THE EFFECT OF CORPORATE GOVERNANCE PRACTICES ON COMPANY'S FINANCIAL PERFORMANCE: THE CASE OF BAKHRESA GROUP OF COMPANIES IN TANZANIA

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A DISSERTATION SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN LEADERSHIP AND GOVERNANCE

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CERTIFICATION

The undersigned certifies that she has read and recommends for acceptance by the Open University of Tanzania a Dissertation titled; **“The Effect of Corporate Governance Practices on Company’s Financial Performance**” in partial fulfilment of the requirements for the award of the degree of Master of Business Administration in Leadership and Governance (MBA).

……………………………………..

Dr. Janet N. Isanzu

(Signature)

……………………………..………

Date

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DECLARATION

I, **Joseph Samson Nayingo,** declare that, the work presented in this dissertation is original. It has never been presented to any other University or Institution. Where other people's works have not been used, references have been provided. It is in this regard that I declare this work as originally mine. It is hereby presented in partial fulfillment of the requirements for the degree of Master of Business Administration in Leadership and Governance (MBA).

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Signature

19/05/2025

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Date

DEDICATION

This dissertation is dedicated to my Parents the late Samson M. Nayingo and Fortunata G. Kigiri. Moreover, I dedicate it to my wife Christina T. Mwalla and my children Grace, Timothy and Doxa for their lovely support and prayers during the entire period of study.

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ABSTRACT

This research sought to examine the effect of corporate governance practices on company's financial performance in Tanzania. The specific objectives were to determine the effect of transparency, independence and accountability on company's financial performance. The study used a quantitative research approach using a cross-sectional design. The study used stratified random sampling where employees were grouped and then randomly picked to participate in the study. Primary data were collected using self-administered questionnaires. A total of 90 completed questionnaires were returned. Descriptive and inferential statistics were computed to describe characteristics of each study variable. Multiple regression analysis was used to establish causal relationships between variables. The study findings indicated that Transparency, Independence and Accountability have positive effect on company's financial performance. The study concludes that transparency, independence and accountability are crucial for enhancing financial performance. The study recommends that the management should disclose profit and loss and other relevant information to stakeholders to ensure there is transparency within the company's operations, clearly define the roles of employees, have proper composition of the board and comply to the company's mission, values, goals to ensure there is accountability and emphasize operating structure to each board member and committee in all aspects that aid independence within the company's operations.

Keywords: *Financial Performance, Accountability, Independence, Transparency*

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LIST OF ABBREVIATION

BoD	Board of Directors
CEO	Chief Executive Officer
CG	Corporate Governance
SPSS	Statistical Packages for Social Sciences
URT	United Republic of Tanzania

CHAPTER ONE

INTRODUCTION

1.1 Chapter Overview

This chapter of introduction comprises of background of the problem, statement of the research problem, research objectives, research questions, significance of the study, limitations and scope of the study and finally organization of the study.

1.2 Background of the Problem

Corporate governance facilitates in providing direction on how organizations are managed and controlled to improve company image, increases shareholder's confidence and reduces the risk of fraudulent activities (Wei *et al* 2023). Any company's success dependent on corporate governance practice of its ability to ensure transparency, accountability and disclosure of information in order to protect the interests of various stakeholders in a relation to the organization goal (Padgett, 2022). The need for good corporate governance has gained importance due to the high-profile corporate crisis and collapses experienced in the recent past across the globe (Popa, 2019). Good corporate governance is also important for increasing investor confidence and market liquidity (Ren, 2024).

In developed countries such as South Korea, United States and Germany, shareholding is rather concentrated making corporate governance problems, less frequent and apparent and has resulted to insufficient attention paid to risk management, inconsistent distribution of duties and responsibilities (Choi, Szewczyk & Chhabria, 2019). The Asian crisis and the observed poor performance of the corporate sector in Asia has brought a new attention to the concept of corporate governance (Dalton *et al*., (2023). In New Zealand, existing corporate governance standards failed to provide checks and balance to companies needed in order to cultivate sound business practices. In such different firms launched an ambitious action plan to develop a set of recommendations for improvements in priority areas such as remuneration, risk management, board practices and the exercise of shareholder rights (Reddy, Locke, & Scrimgeour, 2021).

In Africa especially Ghana, practicing corporate governance with legal and regulatory reforms, education and training of employees, stakeholders' engagement and international auditing standards still experiencing unprecedented volatility, complexity and ambiguity which have made succeeding staggering task (Cris, 2023). Ghana has been proactive in adopting measures to improve corporate governance, which is reflected in revised corporate governance codes and regulations aimed at enhancing transparency and accountability (Antwi et al., 2022; Coleman & Wu, 2021). However, the country has weak corporate governance systems such as poor internal control mechanisms, internal controls override, non-compliance with legal provisions, lack of risk management systems, insider abuses and fraud.

In South Africa, poor of robust corporate governance system among companies which hinder the public trust threatening their financial profitability and survival (Spira & Slinn, 2023; 2013). Board meeting frequency, audit committee size and audit committee meeting frequency have been maintained in relations to the financial performance in Kenya. But the connection between corporate governance and financial performance remains unattested across many sectors (Kumudini, 2019).

In Tanzania, organization operates its activities in accordance to the framework for corporate governance of transparency, integrity, probity, independence, fairness, accountability and corporate social responsibility (Nyaki, 2013). Apart from the fact that, these frameworks were being adapted by many corporations, most of them failed to meet their objectives due to various problems such as corruptions, misappropriation of funds and theft, untrustworthy management and lack of accountability in such framework (URT, 2023). Corporate governance at its broadest covers constraints on corporate decision-making, managers are not act in the shareholders' interests (Magali, 2024).

In order to respond to the agency problems created by separation of ownership and control, it requires good governance and involves various mechanisms within the institution and in the marketplace (Farooq *et al*., (2022). In addition, there has been a call for stronger shareholder and stakeholder rights in order to hold boards to account, strengthening internal audit, and an emphasis on sustainability and long-term strategic considerations (Kumar & Singh, 2023). But accountability and the exercise of legitimate power over the corporation does not prove its intended outcomes (Gyamerah & Agyei, 2021). Thus, it is for these reasons that the study aims at determining the effect of accountability, independence and transparency as proxy of corporate governance practices/measures on company's financial performance by using Bakhresa group of companies.

1.3 Statement of the Problem

Corporate governance practice enhances financial performance of a firm as it improves management accountability, transparency and fulfils investors' expectations while increase confidence to management (Gyamerah & Agyei, 2021). But cooperate governance practice in most organizations do not appear at a level to reflect to labor rights and rules of law during firm operations that promotes accountability and transparency as such result to frauds and corruptibility at institutional and individual levels (URT, 2023). As indicating internal audit control is low at 35% implied that most of the organizations do not disclose adequate information during auditing process. Many organizations have been implementing reforms to improve corporate governance since 1990 with success in many areas, the successes however have not been able to eradicate practices such as corruption, lack of corporate democracy, presence of weak judicial system and poor management where by directors have been acted in bad faith towards their stakeholders (Fulgence, 2024).

Despite of reforms made by the organizations to align with corporate governance framework, the industry has witnessed in the past the collapse of some companies like the Supermarkets, Insurance and Commercial banks and also reduce employments of people from such collapsed firms (Fulgence, 2024). Codes of corporate governance have been emphasized as a recovery solution for business misconducts done by corporates (Magali, 2024). These scandals clearly point out on the need for presence of corporate governance practices for better financial performance.

Also, some efforts of financial disclosures were significantly worked out to folded up corporate governance problems and weak corporate governance. But poor firm financial performance, risky financing patterns and conducive for macroeconomic crises still exist (Ren, 2024). Therefore, this study sought to bridge this gap by examining the effect of corporate governance practices on company’s financial performance in Tanzania.

1.4 Objectives of the Study

The study had a general objective and three specific objectives as here under:

1.4.1 General Objective of the Study

The study aimed at examining the effects of corporate governance practices on company’s financial performance.

1.4.2 Specific Objectives of the Study

i. To determine the effect of transparency on company’s financial performance.
ii. To determine the effect of accountability on company’s financial performance.
iii. To determine the effect of independence on the company’s financial performance.

1.5 Research Questions

i. What is the effect of transparency on company’s financial performance?
ii. What is the effect of accountability on company’s financial performance?
iii. What is the effect of independence on company’s financial performance?

1.6 Significance of the Study

The study is significant to all corporations; this is because it is able to provide the extent at which the use of good corporate governance practices leads to high financial performance. Through the study recommendations, corporates are able to improve their working conditions for better financial performance. The outcomes of the study benefit both private and public sectors in improving financial performance and the government will be in position to implement different activities and development projects through the increased level of revenue. Moreover, the findings are significant to the scholars carrying out further studies on the subject matter and the policy makers, particularly trade and investment policies.

1.7 Scope of the Study

The scope of this study was limited to the effect of corporate governance practices on company's financial performance in Tanzania. Specifically, the study assessed the effect of transparency on company's financial performance, effect of independence on company's financial performance and the effect of accountability on company's financial performance. The study was conducted at Bakhresa group of companies' offices in Dar es Salaam. The choice of the area was due to the fact that most of the Bakhresa's firms are also based in Dar es Salaam.

1.8 Organization of the Study

The study has five chapters; chapter one introduces the study by offering the background of the problem, the statement of the problem, objectives of the study, research questions, and significance of the study and the scope of the study. Chapter two reviews the literature related to the study, it offers the theoretical literature review and empirical literature review where the research gap is developed; the chapter also shows the conceptual framework of the study. Chapter three explains the methodology of the study by discussing the research design, research approach, area of the study, target population and sampling. The chapter also discusses the types of data collected and how they were analyzed. Chapter four of the study presents the findings obtained in relation to the specific objectives of the study; the findings have also been discussed in relation to the previous studies. Chapter five has finalized the study by offering the summary of findings, the conclusion in relation to each specific objective and the recommendations. The chapter has also indicated some areas for further study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Chapter Overview

This chapter reviews different literatures in accordance to the study objectives. It has definition of key terms, theoretical literature review, empirical literature, research gap as well as the conceptual framework indicating the relationship between variables.

2.2 Definition of Key Terms

2.2.1 Accountability

Hall (2021) defines accountability as a fundamental element of all societies and the organizations that operate within them. It is an obligation or willingness to accept responsibility or to take account for one's actions. Accountability should include answerability to immediate supervisors and managers. Chen (2022) defines corporate accountability as public company's performance in non-financial performance areas such as social responsibility, sustainability and corporate governance. A company must be accountable to its employees and community members in addition to making profits for its shareholders.

According to Neogov (2020), organizational accountability is about defining the company's mission, values, and goals as well as everyone's practice in working toward them. Holding all levels of employees (from the part-time hourly worker to the executive) responsible for accomplishing business goals. The definition by Neogov (2020) is the best because it tells the culture, values, ethics and goals of the company from which company's stakeholders (employees, distributors, suppliers, shareholders and the community at large) align their goals with that of the company.

2.2.2 Transparency

Janning, *et al.*, (2020) define transparency as an information mechanism for trust, justice and prudency. Specifically, transparency is associated with the need for the stakeholders to have the quality information in order to optimize their decisions. Arceiz *et al* (2017) state that the organization supplies voluntary information to its stakeholders in order to facilitate their collaboration in project management, promoting the creation of financial performance. Hanna (2017) defines transparency as to being open and honest. As part of corporate governance best practices, this requires disclosure of all relevant information such as financial statements so that others can make informed decisions. Therefore, latter definition is the best.

2.2.3 Independence

Fuzi, *et al* (2016) defines independent directors as the persons entrusted by the shareholders to represent them and will help to reduce agency problems. Non-executive directors of the board will not be able to exercise their duties effectively unless they are independent from the management and ensure they provide unbiased judgment. An independent director refers to a member of board of directors who does not have a material relationship with a company and is neither part of its executive team nor involved in the day-to-day operations of the company (Chang, 2021).

The studies of Zattoni, *et al.*, (2022) reported the supportive arguments that independent board of directors and firm performance have positive relationship. Company which empowers non-executive directors leads to their effective monitoring and therefore higher company's performance. Therefore, Fuzi's definition is the best out of the above three because it focuses of making unbiased decision for betterment of the owners and other stakeholders.

2.2.4 Financial Performance

Financial performance is the ability of the company to manage and control its own resources (Fatihudin, *et al.*, 2018). It further tells how big the company is able to create profit, the ability to pay debts, control debts and capital turnover. Kenton (2022) defines financial performance as the subjective measure of how well a firm can use assets from its primary mode of business and generate revenues. It further looks on the effective and efficient use of the company's resources by considering time taken to achieve the goals and customers' expectancy. So, this is the best definition because it is used as a general measure of firm's overall financial health over a given period.

2.2.5 Corporate Governance

Corporate governance is the system by which business corporations are directed and controlled (Chang, 2021). CG is the blended analysis of how well a particular organization accomplishes its goals. CG is the framework of rules, relationships, systems and process within and by which authority is exercised and controlled in corporations. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed and how performance is optimized.

2.3 Theoretical Literature Review

2.3.1 Principal Agency Theory

The study adopted Principal agency theory which is based on the idea that, the principal is incapable of performing all works and therefore hires an agent to carry out his works or activities, Sinclair (2013). Agency theory was developed by Jensen and Meckling (1976). They suggested a theory of how the governance of a company is based on the conflicts of interest between the company's owners (shareholders), its managers and major providers of debt finance. Each of these groups has different interests and objectives.

The main aim of this theory is to ensure the principle attains its goals through the use of the agent. In this relationship the principal delegates functions to the agent, who performs the delegated functions on behalf of the principal. The agent is expected to represent the best interests of the principal without regard to self-interest. The agent is using the resources of the principal. Therefore, the principal has entrusted money but has little or no day- to- day input. The theory highlights the importance of accountability and transparence of employees as agents to the owners of the business by setting the rules under which the agents operate and restore the company's interests. It further argues on how employees can be motivated to increase their morale set by the principal.

Despite the fact that the theory is important in showing how the agent performs the functions in the best interest of the principal without regard to self-interest, this theory has its shortcomings in addressing the alignment of the interests of the agent and principal. The different interests of principals and agents may become a source of conflict, therefore causing principal agency problems. Companies should seek to minimize these situations through solid corporate policy. Also, by using this theory, managers might only be interested in the short-term financial performance of the company, whereas shareholders have a greater interest in long-term value as measured by net present value.

Despite its weaknesses, the theory's strength is justified by its reliance on its ability to address complex relationships between principals and agents in various contexts. It provides a framework for understanding and designing contracts that align the preferences of the agent with those of the principal. This is particularly important when there is incomplete information about the agent or their subsequent actions. The theory also addresses the relational problems like self-interest and rent seeking behaviors, absence of minority shareholder's participation in decision making and lack of accountability of members. The theory is relevant to this study as it provides bases for the understanding the relationship between different parties in the management of different organizations in various countries, Tanzania in particular. In this study the Principal Agency Theory has been used as a supporting theory.

2.3.2 Stakeholder Theory

In 1984, R. Edward Freeman originally detailed the Stakeholder Theory of organizational management and business ethics that addresses morals and values in managing an organization. There has been a substantial rise in the theory's prominence since 1980s, with scholars around the world continuing to question the sustainability of focusing on shareholders' wealth as the most fundamental objective of business. Stakeholder theory redefines organization as an assemblage of stakeholders and its purpose is to manage the desires, interests as well as the perceptions of diverse stakeholders. It relies on the idea that an organization's effectiveness is determined by its capability to please not only the interest of the shareholders, but also the interests of other people who benefit from the organization. Stakeholders are generally divided into internal and external stakeholders. Internal Stakeholders are the corporate directors and employees who are involved in corporate governance process and external Stakeholders may include creditors, auditors, customers, suppliers, government agencies, and the community at large, Wicks, *et al.,* (2023).

The organization is required to know the requirements of their stakeholders and should struggle to attain it at the greatest expectations. Freedman *et al* (2007) opine that when the stakeholders are well treated, they tend to bring positive vibes and attitudes to the organization. A central premise of much of the literature on stakeholder theory is that focusing on stakeholders, specifically treating them well and managing for their interests, helps a firm create value along a number of dimensions and is therefore good for firm performance. Financial performance is important to many of a firm’s stakeholders, but it is not the only aspect of value that is important to stakeholders (Harrison, *et al.*, 2023).

This theory in applicable in many areas including disclosures of information amongst various stakeholders, it is also centered on mutual treatment among different stakeholders. The weakness of the theory includes difficulties in determining its status and justification, as well as its reliance on a pragmatic interpretation. The definition of stakeholders is often ambiguous, leading to inclusion of entities such as animals and terrorists as stakeholders. Imposing multiple fiduciary duties to stakeholders can be unethical and may result in moral hazard for managers. Also, the theory is criticized on the ground that the interests of the group are just too broad to realistically manage and that you cannot please everyone.

The theory's strength is that a company is only successful when it delivers value to its stakeholders because they have a direct impact to business, both positively and negatively. When employees feel valued, they work harder and a harder working employee means a more efficient business. That efficiency also means you will have happier, more satisfied customers who are more likely to remain loyal and recommend you to others. The theory seems to be the most important and the major one which guides the study since the study aims at how employees and other stakeholders practice corporate governance for the improved performance of the business. The theory tries to show the influences of stakeholders in resources generation and implementation of the corporate governance practices.

2.4 Empirical Literature Review

2.4.1 The Effect of Transparency on Company's Financial Performance

Global Perspectives

Azahari, *et al.,* (2024) conducted a study on the impact of financial transparency and corporate governance transparency on the performance of public listed companies (PLCs) in Malaysia. The primary respondents in this study were Managers in PLCs in Malaysia. The quantitative research approach was applied by disseminating the questionnaire created by the researcher via Google Form. A total of 243 completed questionnaires were returned. The Statistical Package for Social Science (SPSS) version 29 was used to analyze the independent and dependent variables relationship. The findings of the study indicate that financial transparency and corporate governance transparency have a significant impact on the performance of PLCs in Malaysia. The results of this study can guide organizations in making informed decisions and adopt strategies that promote transparency in order to enhance performance.

Nguyen (2023) conducted a study to examine the effect of board transparency on the financial performance of companies listed on the Vietnamese stock exchange with the mediating practice of market competition. Board independence was measured by the duality and non-executive members of the board. The study used the agency theory, resource dependency and stewardship theory. The study used secondary data from the financial statements of companies listed on the Vietnamese stock market with the collection period from 2021 to 2020. The data were analyzed through pooled least square squares (OLS). It was found out that Accountability is found to have a negative effect on the financial performance of listed firms. Meanwhile the statistical evidence showed that the percentage of non-executive board members and market completion positively affect the financial performance. This study focused on financial performance measured by independence, accountability and transparency.

African Perspectives: Wanjau, et al., (2022) conducted research to examine the effect of financial transparency on financial performance of companies listed in East Africa Security Exchange. Specifically, the study sought to find out the effect of financial policy on financial performance, the effect of investment policy on financial performance and the effect of liquidity disclosures on financial performance. Correlation research design and purposive sampling was used to select 73 which were listed from 2006 to 2021. The study used descriptive, correlation and regression analysis to analyze secondary data. The outcome of the study revealed positive and significant relationship between financial policy, investment policy, financial liquidity and financial performance. Positive and significant relationship between financial policy disclosure (transparency) and financial performance was in support of signaling hypothesis and agency theory.

Mbithi (2019) conducted a study on the effect of transparency and accountability on sustainability of the banking industry in Kenya. The study was guided by the agency theory, stewardship theory and the stakeholders’ theory which all provide key information to corporate governance practices and how interests of different stakeholders are taken care of. The type of design adopted by the study was descriptive design. The target population comprised 495 employees within the banking industry in Kenya. A representative sample of 222 respondents was selected. The study collected both primary and secondary data using a questionnaire and a data schedule. Collected data was analyzed using mean, standard deviation, percentages and frequencies. The study found that transparency, accountability, fairness and responsibility all have significant effect on sustainability of the banking industry. The study concluded that transparency and accountability have positive and significant influence on sustainability of the banking industry.

Tanzanian Perspectives: Marwa (2023), assessed the determinants of financial performance in Tanzania's public sector, a case study of Tanzania Telecommunications Company Ltd (TTCL). The objective is to identify key factors that influence the financial performance of TTCL and provide insights into strategies for improving financial outcomes in the public sector. The sample size employed was 30 respondents. The study utilized a mixed-methods approach, combining quantitative analysis of financial data and qualitative interviews with key stakeholders. The findings reveal several determinants that impact TTCL's financial performance, including revenue generation, cost management, investment in infrastructure, and regulatory environment. The study findings further suggest among other things promotion of accountability, financial responsibility, compliance with government standards, implementing an accountable and transparency process. The study concludes that public sector entities should enhance revenue streams, implement cost-saving measures and apply favorable regulatory policies to increase financial performance.

2.4.2 The Effect of Independence on Company's Financial Performance

Global Perspectives

Nadia (2021) conducted a study on sales growth and supervision of independent commissioners on financial performance. The study used Agency theory which explains that the agents must act in accordance to the principals' wishes and the Stakeholder theory which pay attention to the interests of other stakeholders in addition to the interest of the shareholders. Based on these two theoretical perspectives, the researchers conducted this study to examine whether CSR activities can affect the relationship between sales growth and independent commissioner's supervision on financial performance.

The study was conducted on 59 manufacturing companies listed on the Indonesian Stock Exchange (IDX) for 2022-2020. The study used multiple linear regression panel data. The outcome of the study proves that the higher the sales growth and the supervision of independent commissioners, the higher the financial performance. Related to the moderating practice of CSR, it proves that the increase in financial performance due to increased sales growth will weaken in companies with extensive CSR activities.

African Perspectives: The study done by Marus, *et al*., (2021) examined the effect of corporate governance on firm's financial performance amongst private business enterprises in Uganda. The study objectives were to assess the effect of board diversity on the firm's financial performance, to determine the effect of board communication on firm's financial performance, to establish the effect of board integrity on firm's financial performance and to determine the relationship between corporate governance and firm's financial performance. The study used descriptive and survey design and a mixed method approach which involved both qualitative and quantitative techniques was also used.

The study found out that corporate governance significantly influences financial performance of hotels and manufacturing firms in Lira City. It was established that firms whose boards demonstrate high integrity were likely to register positive changes in their financial performance than firms whose boards do not. It was also noted that independence of the BoD contributes to firm's performance and growth, therefore, firm owners should leave boards to operate independently. In so doing, the board will remain focused on the long-term goals of the firm. The firm owners should also be careful in selecting board members who know their responsibilities instead of attracting many that would increase the firm's liabilities.

Cherbi, (2023) conducted research on board independence and financial performance of listed Moroccan Banks. The study included panel of data from six Moroccan banks listed on the Casablanca stock exchange for the period from 2019 to 2021. Using panel data regression method (OLS and fixed effects model) to test the effect of board independence on financial performance, the study found a negative and significant association between the proportion of independent directors and return on assets (ROA) and positive and insignificant relationship with the return on equity (ROE). This implies that the appointment of independent directors, as an isolated act, does not significantly enhance performance.

Chol (2022) did research on corporate governance attributes of board independence and board education as predicators of financial performance of banks in South Sudan. This study used agency theory. The data were obtained from the central bank records. Multiple regression analysis was used to analyze data. The research findings indicated a significant predictive relationship between the corporate governance attributes of the level of board independence and the level of board education and the financial performance of banks in South Sudan.

Tanzanian Perspectives: A study carried out by Solomon (2021) in Tanzania examined the impact of corporate governance of a firm performance. Three elements of corporate performance were involved namely board of directors' size, board of directors' composition (board independence and gender and geographical diversity) and audit committee composition (educational background and experience in microfinance issues) were assessed to find out their relations to microfinance institutions financial performance. The study used a cross-sectional design, in which data were collected at a single point in time.

Quantitative data were collected from 80 Management managers of microfinance institutions under study. Descriptive, simple and multiple regression analyses were done to get general information. The study found out that corporate governance influences the financial performance of micro financial institutions and recommended that micro financial institutions and policymakers should ensure that the board of directors be independent with the gender diversity and the audit committee be composed of members who are experts in accounting/auditing to enhance performance.

2.4.3 The Effect of Accountability on Company's Financial Performance

Global Perspectives

Khafid, *et al.*, (2017) examined the mediating practice of accountability in the influence of cooperative characteristics on its financial performance, accountability being an intervening variable. The population of the study was from Koperasi Pegawai Republic Indonesia registered in the Office of Cooperatives and SMEs of Semarang Municipality. The study used purposive sampling using 38 cooperatives that met the criteria. Data were analyzed using regression analysis with path analysis and sobel test to determine the significance of the intervening variables.

The outcome of the study showed that variables such as cooperative size, cooperative age and leverage have no influence on financial performance. The cooperative size and age have an influence on financial performance through the mediating practice of accountability variable. The data analyzed using regression analysis with path analysis and sobel test to determine the significance of the variable cannot mediate the influence of leverage on financial performance, the quality of financial reporting and organization performance through a better accountability system. It was also found that, in order to achieve financial management accountability cooperatives should submit financial accountability reports that are timely and prepared in accordance with generally accepted government accounting standards.

Mulyasari *et al* (2022) highlighted on the financial accountability, organizational performance improvement through culture control and accountability. The study focused on performance contracts and the use of performance measurement systems that can affect the performance of government organizations. The study noted that the performance reports submitted in the form of Government Institution Performance Accountability Report (LAKIP) have been biased, the reports did not portray the reality in the field. The sample used was 145 respondents in the Banten Province. The results were contractibility positivity affects the performance of public sector organizations, culture control positively affects the performance of public sector organizations and the performance of the organization positively affects the financial accountability.

African Perspectives: Kule, *et al.*, (2022) conducted a study to establish the association between Financial Accountability and Financial Performance of Savings and Credit Cooperatives (SACCOs). The study used cross-sectional research design and positivist paradigm to collect data from 93 SACCOs located in Mid-Western Uganda using closed-ended questionnaire. Also, a standard linear regression analysis was used. Out of the target population of 122, a sample of 93 SACCOs was selected using simple random sampling technique. The study established a significant association between financial accountability and financial performance. The study recommends that; management should consider financial accountability as a key driver of financial performance of SACCOS. It also suggests a need for the government to advocate for effective financial accountability to ensure that SACCOS attain sustainable financial performance.

Denis, *et al.,* (2024). Conducted the research on the effect of board accountability on financial performance of selected SACCOS in Kiruhura District, Uganda. A cross sectional survey research design was employed, adopting quantitative and qualitative approaches. A total population of 342 people was used at a confidence level of 95% or error of 0.05 and the sample size was 184 respondents who involved the staff and members taken from the six SACCOS registered in Kiruhura District. The findings revealed that the effect of board accountability on financial performance was found to have a negative effect on financial performance.

Tanzania Perspectives: Likangaga (2023) examined how accountability indicators predict service delivery in local government authorities in Dodoma. The study used a cross-sectional design with a sample size of 399 respondents comprising of Village Council and Street Committee members. The study used both qualitative and quantitative approaches in collection and analysis of data. It was found out that regular reporting, clear goals and proper use of funds were significant indicators of accountability that predict service delivery while learning from mistakes, treasury rules and regulations, promptness, misconduct and wrongdoing were not significant predictors of service delivery.

The study therefore recommends to the responsible Local Government Authorities (LGAs) to emphasize goal- setting and proper use of funds, involve all actors in setting goals and have more than one official to authorize payments. The study further recommends establishment of committees responsible for monitoring activities along with implementing client service charter to ensure accountability is well observed in LGAs.

2.5 Research Gap

From the reviewed theory and literature review, there is evidence that companies' involvement in corporate governance practices in solving their own problems is crucial. It is observed that companies deal with corporate governance practices in various ways in accordance with the contextual appearances and problem that has appeared. The existing literature shows that involvement of companies in engaging good and effective corporate governance practices is more crucial in helping them improve financial performance. These include Laswai (2017), Matinde (2023), Mavika (2023), and Matemu (2020).

But it is true that board size, board composition, ownership structure, duality and diversity of the body on financial performance cannot work alone, they need all corporate governance practices to work together despite the fact that only few studies have attempted to investigate companies' involvement in accountability, independence and transparency as key variables in improving financial performance. Most of the available studies have not specifically analyzed corporate governance practices involving accountability, independence and transparency in improving financial performance in Tanzanian context. This is why this study wants to assess the effect of corporate governance practices on company's financial performance: the case of Bakhresa group of companies in Tanzania.

2.6 Conceptual Framework

According to Matemu (2020), conceptual framework refers to ideas and concepts that have been ordered in such a way that, they can be communicated to others. It shows how dependent and independent variables are related. The conceptual Framework was developed in order to build up a foundation that assisted the study to conceptualize the problem and find out suitable tools that could be employed in conducting the study. The framework makes a reference to a review of related literature, data collection, data presentation, data analysis, interpretation, discussion and finally conclusion. The relationship used in this conceptual framework is as summarized below: -

Independent Variables **Dependent Variable**

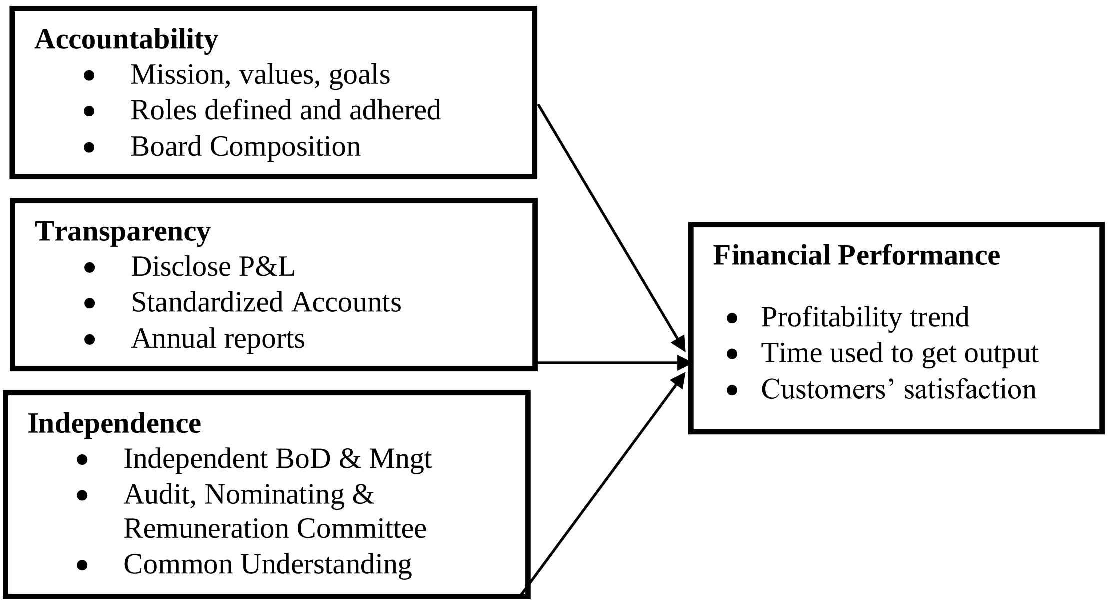

Figure 2.1: Conceptual Framework

Source: As conceptualized by the researcher, (2024).

The conceptual model shown in Figure 2.1 was founded on the arguments discussed in the empirical review section 2.4. The model is based on the research objectives under section 1.4.2 and research questions outlined in section 1.5 of this report. The model evidently displays the different study variables namely transparency, independency and accountability and their effect on financial performance.

2.7 Justification for the Variable and their Interconnections

The conceptual framework depicts the independent variables as transparency, accountability and independency. The indicators for transparency include disclose profit and loss, standardized accounts and annual reports. The indicators of accountability include mission, values, goals, practices defined and adhered and board Composition. The indicators for independency include independent board of director and management, audit, nominating and remuneration Committee and common understanding. The dependent variable is Financial Performance which is indicated by profitability trend, time used to get output and customers' satisfaction.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Chapter Overview

Chapter three provides detailed analysis of the methodologies which are used by a researcher to collect data, analyze and presenting. It includes research philosophy, research approach, research design, population samples, data collection methods, tools and techniques, ethical consideration, validity and reliability.

3.2 Research Philosophy

Research philosophy refers to a system of beliefs and assumptions about the development of knowledge. Saunders, Lewis and Thornhill (2015) argue that the way the researcher expands knowledge have a momentous effect on how the researcher conducts the research. This is due to the fact that that research philosophy guides the choice of research design, research approach, sample size and sampling techniques, data collection technique, data validation techniques, data analysis methods etc. Literature shows that there are three types of research philosophies namely; positivism, interpretivism and ethical realism Ryan, Gemma (2022). In this study the researcher used positivism research philosophy.

The researcher believes that it is possible to measure the effect of accountability, transparency and independence on company's financial performance because there is only one reality. Moreover, the acquisition of knowledge of the effect of corporate governance practices on company's financial performance is an objective process, which can be measured so as to provide report that is objective, reliable and providing useful knowledge. Therefore, this study tested for the effect of corporate governance practices on the company’s financial performance in Tanzania.

3.3 Research Approach

Creswell (2018) describes a research approach as the plans and procedures for research that spans the steps from broad assumptions to detailed methods of data collection, analysis and interpretation. This study used quantitative research approach that involved the judgment about the success of the program and in view of the nature of the problem under study and to accomplish the objectives of the study. Quantitative research approach was found to be appropriate to assess the effectiveness of the specific objectives under study.

3.4 Research Design

Plano, *et al.,* (2019) defined research design as a technique of inquiry meant to generate answers to the study's questions. It describes the researcher's options, from the creation of research questions and their applications through real data analysis. The study employed a cross sectional research design. The cross-sectional research design employs a methodology in which only one analysis is carried out at a single predetermined period. The same is preferred due to its descriptive properties as well as for assessing the relationship between the variables. The information collected reflects the defined time since it is collected from a particular set of respondents at a given specific time (Wang, Jeng, & Peng, 2020).

3.5 Area of the Study

The study was conducted in Dar es Salaam, specifically at Bakhresa group of companies’ offices, one of big and popular companies operating in many sectors in

Tanzania. The study was carried out at these areas because most of the Bakhresa companies are concentrated in Dar es Salaam and the researcher's familiarity and financial convenience and hence eases data collection.

3.6 Population of the Study

Shukla (2020), population is a set of all units which possess variable characteristic under study and for which findings of the research can be generalized. It is a collection of related occurrences, events, respondents, or other crucial components of an experiment or problem. The study was conducted at the Bakhresa group of companies in Dar es Salaam. The study population had a total of 200 employees from Accounting Department 15, Sales and Marketing 20, Human Resources 20, Transport and Logistics 50, Management (HQ) 25 and Operations Department 70.

3.7 Sample Size and Sampling Procedures

3.7.1 Sample

According to Shukla (2020), a sample is a part of population that represents all kinds of characteristics of different types of units of population. The sample must be gathered in order to draw inferences and conclusions (McCombes, 2023). The researcher engaged at least one employee from each department of the group of companies to participate in the study.

3.7.2 Sample Size

Kibuacha (2021), Sample size is a research term used for defining the number of individuals included in a research study to represent a population. In this study, simple random procedure was applied to obtain the sample size. Sample size was calculated using Yamane (1967) sampling method. The sample was estimated to be two hundred (200) employees. Using Yamane's (1967) formula, the sample size was calculated as follows:

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

Where N = Total population (Household heads)

e = Sample error (0.05)

Total population (Household heads) (N) = 200

$$N = \frac{200}{1 + 200(0.05)2}$$

$$N = 133$$

The sample size was equated to 133 respondents.

3.7.3 Sampling Procedures

The study used stratified random sampling whereby employees from different departments of Bhakresa group of companies were grouped and thereafter randomly picked to participate in the study. Stratified random sampling is a sampling procedure used by the researcher to divide a bigger population into subgroups or strata, which can further be used to draw samples using a random sampling method, Elfil, *et al.*, (2017). In this study the population was subdivided into subgroups according to demographic characteristics such as gender, level of education, age and work experience from different departments.

3.8 Data Collection Instruments

The study used questionnaire as a data collection tool. According to McLeod (2018), a questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents. Questionnaires can be thought of as a kind of written interview. They can be carried out face to face, by telephone, computer or post. Questionnaires provide a relatively cheap, quick and efficient way of obtaining large amounts of information from a large sample of people. During the survey, the researcher used closed ended questionnaires to get information from the company employees from various departments/sections. All respondents were given opportunities to fill in the questionnaires and the researcher was available to guide respondents.

3.9 Data Analysis

Data analysis, according to Cooper and Schindler (2019) is a system for processing and converting statistical data gathered in the field into useful information for decision-making. In-depth analysis was carried out in this study utilizing only quantitative methods, including both descriptive along with the inferential statistical analysis. The raw data were collected through questionnaires and broken down into simple parts with the help of Statistical Packages for Social Sciences (SPSS). Facts were gathered, uniformly grouped and put into the tables to obtain percentages for the purpose of interpretation to determine the inherent facts. The findings were analyzed and interpreted with respect to research problems, objectives and research questions. The information obtained in literature review process was used to supplement information collected from respondents.

Additionally, the relationship between variables was established through multiple regressions. Regression analysis was used to describe the existing relationship between study variables. Multiple regression is a statistical technique that can be used to analyze the relationship between a single dependent variable and several independent variables (Bevans, 2020). The objective of multiple regression analysis is to use the independent variables whose values are known to predict the value of the single dependent value (Mc. Leod, 2023). Therefore, the model guiding the analysis is illustrated as follows:

$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \varepsilon$ ………………. Equation 3.1

Whereby,

Y is Financial Performance,

X1 is Transparency,

X2 is Independence

X3 is Accountability,

β1- β3 are coefficients of the independent variables

β0 is Constant

ε is the error term.

3.10 Expected Outcome

The study shows how corporate governance needs the components like accountability, transparency and independence in making informed decisions and solving some organizational problems, having outcomes/results that benefit stakeholders and shareholders. The outcome expects to benefit students and other scholars on carrying out further studies due to laying down the foundations upon progress. Furthermore, the outcomes of the study are expected to go to clients, firms/ organizations and Government through improved understanding of the operations and performance of the organizations.

3.11 Data Validity and Reliability

According to Middleton (2019), reliability and validity are concepts used to evaluate the quality of research. They indicate how well a method, technique or test measure something. Reliability is about the consistency of a measure and validity is about the accuracy of a measure.

3.11.1 Data Validity

According to Raimo (2022), data validity refers to the degree of confidence that the causal relationship being tested is trustworthy and not influenced by other factors or variables. It refers to the extent to which an instrument measures what it asserts to measure and the results thereof can be applied to other situations, groups or events. Lelissa (2022). Data validity is important for making informed decisions and preventing errors.

3.11.2 Reliability

Reliability test is the measurement of the stability, precision and consistency of questionnaires, interviews or survey results (Cooper & Schindler, 2019). A reliability test is important because it ensures the internal consistency of a research instrument is stable, relevant and dependable to yield similar results in case of repeated trials by different researchers (Mohajan, 2017). In this study, internal consistency of the research instrument was measured using Cronbach's Alpha. The researcher conducted a pilot study using 15 participants and a questionnaire with 33 items, which had an overall Cronbach's alpha value (α) of 0.747. This was above the recommended value of 0.700 and therefore was considered adequate for the study. The threshold for reliability testing of the instrument was informed by Cronbach's argument that an alpha value (α) equal to 0.5 or greater than 0.7 was enough to make inferences in research (Cronbach, 1951). The results of the pilot study are summarized in Table 3.2

Table 3.1: Results of the Reliability Test of the Research Instrument

Variable	Number of items	Alpha (α)	Conclusion
Transparency	7	0.761	Reliable
Independence	8	0.631	Reliable
Accountability	8	0.851	Reliable
Aggregate score	**7.667**	**0.747**	

Source: (Pilot Test Data, 2024).

Table 3.2 shows Cronbach's Alpha was 0.75. This result was significant and it showed that the data were reliable. As a measure and criterion related to reliability, results of the instrument were compared to earlier scholars such as Khashman (2021) who used a tool with an Alpha value (α) of 0.750 while Kaygusuz, Akgemci & Yilmaz (2021) got an alpha value (α) of 0.61. Consequently, the results indicate that study variables were within requisite criterion for reliability testing, hence were acceptable for further analysis.

3.12 Ethical Considerations

According to Arifin, (2018), ethical consideration is the protection of human subjects through the application of appropriate ethical principles in all research study. As such letter from OUT sent to the management of Bakhresa group of companies. requesting to collect data from his office. To ensure the privacy of the respondents and organizations, a researcher informed them that the study was for academic purposes. A researcher insured the respondents that when collecting data, no effect upon activities of the respondents being conducted. Research guidelines in conducting research were adhered to and given priority in order to maintain confidentiality. The researcher also informed the respondents that the process was voluntary and therefore had the option to either take part or deny.

CHAPTER FOUR

DATA PRESENTATION, INTERPRETATION, ANALYSIS AND DISCUSSION

4.1 Chapter Overview

This chapter presents the response rates and demographic characteristics of the respondents under study. Both descriptive and inferential statistics were analysed. Content analysis were also analysed and were presented using a continuous narrative analysis. The main aim of data analysis is to answer the research questions and help to determine the existing relationship among variables under the study. Generally, the study assessed the effect of corporate government practices on company's financial performance in Tanzania. The chapter ends with the summary of the study findings.

4.2 Response Rate and Respondents' Demographic Characteristics

This section provides a quantitatively summarized collection of information and results on responses obtained from the field and demographic characteristics of the population of interest and variables under study.

4.2.1 Response Rate

The research was interested in collecting responses from employees through department at Bakhresa group of companies in Tanzania. The sample for the research was 133 participants. The study was able to obtain 67.7% (n = 90) with only 32.3% of the intended sample not participating in the research. Kothari (2019) indicated that a response rate of above 60% can be considered as appropriate for a quantitative analysis.

Table 4.1: Results of the Response Rate

Targeted Departments	Sampled Departments	Number of Questionnaires returned	Number of Questionnaires Unreturned	Response Rate (%)
Accounting	Accounting	90	43	67.7
Sales and Marketing	Sales and Marketing			
Management	Management			
Operations	Operations			
Human Resources	Human Resources			
Transport & Logistics	Transport & Logistics			

Source: Research Data, (2024).

Table 4.1 shows the response rate in the departments or sections of Bakhresa group of companies were sampled in the study. The results further indicate that out of 133 questionnaires distributed to respondents, 90 usable responses were received from the field while 43 were not returned. The 90 returned questionnaires represented an acceptable response rate of 67.7%. 67.7 % response rate for the current study was considered adequate for reporting and analysis. The 43 unreturned improperly filled questionnaires comprised of 32.3%.

4.2.2 Demographic Characteristics of the Sample (n = 90)

The information collected on demographic characteristics in terms of gender, age group, education level and work experiences were assessed and findings presented in table 4.2. Table 4.2 shows the results of demographic characteristics and summary statistics of 90 respondents in the study. On distribution of respondents by gender, the research shows that 81.1% were male and 18.9% were female. The male respondents appeared to be highly more than female respondents. According to bureau of labor statistics (2022), most men dominate constructions and building, manufacturing, vehicle technicians or mechanics and carpentry. Therefore, these works need strong and energetic workforce.

Table 4.2: Demographic Characteristics of the Respondents

Variable	**Category**	**Frequency**	**Percentage (%)**
Gender	Male	73	81.1
	Female	17	18.9
	Total	**90**	**100**
Age group	18 - 30 years	50	55.6
	31-50	30	33.3
	Above 50	10	11.1
	Total	**90**	**100**
Education level	Certificate	46	51.1
	Diploma	20	22.2
	Degree	23	25.6
	Master degree	1	1.1
	Total	**90**	**100**
Experience	1 - 5 years	40	44.4
	5 -15 years	35	38.9
	Above 15	15	16.7
	Total	**90**	**100**

Source: Research Data, (2024).

On distribution of respondents by age, the research shows that 55.6% were below 30 years, 33.3% were between 31 and 50 years while 11.1% were above 50 years. The results illustrate that the company has youthful workforce which is vital to the company which serves as both as strong workforce and ongoing training. Thus, can ensure there is better development for their workforce thus expanding their productivity and reduce mass unemployment.

Regarding distribution of respondents by education levels, this research established that 51.1% had certificates, 22.2% were diploma holders, 25.6% were first degree holders and 1.1% of the respondents had a Master’s degree. The results show that most respondents had requisite qualifications for up to middle-level managerial positions. This is consistent with carrier paths requirements as set in different schemes of service/carrier progression guidelines for staff in the company. About distribution of respondents by work experience in the company, 44.4% of respondents had serviced in their respective area below 5 years, 38.9% had serviced between 5 to 15 years while 16.7% had serviced for years above 15. This reflects job security levels and how turnover rates that could be due to supportive work environments in the company.

4.3 Descriptive Statistics

This section is organized based on the four variables under study. Descriptive statistics were tested to measure the mean score and standard deviations. The findings for each variable are presented as follows.

4.3.1 The Effect of Transparency on Company's Financial Performance

The first objective of the study was to determine the effect of transparency on company's financial performance. The study adopted a 3-point Likert scale questionnaire ranging from 1 – Yes to 3 – Neutral. The results are on Table 4.3.

Table 4.3: The Effect of Transparency on Company's Financial Performance

Statement	N	Mean	Std. Dev
Has management disclosed profitability/losses over the period of five (5) years?	90	1.38	.728
Does the company publish annual reports?	90	1.40	.731
Are the published reports clearly understood by the stakeholders?	90	1.50	.851
Are accounts presented according to the agreed procedures?	90	1.52	.864
Does the company consistently disclose major and market sensitive information punctually?	90	1.52	.864
Are all stakeholders given the required information before decision making?	90	1.42	.793
Does the company have web-site where results and other announcements are updated promptly	90	1.19	.538
Average Score		**1.42**	**0.767**

Source: Research Data, 2024.

Table 4.3 shows that mean score for transparency is 1.42 while standard deviation was 0.767. This shows that respondents confirmed that transparency of the stakeholders in the organization contributes to financial performance and enables the organization to meet its needs. The statement that management disclosed profitability/losses over the period of five (5) years got the mean score of 1.38 while standard deviation was .728 indicating that that that the organization disclosed profitability after every 5 years.

The statement the company publishes the annual reports got a mean score of 1.40 and standard deviation was .731 indicating that the company publishes the annual reports. The statement that the published reports are clearly understood by the stakeholders got a mean score of 1.50 and standard deviation was .851indicating that the published reports are less understood by the stakeholders. The statement that accounts are presented according to the agreed procedures got a mean score of 1.52 and standard deviation was .864 indicating that accounts most likely not to be published according to the agreed procedures. The statement that the company consistently discloses major and market sensitive information punctually got a mean score of 1.52 and standard deviation was .864 indicating that the company does not disclose major and market sensitive information punctually.

The statement that all stakeholders are given the required information before decision making got a mean score of 1.42 and standard deviation was .793 indicating the response on the statement. The statement that the company has web-site where results and other announcements are updated promptly got a mean score of 1.21 and standard deviation was .571 indicating that the company has website. According to

Denise Probert (2024), financial transparency helps companies comply with regulatory requirements and accounting standards, reducing the risk of legal and regulatory issues. Transparency makes employs benefit from understanding the financial health of the company. Transparent communication about financial performance and boost morale and foster a sense of security among employs.

4.3.2 The Effect of Independence on Company's Financial Performance

The second objective of the study was to determine the effect of independence on company's financial performance. The study adopted a 3-point Likert scale questionnaire ranging from 1 – Yes to 3 – Neutral. The results are shown on table 4.4 shows the mean score for independence of the board and all stakeholders was 1.32 and standard deviation was 0.659. This shows that respondents confirmed that independence affects financial performance and has positive contribution. The statement that all players (BoD, management and stakeholders) have common understanding on business activities scored an average of 1.13 and standard deviation was .429 indicating that it contributed positively on financial performance.

Table 4.4: the Effect of Independence on Company's Financial Performance

Statement	N	Mean	Std. Dev
Do all players (BoD, management and stakeholders) have common understanding on business activities?	90	1.13	.429
Is the chairman independent, non-executive director?	90	1.29	.658
Does the company have an executive or management committee which is substantially different from members of the board?	90	1.37	.726
Does the company have an audit committee?	90	1.17	.525
Does the company have a remuneration committee?	90	1.28	.671
Does the company have a nominating committee?	90	1.30	.694
Are the external auditors of the company in other respects seen to be completely unrelated to the company?	90	1.31	.697
Does the board include no direct representatives of banks and other large creditors of the company? (Having any representatives is a negative)	90	1.72	.874
Average Score		1.32	0.659

Source: Research Data, 2024.

Respondents agreed on the statement that the chairman is independent, non-executive director and it had a mean score of 1.29 and the standard deviation was .658. The statement that the company has an executive or management committee which is substantially different from members of the board scored a mean of 1.37 and standard deviation of .726 indicating that the statement was agreed upon and contributed for financial performance of the company. The statement that the company has an audit committee scored a mean of 1.17 and standard deviation was .525 meaning that it is true that the company has the nominating committee.

The statement that the company has a remuneration committee scored a mean of 1.28 and the standard deviation was .671 indicating that it was true that the company had remuneration committee. The statement that the company has a nominating committee scored the mean 1.30 and a standard deviation was .694 indicating acceptance of the statement. The statement that the external auditors of the company in other respects seen to be completely unrelated to the company scored a mean of 1.31 and standard deviation of 0.548 indicating acceptance of the statement.

The statement that the board include direct representatives of banks and other large creditors of the company score a mean of 1.72 and a standard deviation of .874indicating moderating that there were no direct representatives of banks and other large creditors of the company hence the company was able to perform better by itself. This is in consistent that an independent director reduces the agency problem and be able to exercise the duties effectively and ensures that he provides the unbiased judgment, Fuzi, *et al.,* (2016).

4.3.3 The Effect of Accountability on Company's Financial Performance

The third objective of the study was to determine the effect of accountability on company's financial performance. The study adopted a 3-point Likert scale questionnaire ranging from 1 – Yes to 3 – Neutral. The results are shown on table 4.5 shows the mean score for accountability of the stakeholders was 1.35 and the standard deviation was 0.732 indicating confirmation that accountability leads to company's financial performance. The statement that the board members and members of the executive/management committee are substantially different scored a mean value of 1.38 and standard deviation was 0.787 indicating acceptance of the statement. The statement that the company has non-executive directors who are demonstrably and unquestionably independent scored a mean of 1.46 and standard deviation of 0.837 an indication that the statement was agreed upon for financial performance.

Table 4.5: The Effect of Accountability on Company's Financial Performance

Statement	N	Mean	Std. Dev.
Are the board members and members of the executive/ management committee substantially different?	90	1.38	0.787
Does the company have non-executive directors who are demonstrably and unquestionably independent?	90	1.46	0.837
Do independent, non–executive directors, account for more than 50% of the Board?	90	1.34	0.737
Are there any foreign nationals on the Board?	90	1.38	0.743
Are full board meetings held at least once a quarter?	90	1.42	0.793
Are board members well briefed before board meetings?	90	1.28	0.636
Does the audit committee nominate and conduct a proper review of the work of external auditors?	90	1.28	0.671
Does the audit committee supervise internal audit and accounting procedures?	90	1.27	0.650
Average Score	**90**	**1.35**	**0.732**

Source: Research Data, 2024.

The statement that independent, non–executive directors, account for more than 50% of the Board scored a mean of 1.34 and standard deviation of 0.737 indicating acceptance. The statement that there are foreign nationals on the Board had a mean of 1.38 and standard deviation of 0.743 meaning that respondents agreed with the statement. The statement that full board meetings held at least once a quarter had a mean of 1.42 and standard deviation of 0.793 indicating the acceptance. The statement that board members are well briefed before board meetings scored a mean of 1.28 and standard deviation was 0.671 indicates that the statement was agreed upon.

The statement that the audit committee nominates and conducts a proper review of the work of external auditors scored a mean value of 1.28 and standard deviation of 0.671 indicating the acceptance. The statement that the audit committee supervises internal audit and accounting procedures scored a mean of 1.27 and standard deviation was 0.650. This shows that the statement was accepted. According to Agaba Moses *et al* (2021), financial accountability and financial performance have a close connection. This is due to the fact that financial responsibility enhances financial performance.

4.3.4 Financial Performance

The fourth was dependent objective on financial performance measurements. The study adopted a 3-point Likert scale questionnaire ranging from 1 – Yes to 3 – Neutral. The results are shown on table 4.6.

Table 4.6: Financial Performance

Statement	N	Mean	Std. Dev.
Profitability trend of the company is high in terms of cash as time goes	90	1.20	.565
It takes less time for complaints handling in this company	90	1.30	.678
The number of outputs seems to increase as there are more demands	90	1.30	.661
More customers appreciate the service offered	90	1.36	.708
Average Score	**90**	**1.29**	**0.653**

Source: Source: Research Data, 2024.

Table 4.6 shows the mean score for financial performance of 1.29 and standard deviation was 0.653 indicating the confirmation that financial performance is really achievable using Bakhresa group of companies as case study. The statement that Profitability trend of the company is high in terms of cash as time goes scored a mean of 1.20 and standard deviation of 0.565 indicating the acceptance. The statement that the number of outputs seems to increase as there are more demands scored a mean of 1.30 and standard deviation of .678 an indicator of acceptance. The statement that number of outputs increase as there are more demands had a mean score of 1.30 and standard deviation 0.661. The statement that more customers appreciate the service offered had a mean score of 1.36 and standard deviation was 0.708 indicating acceptance.

4.4 Inferential Statistics

4.4.1 Test for Regression Assumptions

Prior to multiple regression analysis, 5 diagnosis tests were conducted to establish if the collected data in the study conform to requisite regression assumptions to ensure suitability of the model. The findings of the diagnostic tests are as follows.

4.4.1.1 Normality Test

Table 4.7: Test of Normality b,c

	Kolmogorov-Smirnov[a]			Shapiro-Wilk			Conclusion
	Statistic	Df	Sig	Statistic	df	Sig	
Transparency	0.395	28.667	0.000	0.452	28.667	0.000	Normally distributed
Independence	0.410	29.750	0.000	0.535	29.750	0.000	Normally distributed
Accountability	0.320	30.000	0.000	0.318	30.000	0.000	Normally distributed

Source: Research Data, (2024).

The study tested for normality of data to be used in the study. This test was conducted to verify whether distribution of data in a regression model is normal or not. These measures of shape were estimated using Kolmogorov-Smirnov[a] and Shapiro-Wilk. Here the assumption is if the P-value (quoted under Sig. for Kolmogorov-Smirnov[a] and Shapiro-Wilk) is less than 0.001 ($P < 0.001$), the data are said to be normally distributed. The results of the test were presented in Table4.7 The table shows that transparency, independence and accountability had normal distribution with Kolmogorov-Smirnov[a] and Shapiro-Wilk P-values less than 0.001. This shows that the variables met the threshold for normality test and hence were suitable to enable further analysis and drawing inferences.

4.4.1.2 Linearity Test

The study tested for linearity to determine whether relationship between the independent and dependent variables is linear or not. Thus, Pearson's Correlation Coefficient was applied as recommended by Yount (2006). The assumption is if the value sig. deviation from linearity is greater than 0.05, then the relationships between the independent variables are linearly dependent.

Table 4.8: Findings of the Test for Linearity

Variable	Measure	Financial Performance	Conclusion
Transparency	Pearson Correlation Sig. (2-tailed) N	.066 .470 90	Liner relationship
Independence	Pearson Correlation Sig. (2-tailed) N	.407 2.687 90	Liner relationship
Accountability	Pearson Correlation Sig. (2-tailed) N	0.423 1.954 90	Liner relationship

*Correlation is significant at the 0.05 level (2-tailed)
** Correlation is significant at the 0.01 level (2-tailed)
Source: Research Data, (2024).

Table 4.8 shows a significant linear relationship between the variables with transparency at 0.470, independence at 2.687 and accountability at 1.954. The results confirm the data were linear all P-values (Sig.) were more than 0.05 (P > 0.05), hence suitable for analysis and reporting.

4.4.1.3 Multicollinearity Test

The study tested for multicollinearity in the data to be used in the research. The study sought to verify whether there exists a high correlation between the independent and dependent variables in the regression model. Multicollinearity was tested using Variance Inflation Factor (VIF) and Tolerance Value. The assumption is if VIF is greater than 10 and tolerance value is less than 0.1, then there is multicollinearity and vice versa is true. The results are presented in Table 4.9.

Table 4.9: Findings of the Test for Multicollinearity

Variable	Tolerance	VIF	Conclusion
Transparency	0.497	7.309	No multicollinearity
Independence	0.936	1.068	No multicollinearity
Accountability	0.935	1.069	No multicollinearity
Mean Tolerance and VIF	0.938	1.066	

a. Dependent variable: Financial performance

Source: Research Data, 2024.

Table 4.9 shows the men score for tolerance is 0.938 while VIF is 1.066. These results indicate that all study variables had a VIF that is less than 10 and tolerance value that is greater than 0.1. This infers that no multicollinearity program between the study variables in the model. Thus, the data collected on each individual variable was normal and hence suitable for regression analysis.

4.4.1.4 Heteroscedasticity Test

The study tested for heteroscedasticity to verify whether random errors in regression model have the same constant variance across observation. Heteroscedasticity was tested using ANOVA test. The rule of thumb is if the statistical significance is greater than the critical value of 0.05, the test is said to have no heteroscedasticity, implying that residuals are normally distributed. The results of the test are presented in Table 4.10.

Table 4.10: Findings of the Test for Heteroscedasticity

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.501	7.667	0.701	1.857	0.334[b]
	Residual	31.87	81.333	0.400		
	Total	38.2055	89			

a. Dependent Variable: Financial Performance
Predictors: (Constant)= Transparency, Independence and Accountability
Source: Research Data, 2024.

Table 4.10 shows a mean squared regression of 0.701 with associated statistical significance value of 0.334[b]. From the results, P>0.05 implying that there was no heteroscedasticity as the error term (residuals) were normally distributed across the data set.

4.4.1.5 Autocorrelation Test

The study tested for autocorrelation to verify the existence or absence of serial correlation between the variables in the regression models. The study adopted Durbin-Watson (d) test as recommended by Durbin & Watson (1971). The rule is that, if the statistic values of a Durbin-Watson's test falls between the range of 1.5 and 2.5 signify that autocorrelation does not exist. Any values under 1 or more than 3 indicates existence of autocorrelation which renders data unreliable for further statistical analysis. The results are presented Table 4.1.

Table 4.11: Findings of the Test for Autocorrelation Test

Model Summary[b]

Model	R	R Squire	Adjusted R Squire	Std Error of the Estimate	Durbin-Watson
1	0.357[a]	0.1425	0.104	0.631	2.148

a. Predictors: (Constant), independency, transparency, accountability)
b. Dependent variables, financial performance.

Source: Research Data, 2024.

Table 4.11 the table shows the Durbin-Watson test is 2.148. Thus, the findings of the study were within the acceptable statistical ranges, implying absence of serial autocorrelation. Thus, data for this study were reliable and suitable for further analysis.

4.4.2 Multiple Regression Analysis

Multiple regression analysis under this study aimed at showing the stimulus of each study predictor on dependent variable. Regression can only interpret what exists physically i.e., there must be a physical way in which independent variable *X* can affect dependent variable *Y*.

4.4.2.1 Model Summary

Table 4.12 presents the model summary which demonstrates the relationship between independent variables and the dependent variable. The research employed simple linear regression to estimate the magnitude of effect between the selected predictor variables on the level of financial performance. The findings are shown in Table 4.12.

Table 4.12: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.366[a]	.145	.093	.644

a. Predictors: (Constant), Transparency, accountability, Independency
b. Dependent variable: Financial Performance

Source: Field Data, 2024.

R is the correlation coefficient which explains the relationship between the study variables, findings of this study from table 4.12 shows that, R value is 0.366 equivalents to 36.6% which implies that there was a weak relationship between the studied variables. From table 4.12 shows that R square is 0.145 equivalents to 14.5% which is to say that the three independent variables explain 14.5% of the variation in company's financial performance. The unexplained 85.5% variance is a result of other variables not in the model. Adjusted R square is 0.093 equivalents to 9.3%. This implies that change in financial performance was not affected by change in transparency, accountability and independence.

4.4.2.2 Analysis of Variance (ANOVA)

From the Table 4.13, it shows that the model has greater than 5% level of significance, the numerator df = 7and denominator df = 82, it indicates that the computed F-value is 1.410. Therefore, the regression model is not statistically significant. This implies that it is not an appropriate prediction model for determining the effect of corporate governance practices on company's financial performance. This is supported by the finding of the study which shows the P-value of 27.7% (0.277) which is greater than 5% (0.05).

Table 4.13: Analysis of Variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2.171	7	.310	1.410	.277[b]
1	Residual	36.035	82	.440		
	Total	38.206	89			

a. Dependent Variable: Financial performance

c. Predictors: (Constant), Transparency, accountability, independence

Source: Research Data, (2024).

4.4.2.3 Regression Coefficients

The study aimed at comparing the contribution of each independent variable from Table 4.14 shows that the largest B coefficient value is 0.239 equivalents to 23.9% which is transparency. This implies that transparency positively affects financial performance at 23.9% in explaining the dependent variable which is financial performance and its relationship is statistically insignificant since P-value is above 5% (0.05) which is 0.918. This is followed by independence which has large B coefficient value of 0.161 equivalents to 16.1% with its P-value is above 5% which is 0.885. Lastly, accountability affects dependent variable at 7.5% with P-value above 5% (0.836).

Table 4.14: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.640	.172		2.914	.024
	Transparency	.239	.452	.343	.614	.918
	Independence	.161	.431	.222	.975	.885
	Accountability	.075	.306	.079	.308	.836

a. Dependent Variable: Financial Performance.

Source: Research Data, (2024).

The Table 4.14 above shows that there is ineffective relationship between financial performance and transparency, independence and accountability. This is because of the low t-values and low standardized coefficients. However, this implies that Transparency makes the positive influence in explaining the dependent variable which is financial performance, but its relationship was not statistically significant since P-values were above 5% (0.05) which is 0.918. Furthermore, regression analysis depicts that other independent variable (independence) has positive influence in explaining the dependent variable which is financial performance, but its relationship also was not statistically significant since P-values are above 0.05 that is: independence (P-value = 0.885). Accountability makes the positive influence in explaining the dependent variable which is financial performance, but its relationship was not statistically significant since P-values were above 5% (0.05) which is 0.836.

A simple regression model was used in determining the level of influence the independent variable have on dependent variable as shown below: -

$Y= \beta 0+ \beta 1X_1+\beta 2X_2+ \beta 1X_3 + \varepsilon$

$Y= 0.640+ 0.239X_1+0.161X_2+ 0.075X_3+ \varepsilon$

Transparency was found to have a positive influence on company's financial performance in Tanzania (X_1= 0.239, P=0.918>0.05). This shows that one-unit change in transparency results in 0.239-unit increase in financial performance, other factors held constant. Independence was found to have a positive influence on financial performance in Tanzania (X_2= 0.161, P=0.885>0.05). This shows that one-unit change in independence results in 0.161-unit increase in financial performance, other factors held constant. Accountability was found to have a positive influence on financial performance in Tanzania (X_3= 0.075, P=0.836>0.05). This shows that one-unit change in accountability results in 0.075-unit increase in financial performance, other factors held constant.

4.5 Discussion of the Findings

In this part, the findings from the study were discussed. The main objective of this study was to examine the effects of corporate governance practices on financial performance and specific objectives of the study were;

i. To determine the effect of transparency on company's financial performance
ii. To determine the effect of accountability on company's financial performance
iii. To determine the effect of independence on company's financial performance

4.5.1 The Effect of Transparency on Company's Financial Performance

The intention of the researcher wanted to test the effect of Transparency on Financial Performance. The researcher confirmed that Transparency affects financial performance in Tanzania as multiple regression analysis depicts that transparency makes positive effect in explaining the dependent variable which is financial performance with the mean of 1.42 and standard deviation of 0.767 but its relationship was not statistically significant since P-values were above 0.05 that is (B-value= 0.239, P=0.918>0.05).

With B-value = 0.343, it shows that one-unit change in transparency results in 0.239-unit increase in financial performance, other factors held constant. This implies that being transparent means being open and honest. As part of corporate governance best practices, this requires disclosure of all relevant information so that others can make informed decisions, Hanna (2017).

4.5.2 The Effect of Independence on Company's Financial Performance

The intention of the researcher wanted to assess the effects of independence on financial performance. The researcher confirmed that independence affects company's financial performance in Tanzania as multiple regression analysis depicts that independence makes the positive effect in explaining the dependent variable which is financial performance with the mean of 1.32 and standard deviation of 0.659 but its relationship was not statistically significant since P-values were above 5% (0.05) which is 0.885.

Also show that independence which has large B coefficient value of 0.161 equivalents to 16.1%. This shows that one-unit change in independence results in 0.16 - unit increase in financial performance, other factors held constant. Fuzi *et al* (2016) argues that independent directors are entrusted by the shareholders to represent them and will help to reduce agency problems. If Non-executive directors are independent, they will exercise their duties effectively and provide unbiased judgment. Independent boards of directors, employees and firm performance have positive relationship.

4.5.3 The Effect of Accountability on Company's Financial Performance

The intention of the researcher wanted to assess the effect of accountability on financial performance. The researcher confirmed that accountability affects financial performance with the mean of 1.35 and standard deviation of 0.732, but its relationship was not statistically significant as regression analysis depicts that that P-values were greater than 5% (0.05) which is 0.836. Also show that shows that B coefficient value is 0.075 equivalents to 7.5%. This shows that one-unit change in job accountability results in 0.075-unit increase in financial performance, other factors held constant. Accountability is very important since it tells the culture; values, ethics and goals of the company from which company's stakeholders (employees, distributors, suppliers, shareholders and the community at large) align their goals with that of the company. Neogov (2020).

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Chapter Overview

This chapter presents the summary of the findings, conclusion of some key findings of the study objectives, implication of the study and finally and give recommendations in line with the objectives of the study.

5.2 Summary of the Findings

The study was about the effect of corporate governance practices on company's financial performance Tanzania. The research had three objectives, to determine the effect of transparency on company's financial performance, to determine the effect of accountability on company's financial performance and to determine the effect of independence on the company's financial performance. The study adopted a descriptive research design which utilized quantitative methodologies in establishing the extent of the relationship between the study variables. The obtained quantitative data were analyzed by descriptive statistics and multiple regression analysis and all the analyzed data were presented and discussed based on specific objectives.

Regarding the first specific objective, findings revealed that transparency had a positive effect on financial performance, that is to say a unit change in transparency leads to 0.239 changes in financial performance. It indicates that when transparency increases, financial performance also increases. Furthermore, findings revealed that transparency and financial performance has insignificant relationship since it had a p-value of 0.918 which is greater than the level of significance of 0.05, implying that transparency is not significant predictor of financial performance.

In the second specific objective, findings of the study also revealed that independence had a positive effect on financial performance. Findings show that independence and financial performance were positively related to the extent of 0.161. This implies that as independence increases, financial performance also increases. However, the relationship was found to be insignificant since the p-value of 0.885 was found; this is higher than 0.05% implying that independence is not a significant predictor of financial performance. In light of the third specific objective, findings revealed that accountability had a positive effect on financial performance with a regression coefficient of 0.075 indicating that an increase in accountability leads to an increase in financial performance. The relationship was insignificant with a p-value of 0.836 implying that accountability is not a significant predictor of financial performance.

5.3 Implications of the Study

5.3.1 Implication to the Managers

The results of the current study can be quite beneficial for corporations' managers in the sense that the empirical study prove that transparency, independence and accountability play a favorable practice in financial performance at the workplaces. The managers need to ensure that people working under their supervision are fully independent, accountable and transparent in their works. Setting objectives is not just enough but telling and leading them to be accountable, transparent and independent promotes financial performance.

5.3.2 Implication to Policy Makers

The conclusions of the study will shed some light for policy makers in the Ministry of Trade and Investments and assist them to increase their uptake on corporate governance practices because of its significance in improving organizational performance. Theoretically, the current study contributes to business administration courses and investment literature in organizations to utilize technology to improve performance and gain a sustainable competitive advantage.

5.3.3 Implication to Employees

Findings imply that employees should be accountable, transparent and independent in order to increase jobs' productivity, profitability and perform the jobs on time. Employees must make sure that they reach the target of the organizational objectives in terms of increasing the outputs, well handling of customers complains and increase the number of customers.

5.3.4 Implication to Academics

This study contributes to shape policy to be used in academic's curriculum as it gives school management and teaching and non-teaching staff to be accountable and responsible in fulfill their obligations. The transparency, independence and accountability at Schools, College, Institutions and Universities could significantly improve academic performance to all students and pupils as a result of policy academic are curriculum development in Tanzania and elsewhere.

5.4 Conclusion

5.4.1 Effect of Transparency on Company's Financial Performance

The study concludes that, transparency has a positive effect on financial performance, that is to say a unit change in transparency leads to changes in financial performance but its influence was not significant. The study also concludes that transparency is being reflected as management disclosed profitability/losses and give other necessary information to stakeholders promptly. However, the annual reports published by the company are less under stood by the stakeholders, the accounts are most likely not presented according to the agreed procedures and the company does not disclose major and market sensitive information punctually.

5.4.2 Effect of Accountability on Company's Financial Performance

The study concludes that accountability has a positive effect on financial performance with a regression coefficient indicates that an increase in accountability leads to an increase in financial performance though their relationship was found to be insignificant. There is independent non–executive directors which account for more than 50% of the Board, board members and management committee are substantially different and full board meetings held at least once a quarter. The study also concludes that the board members are well briefed before board meetings, the audit committee nominates and conducts a proper review of the work of external auditors and supervises internal audit and accounting procedures.

5.4.3 Effect of Independence on Company's Financial Performance

The study concludes that independence and financial performance were positively related to the extent that a unit change in independence leads to changes in financial performance, independence not being a significant predictor of financial performance. The study further concludes that independence is being considered as all key players such as the Board, Management and other stakeholders have common understanding towards the company's business activities and the chairman is independent non-executive director. The study also concludes that the company has an executive committee, remuneration committee, audit committee and the nominating committee which are substantially different from members of the board; the external auditors are in all respects seen to be completely unrelated to the company and there were no direct representatives of banks and other large creditors of the company.

5.5 Recommendations

5.5.1 Effect of Transparency on Company's Financial Performance

The study recommends that the management of firms should constantly disclose major and market sensitive information punctually and present of profit and loss accounts in accordance with the generally accepted accounting standards for the managers and other stakeholders to make informed decisions in their daily activities.

5.5.2 Effect of Accountability on Company's Financial Performance

The study recommends that company should ensure the board has independent, non–executive directors account for more than 50% of the Board, board members and management committees who are substantially different so that all members are accountable to their assigned duties and responsibilities. The study also recommends that, the audit committee nominates and conducts a proper review of the work of external auditors and supervises internal audit and accounting procedures for better financial performance.

5.5.3 Effect of Independency on Company's Financial Performance

The study recommends that the company should have an executive or management committee, remuneration committee, audit committee and the nominating committee which is substantially different from members of the board and the external auditors of the company in other respects seen to be completely unrelated to the company. The study also recommends that company should form independent chairman, non-executive director have no direct representatives of banks or other large creditors of the company to enhance financial performance.

5.6 Limitations of the Study

Due to time and financial constraints, the study covered only three exogenous variables like transparency, independence and accountability though there are so many variables that may affect company's financial performance. The study covered only one organization namely Bakhresa group of companies and the raw data was only collected from the Bakhresa group of companies' employees which therefore did not give room to other customers. Therefore, there might be a problem of objectivity and biasness during data collection. Out of the 133 sampled employees, only 90 completed and returned the questionnaires. Also, the study was constrained by sampling approach because of time constraints and unavailability of company's records that are very sensitive to the business.

5.7 Areas for Further Study

This research was a cross-sectional descriptive survey on the effect of corporate governance practices on company's financial performance in Tanzania. Therefore, longitudinal survey is necessary in the context of Tanzanian public sectors to investigate the good governance practices as rule of law, responsiveness, consensus oriented, and efficiency among others to determine the causal links more explicitly.

Further, the findings of the current study may not suit all companies in the country and more broadly in the developing countries, due to varying types of geographical locations, economic, cultural or institutional characteristics, and workforce sizes or internal business operations and processes. Therefore, further research is needed using different theoretical models of measurement to obtain a broader understanding of the topic as well as facilitating generalizability of the study findings.

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APPENDICES

APPENDIX 1: QUESTIONNAIRE

My name is **Joseph S. Nayingo** a master student from the Open University of Tanzania pursuing business administration in Leadership and Governance. I hereby request you to fill in the questions listed below which will take you a maximum of 20 minutes.

PLEASE ANSWER THE FOLLOWING

PART A

1. Sex……………………………………………………………………………
2. For how long have you been working in this organization………………………..
3. Highest level of education:

   (a) Certificate ( ) (b) Diploma ( ) (c) 1st degree ( ) (d) Masters ( )
4. Age:

   (a) 30 years and below ( ) (b) 31-50 ( ) (c) Above 50 years ( )

PART B: Components in Corporate Governance Index

Please tick the appropriate answer

TRANSPARENCY

S/N	Details	Yes	No	Neutral
1	Has management disclosed profitability/losses over the period of five (5) years?			
2	Does the company publish annual reports?			
3	Are the published reports clearly understood by the stakeholders?			
4	Are accounts presented according to the agreed procedures?			
5	Does the company consistently disclose major and market sensitive information punctually?			
6	Are all stakeholders given the required information before decision making?			
7	Does the company have a website web-site where results and other announcements are updated promptly?			

INDEPENDENCE

S/N	Details	Yes	No	Neutral
8	Do all players (BoD, management and stakeholders) have common understanding on business activities?			
9	Is the chairman independent, non-executive director?			
10	Does the company have an executive or management committee which is substantially different from members of the board?			
11	Does the company have an audit committee?			
12	Does the company have a remuneration committee?			
13	Does the company have a nominating committee?			
14	Are the external auditors of the company in other respects seen to be completely unrelated to the company?			
15	Does the board include no direct representatives of banks and other large creditors of the company? (Having any representatives is a negative)			

ACCOUNTABILITY

S/N	Details	Yes	No	Neutral
16	Are the board members and members of the executive/management committee substantially different?			
17	Does the company have non-executive directors who are demonstrably and unquestionably independent?			
18	Do independent, non–executive directors, account for more than 50% of the Board?			
19	Are there any foreign nationals on the Board?			
20	Are full board meetings held at least once a quarter?			
21	Are board members well briefed before board meetings?			
22	Does the audit committee nominate and conduct a proper review of the work of external auditors?			
23	Does the audit committee supervise internal audit and accounting procedures?			

FINANCIAL PERFORMANCE

24	**Details**	**Yes**	**No**	**Neutral**
26	Profitability trend of the company is high in terms of cash as time goes.			
27	It takes less time for complaints handling in this company			
28	The number of outputs seem to increase as there are more demands			
29	More customers appreciate the service offered			

APPENDIX 2: Table 5.1 Summary of Empirical Literature Review

SN	Author	Title	Country	Methodology	Main findings
1	Azahari *et al* (2024)	The Impact of Financial Transparency and Corporate Governance Transparency on the Performance of Public Listed Companies.	Malaysia	Quantitative research approach	Financial transparency and corporate governance transparency have a significant impact on the performance
2	Wanjau *et al* (2022)	Effect of Financial Transparency on Financial Performance of Companies Listed in East Africa Securities Exchanges.	Kenya	Descriptive, correlation and regression analysis	Positive and significant relationship between financial policy disclosure (transparency) and financial performance
3	Marwa (2023)	Assessment of the Determinants of Financial Performance in Tanzania's Public Sector.	Tanzania	Quantitative analysis of financial data and qualitative interviews	Public sector entities should enhance revenue streams, implement cost-saving measures and apply favorable regulatory policies to increase financial performance.
4	Nadia (2021)	The Effect of Sales Growth and Independent Commissioner's Supervision on Financial Performance:	Indonesia	Multiple linear regression	The higher the sales growth and the supervision of independent commissioners, the higher the financial performance
5	Marus *et al*., (2021)	The effect of corporate governance on firm's financial performance amongst private business enterprises	Uganda	Descriptive and survey design	It was also established that firms whose boards demonstrate high integrity were likely to register positive changes in their financial performance than firms whose boards do not
6	Solomon (2021)	The impact of corporate governance of a firm performance	Tanzania	Cross-sectional design	Corporate governance influences the financial performance of micro financial institutions
7	Khafid *et al* (2017)	The Mediating Practice of Accountability in the Influence of Cooperative Characteristics on its Financial Performance.	Indonesia	Regression analysis with path analysis and sobel test	The cooperative size and age have an influence on financial performance through the mediating practice of accountability variable

8	Kule et *al* (2022)	Financial Accountability and Financial Performance of Savings and Credit Cooperatives	Uganda	Linear regression analysis	Study established a significant association between financial accountability and financial performance
9	Likangaga (2023)	Influence of Accountability Indicators on Service Delivery among Local Government Authorities	Tanzania	Qualitative and quantitative approaches	Regular reporting, clear goals and proper use of funds were significant indicators of accountability that predict service delivery
10	Mbithi (2019)	The effect of transparency and accountability on sustainability of the banking industry	Kenya	Primary and secondary data using a questionnaire	Transparency and accountability have positive and significant influence on sustainability of the banking industry
11	Cherbi (2023)	Board Independence and financial performance of listed Moroccan banks	Morocco	Regression analysis	Board independence is positive and significant to financial performance
12	Chol (2022)	Corporate governance attributes of board independence and board education as predictors of financial performance of banks	South Sudan	Multiple regression analysis	Board independence is significant to financial performance
13	Mulyasari *at al* (2022)	Financial accountability financial performance improvement through culture control contractibility	Indonesia	Primary and secondary data	Contractibility positively affects financial performance
14	Denis *et al* (2024).	The effect of board accountability on financial performance of selected SACCOs	Uganda	Structural equation modeling (SEM)	Bord accountability has negative effect on financial performance
15	Nguyen (2023	The effect of board transparency on the financial performance of companies	Vietnam	Regression analysis	Board transparency has negative effect on financial performance

Source: Research Data, (2024).

APPENDIX 3: CLEARANCE LETTERS

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY

THE OPEN UNIVERSITY OF TANZANIA

Ref. No OUT/PG201900992 **30th August, 2023**

Chief Executive Officer,
Said Salim Bakhresa & Co. Ltd,
P.O.Box 2517,
DAR ES SALAAM

Dear Chief Executive Officer,

RE: RESEARCH CLEARANCE FOR MR. JOSEPH S NAYINGO, REG NO: PG201900992

2. The Open University of Tanzania was established by an Act of Parliament No. 17 of 1992, which became operational on the 1stMarch 1993 by public notice No.55 in the official Gazette. The Act was however replaced by the Open University of Tanzania Charter of 2005, which became operational on 1stJanuary 2007.In line with the Charter, the Open University of Tanzania mission is to generate and apply knowledge through research.

3. To facilitate and to simplify research process therefore, the act empowers the Vice Chancellor of the Open University of Tanzania to issue research clearance, on behalf of the Government of Tanzania and Tanzania Commission for Science and Technology, to both its staff and students who are doing research in Tanzania. With this brief background, the purpose of this letter is to introduce to you **Mr. Joseph S.Nayingo, Reg.**

No: PG201900992), pursuing **Master of Business Administration (MBA).** We here by grant this clearance to conduct a research titled **The Effect of Corporate Governance Practices on Financial Performance of Big Corporations in Developing Economies. The Case of Bakhresa Group of Companies"**. He will collect his data at your office from 31st August to 31th September 2023.

4. In case you need any further information, kindly do not hesitate to contact the Deputy Vice Chancellor (Academic) of the Open University of Tanzania, P.O.Box 23409, Dar es Salaam. Tel: 022-2-2668820.We lastly thank you in advance for your assumed cooperation and facilitation of this research academic activity.

Yours sincerely,

THE OPEN UNIVERSITY OF TANZANIA

Prof. Magreth S.Bushesha

For: VICE CHANCELLOR

Said Salim Bakhresa & Co. Ltd.

WHEAT MILLS • MAIZE MILLS • RICE MILLS

REF: SSB/OUT – VC/01/SEPT/2023 **05th September 2023**

The Vice Chancellor
The Open University of Tanzania
P. O. Box 23409
Dar Es Salaam

RE: ACKNOWLEDGEMENT AND ACCEPTANCE OF DATA COLLECTIONFOR RESEARCH.

The heading above has a reference.

We wish to inform you that we have received your letter referenced OUT/PG201900992 dated 30th August 2023 on the related subject above.

We have accepted the request for your candidate to collect the data for his research. Hopeful he will be obedient to our bylaws and company rules and regulations.

We thank you for your cooperation, hopeful he will be grateful and we will part on his journey to pursue his career. We wish him all the best.

Your faithful.

SAID SALIM BAKHRESA & CO. LTD.
P. O. Box 2517
DAR-ES-SALAAM, TANZANIA

……………………………
Hussein Ally
Director of Cooperate affairs
Said Salim Bakhresa & Co Ltd

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