. The coefficient of a moderate relation, suggesting that the way Board Meeting of the company doesn't have effect on performance.

There is no significant relationship between Number of Board Committees and organizational performance. The coefficient of a moderate correlation, suggesting that Number of Board Committees influences performance practices in telecommunication sectors. It is inconsistent with the finding of Pradhan (2009). It is that increase of Board Meeting negatively impact on performance. The coefficient of a moderate relation, suggesting that the way Number of Board Committees of the company doesn't have effect on performance.

There is no significant relationship between Innovative Culture and organizational performance. It is inconsistent with the finding of Goet (2009). It is that increase of

Innovative Culture negatively impact on performance the coefficient of a moderate correlation, implying that innovative culture doesn't have a substantial impact on performance practices in telecommunication sector.

The idea that these variables significantly affect organizational performance is supported by the significance values of these variables. The outcomes are in line with a previous study conducted by Nwafor (2017) on state-owned businesses in Nigeria, which found that ownership structure, political influence, and board leadership were the most crucial factors. This provides additional evidence of the importance of these issues to the telecoms sectors. The conclusions of this study are consistent with those of Bernard Ndashie Nmai's (2014) study, which likewise discovered that board structure and political influence play a key effect in the CG of communications.

Every component appears to be positively correlated with organizational success in Nepal's telecommunications industry. 250 people in all completed the questionnaire, which was developed based on a number of research articles. ANOVA and the t-test were used in the hypothesis test to determine the association between the direct and indirect variables. A range of statistical techniques were employed to evaluate and interpret the data, and the results were displayed as tables and figures. The respondent's profile is the subject of the first section of the conversation. The respondent's age, gender, educational background, position, work experience, and familiarity with organizational performance are among the demographic details provided. Following that, a descriptive analysis was carried out for every dependent variable pertaining to organizational performance. Correlation and Regression analysis were conducted to study which variable affects the organizational performance. A total of 250 questionnaires were sent out to people who are working in Nepalese telecommunication sector.

CHAPTER V

SUMMARY AND CONCLUSIONS

This chapter is final chapter which summarizes the research summary, conclusion and implications of the study. The entire chapter is summarized in three sections. The first one summarizes the study and general overview about research findings. The second section derives the conclusion of the study and the third one suggests few recommendations.

5.1 Summary

The main objective of the research study was to find out the factors affecting organizational performance in telecommunication sector of Nepal. To answer this question, several literatures with the subject of organizational performance were discussed. On the other hand, concept and studies about organizational performance, its dimensions and the relation between other variable have been studied. Furthermore, based on the above discussions, 6 variables were chosen to measure the impacts on organizational performance. After all, conceptual frame of reference 6 hypotheses were generated to answer the research question. For the purpose of conducting the study, the questionnaire with 44 questions was adapted to answer research hypotheses. 300 questionnaires were distributed among respondents which included groups of employees of the telecommunication sector. Finally 250 valid questionnaires were selected and data analysis was applied to them. Finally, the researcher came to know that all variables have significant impact on organizational performance in Nepalese telecommunication sector. In order to determine the survey result, different statistical tests have been performed. At first, descriptive analysis was done to determine the average value and standard deviation of each variable under each hypothesis. There were at least 6 questions or variables to measure each hypothesis. Respondents answered on a five-point Likert scale ranging from ‘Strongly Disagree’ to ‘Strongly Agree’.

The responses were collected and the data was arranged and analyzed using Microsoft Excel and SPSS software packages. The study employed various statistical analyses to examine the relationships between independent variables (Board Size, Board Interdependence, board diversity, Board Meeting held in a year, Number of Board Committees and Innovative Culture) and the dependent variable (organizational performance).

The analysis involved conducting correlation analysis to assess the strength and significance of the relationships between the variables. The findings indicated that Board Size, Board Interdependence, board diversity, Board Meeting held in a year, Number of Board Committees and Innovative Culture had significant positive relationships with organizational performance. These variables were found to have moderate correlations, suggesting their influence on performance practices.

The study also utilized regression analysis to determine the relative influences of the independent variables on organizational performance. The regression coefficients provided insights into the magnitude and direction of these influences. The findings revealed that technology had the highest dominant influence on organizational performance, followed by Number of Board Committees, board Interdependence, and board diversity. The study's findings added to the body of knowledge by emphasizing the significance of particular variables in determining organizational performance practices. In order to improve performance practices in the Nepalese telecommunications sector, the findings highlighted the importance of paying attention to board size, board interdependence, board diversity, number of board committees, number of annual meetings, and innovative culture. These results can be used as a foundation for further study and offer insightful information to practitioners and policymakers who aim to improve organizational performance within the framework of the Nepalese telecommunications industry.

5.2 Conclusion

This study's primary goal was to identify the variables influencing organizational performance in the Nepalese telecommunications industry. There is a relationship between the independent variables and organizational performance, as determined by

analysis. The findings showed that the telecom industry should prioritize the independent variables since they have a direct impact on enhancing organizational performance in the sector. The number of board committees, board size, diversity, interdependence, and innovative culture all contribute to an organization's success in the Nepali telecommunications industry. Annual board meetings are also a significant factor. This study shows that each of these variables has a major impact on fostering strong organizational performance in the telecom industry. Like any other nation, Nepal's organizational performance is

Numerous businesses in Nepal have ownership structures that are closely held or family-owned, which occasionally results in a concentration of power and insufficient checks and balances. Insufficient diversity, autonomy, and proficiency within boards may impact decision-making and supervision in Nepal. In Nepal, cultural elements like nepotism, hierarchical structures, and conventional business methods can impede accountability, transparency, and efficient operation. Organizational performance in a company is directly impacted by the caliber of its management and leadership. Performance mechanisms can be compromised by insufficient training and development, unethical behavior, and weak leadership. The accountability and transparency of organizations can be influenced by the strength of laws, regulations, and enforcement mechanisms. The state of the Nepali economy and market has an impact on organizational performance standards. elements including financial availability, market rivalry, and economic It is important to note that these factors are interrelated and can have both positive and negative effects on organizational performance of Nepalese telecommunication sectors. Efforts to enhance organizational performance in the Nepal require addressing these factors holistically, through legal reforms, capacity building, awareness campaigns, and stakeholder engagement.

There are many factors which have generated the relationships and findings in this research. The significant positive relationship between ownership structure and organizational performance suggests that the way ownership is structured in Nepalese telecommunication sector. May have an impact on performance practices. For example, if there is a clear separation of ownership and control, with strong oversight mechanisms in place, it can lead to more effective organizational performance. The

positive relationship between board leadership and organizational performance suggests that there is strong and effective leadership within the board of directors. Competent and responsible board leaders can set the tone for the organization, establish clear performance frameworks, and promote ethical conduct. The positive relationship between political influence and organizational performance reflect the impact of political factors on the organizational performance landscape of Nepalese telecommunication sector. Political considerations and interventions have influenced the decision-making processes, performance structures, and accountability mechanisms in these organization. The positive relationships between globalization, technology, and organizational performance indicate the importance of adapting to global trends and technological advancements in performance practices. Globalization exposes organizations to international standards and best practices, while technology can enhance transparency, accountability, and efficiency in performance processes.

In aggregate this study concludes on emphasizes on significance of Board Size, Board Interdependence, board diversity, Board Meeting held in a year, Number of Board Committees and Innovative Culture in determining organizational performance practices in Nepalese telecommunication sector. These findings can guide efforts to enhance performance practices and improve overall organizational performance.

5.3 Implications

In addition to enhancing the area of organizational performance in the Nepalese telecommunications industry, the research findings of this study suggest the following guidelines for similar future research projects. The sample size is small because this is only an academic research study. A larger sample size is recommended for professional research in order to lower error and increase the generalizability of the findings.

Only survey forms, feedback forms, and questionnaires were used to gather the data. The response can be gathered by future researchers using in-depth interviewing techniques to comprehend the variables impacting organizational performance. Having an impartial and well-rounded board of directors can improve the performance of the organization. Nepalese corporations ought to endeavor to

designate suitably qualified independent directors who possess the ability to offer impartial supervision and strategic direction. The establishment of an ethical corporate culture that emphasizes responsibility, integrity, and ethical business practices should be given top priority by Nepalese corporations. Establishing strong codes of conduct and providing staff with ethics training can help achieve this.

Subsequent scholars ought to carry out comprehensive investigations concerning the distinct obstacles and prospects concerning organizational efficacy in Nepal. Analyzing the institutional, legal, and cultural aspects of the nation's organizational performance practices is part of this. For Nepalese corporations and policymakers, comparative studies that examine effective organizational performance models from other nations with comparable socioeconomic characteristics can offer important insights. Furthermore, researchers can actively advocate for policy reforms that strengthen organizational performance practices by interacting with regulators, policymakers, and industry stakeholders. Research that is grounded in empirical data can serve to emphasize the significance and possible advantages of successful organizational performance. Lastly, a suggestion for upcoming researchers is to employ a bigger sample size of participants that includes every company in the telecommunications industry so that the outcome of telecommunications sector.

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Annex

Questionnaire

Dear Respondent,

I am Sujita KC, an MBS student at Shanker Dev Campus affiliated to Tribhuvan University, and I am conducting research on “Corporate Governance and organizational performance in Nepalese telecommunication industry”. In this regard, I would request you to spare some of your valuable time in answering these few questions. I assure you that all information provided by you in this questionnaire will be kept confidential and used only for academic purpose. Your kind cooperation will be highly appreciated. Thanking You

1. Please tick one for each criteria group.

1. Gender	2. Age Group	3. Educational background	4. Position	5. Job Experience
1. Male <input type="checkbox"/>	1. 30 or less <input type="checkbox"/> 2. 31-40 <input type="checkbox"/> 3. 41-50 <input type="checkbox"/>	1. Intermediate <input type="checkbox"/> 2. Bachelor <input type="checkbox"/> 3. Master <input type="checkbox"/> 4. PhD <input type="checkbox"/>	1. Executive level <input type="checkbox"/> 2. Manager level <input type="checkbox"/> 3. Officer level <input type="checkbox"/>	1. Less than 5 years <input type="checkbox"/> 2. 5-10 years <input type="checkbox"/> 3. 11-15 years <input type="checkbox"/> 4. 16-20 years <input type="checkbox"/> 5. More than 20 years <input type="checkbox"/>
2. Female <input type="checkbox"/>	4. 51-60 <input type="checkbox"/> 5. More than 60 <input type="checkbox"/>			

2. The following is a list of items relating to the principles of corporate governance. Please state the extent to which you agree/disagree with the following items as they exist in your company.

(Please put a tick mark (✓) in appropriate box in following statements indicating how strongly you agree or disagree to the statement.

Q6	Board Size	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
6a	Smaller board enhances organizational performance.	5	4	3	2	1
6b	Larger size boards are more adept in the provision of resources.	5	4	3	2	1
6c	Large board of directors is prone to more conflicts among board members which makes it difficult to reach agreements	5	4	3	2	1
6d	The firm benefit from larger boards since they provide effective oversight of management and increase resource availability in the organization which leads to the	5	4	3	2	1

	improvement of organizational performance					
6e	A larger board will bring more expertise and experience to the board.	5	4	3	2	1

2 B.	<i>Board Independence</i>	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
7a	The number of executive directors is higher than that of Non-Executive Directors..	5	4	3	2	1
7b	The board is more independent when the proportion of outside directors increases..	5	4	3	2	1
7c	Executive directors are better placed in handling the affairs of the organization since they have a deeper understanding of the organizations Operations	5	4	3	2	1

2C	<i>Board Diversity</i>	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
8a	Appointment of board members has always considered a mix of skills required in the stewardship of the organization.	5	4	3	2	1
8b	The organization's board appointment process has been political	5	4	3	2	1
8c	A member's academic qualifications have been considered before for appointment to the organization's board	5	4	3	2	1
8d	All stakeholders have been involved in the appointment of the Board.	5	4	3	2	1
8e	The board has been composed of both genders.	5	4	3	2	1
8f	All Board members have had relevant industry experience required to steward the organization.	5	4	3	2	1

2D	<i>Number of board committees</i>	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
9a	There is an audit committee established on the board.	5	4	3	2	1
9b	Independent committees would focus on improving the company	5	4	3	2	1

	competitiveness and performance.					
9c	Audit committee are not effective against risk they are just overloaded	5	4	3	2	1
9d	The existence of independent committees enhances financial performance of the organization.	5	4	3	2	1

Q3	<i>Board meeting held in a year</i>	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
10a	There is poor attendance in board meetings.	5	4	3	2	1
10b	All the Board meetings have been relevant to the organization's mandate.	5	4	3	2	1
10c	The Board meetings have been chaired by board members with the relevant qualifications.	5	4	3	2	1
10d	There have been other members attending Board meetings even when they are not gazetted as its members. The number of board meetings has an influence on firm performance	5	4	3	2	1

Q3F	<i>Innovative Culture</i>	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
11a	My organization culture is challenging.	5	4	3	2	1
11b	My organization culture is creative.	5	4	3	2	1
11c	My organization culture is enterprising.	5	4	3	2	1
11d	My organization culture is stimulating.	5	4	3	2	1
11e	My organization culture is driving.	5	4	3	2	1
11f	My organization culture is risk taking.	5	4	3	2	1
11g	My organization culture is result oriented.					
11h	My organization culture is pressurized					

Q3G	<i>Organizational Performance</i>	5 Strongly Agree	4 Agree	3 Neutral	2 Disagree	1 Strongly Disagree
12a	The number of new product in my	5	4	3	2	1

	organization increase within the last 3 years					
12b	My organization market share increase significantly within the last 3 years	5	4	3	2	1
12c	My organization market development increase significantly within the last 3 years	5	4	3	2	1
12d	My organization quality of product/services of organization increase within the last 3 years	5	4	3	2	1
12e	My organization employee commitment or loyalty to the organization increases within the last 3 years	5	4	3	2	1
12f	My organization employee productivity increase within the last 3 years	5	4	3	2	1
12g	My organization personnel development increase the last 3 years					
12h	My organization employee job satisfaction increase the last 3 years					

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