

# Corporate Administration and Its Effect on The Management of MTN Mobile Communication Nigeria Ltd

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DOI: <https://doi.org/10.5281/zenodo.18710265>

Article History	Abstract
<b>Original Research Article</b>	<p><i>This study examined corporate governance and its impact on the management of MTN Mobile Communication Nigeria Limited, Kaduna Main Branch. The research was based on well-defined research topics and used a survey research design. The whole telecommunications business in Nigeria made up the larger population, however the study sample was the MTN Mobile Communication Plc, Kaduna Branch, which had twenty-five (25) personnel. The researcher created a structured questionnaire based on a five-point Likert scale to collect the data. We used mean scores and frequency distributions to look at the data we gathered in a way that answered the study questions. The results showed that MTN uses both internal and external governance tools to control how well the organization runs. Some of the control mechanisms that were found are internal and external auditing procedures, good oversight by the board of directors, and a structured balance of power. The study also found structural problems with company management, like the high expense of keeping an eye on activities and the lack of accounting information for shareholders.</i></p> <p><b>Keywords:</b> Corporate Governance, Corporate Administration, Management Performance, Board of Directors, Internal Control Mechanisms, External Auditing, Shareholder Protection, Organisational Performance, Telecommunication Industry, MTN Nigeria, Nigeria.</p>
<b>Received: 10-10-2025</b>	
<b>Accepted: 22-10-2025</b>	
<b>Published: 30-10-2025</b>	
<p><b>Copyright © 2025 The Author(s):</b> This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.</p> <p><b>Citation:</b> Dr. Gift Ugwe Roman. (2025). Corporate administration and its effect on the management of MTN Mobile Communication Nigeria Ltd. UKR Journal of Economics, Business and Management (UKRJEBM), Volume 1(8), 91-96.</p>	

## INTRODUCTION

Corporate administration deals with the ways that stakeholders, including as shareholders, employees, creditors, regulators, and the community at large, try to make sure that managers do things that are good for the company in the long run. The necessity for such systems stems chiefly from the division of ownership and administration, a hallmark of the contemporary company. In most modern companies, ownership is spread out among many shareholders who don't run the business on a daily basis. Managers, on the other hand, usually have little or no equity participation. Individual shareholders usually only own a small part of the total shares, therefore they may not have the motivation or ability to keep an eye on what managers are doing. In these situations, managers may pursue personal goals, like growing the company or raising executive pay, that don't always match up with shareholders' main goal of making money.

In the last several years, corporate governance has gotten a lot of attention in both the public and private sectors

throughout the world. Governments have made changes to laws and rules to make organisations more accountable and open, and to make governance systems stronger. This focus on better governance standards has had a big effect on Nigeria's telecommunications business, which includes companies like MTN Nigeria Communications Plc. For more than ten years, government policy discussions have focused on problems with the size, makeup, roles, and responsibilities of boards of directors, as well as how they interact with management and shareholders.

Corporate administration can thus be characterised as the framework through which firms are governed and regulated, focusing on the structural and procedural "housekeeping" elements of organisational management. It includes the connections between management, the board of directors, shareholders, and other stakeholders. It gives a structure for formulating corporate goals, figuring out how to reach them, and keeping an eye on performance. In general, it talks about basic issues of ownership and control,

but it also looks at the relationships between directors and shareholders in more detail.

A lot of study has been done around the world on the effects of corporate governance on publicly traded companies and on best practices in developing economies. However, Nigeria still has a lot of problems with governance. These problems include financial markets that aren't very developed or liquid, an unstable economy, inadequate legal enforcement and investor protection systems, frequent government involvement, concentrated ownership structures, and an overall bad economic performance. These kinds of situations make it clear that businesses need to have stronger and better ways of running their companies. Until fairly recently, though, governance issues didn't get much attention in Nigeria, which led to some unethical behaviour in business. After the Central Bank of Nigeria's consolidation measures, some high-level bank executives were involved in major financial scandals. These incidents hurt the credibility of corporations and made investors less confident in the country's banking system.

Therefore an important theme of corporate Administration in this regard is the nature and extent of accountability of people in the business and mechanisms that try to decrease the principal agent problem. Consequently, corporate Administration mechanism has been a crucial issue under discussion with vested interest. It is against this background that the researchers see the subject matter; corporate Administration and its EFFECT on the management of Mobile Telecommunication Nig. Ltd Main Branch as an issue worthy of being investigated.

### OBJECTIVE OF THE STUDY

The main objective of the study is to examine the corporate Administration and its EFFECT on the management of MTN. other specific objectives are to:

- i) To evaluate the impact of corporate governance practices on the performance of telecommunications firms.
- ii) To look at the internal and external corporate administration control systems that telecommunications businesses use.
- iii) To find the structural problems that make it hard for telecommunication businesses to do corporate administration well.

### RESEARCH METHODOLOGY

The study adopted descriptive research design. The population of the study consists of the entire telecommunication industry. The study dwells mostly on primary data through the use of questionnaire. While the source documents in the form of journals, text books. Internet and unpublished and published materials were used to obtain secondary data required for the literature review. Data were personally collected by the researcher. The researcher personally collected data from the respondents through the help of human resource manager. A letter was prepared to accompany the questionnaire to each respondent, this was meant to introduce the researcher to the respondents and to state the purpose and significance of the study. The questionnaire was designed in simple language to help the respondents to easily interpreted and fill appropriately. After distribution of the questionnaire, the respondents were given three days to reflect upon the items in the questionnaire and fill them accurately. Afterward the researcher personally collected back the filled questionnaires. The statistical mean scores was used to analyze the five likert questionnaire while the frequency count and simple percentage were used to analyze respondent characteristics.

### RESULTS

*Table 1: Respondent Demography*

<i>S/N</i>	<i>Panel A: Respondent Sex</i>		
	<i>Variable</i>	<i>Frequency</i>	<i>Percentage</i>
	Male	12	60
	Female	8	40
	<b>Total</b>	<b>20</b>	<b>100</b>
	<i>Panel B: Respondents Educational Qualification</i>		
	<i>Variable</i>	<i>Frequency</i>	<i>Percentage</i>
	ND/NCE	5	25
	Bachelor Degree/HND	9	45
	Master Degree	6	30
	<b>Total</b>	<b>20</b>	<b>100</b>

*Source: Field work (2012).*

Table 1 displays the demographic variables of respondents. To this end, Panel A shows respondents sex. The analysis indicates that 60% of the respondents are male while the remaining 40% are female. Panel B displays respondents educational qualification. The analysis shows that 25% of the respondents hold ND/NCE while 45% of another set of respondents have bachelor Degree/HND and the remaining 30% hold Master Degree respectively.

**Research Question 1: How does corporate Administration affect the performance of MTN?**

**Table 2: The Effect of Corporate Administration on the Performance of MTN**

S/N	Variables	SA	A	U	D	SD	Total	Mean	Remark
1	Internal mechanism of corporate Administration monitors top management and also protects the interest of share holds	5	4	3	2	1	<u>80</u> 20	4.0	Agreed
		x	x	x	x	x			
		10	5	1	3	1			
		50	20	3	6	1			
2	External mechanism of corporate Administration monitors and controls managers activities by means of external regulation	35	32	6	2	2	77	3.9	Agreed
3	Board of directors serves as bridge between owner and managers in corporate Administration	25	24	15	2	3	69	3.5	Agreed

Source: Field work (2012).

Table 2 displays the analysis of data on the effect of corporate Administration on the performance of MTN. to this end, variable 1 had a mean score of 4 points. This indicates that the respondents strongly agreed that internal mechanism of corporate Administration monitor to management and also protect the interest of shareholders of MTN from exploitation.

Similarly, variable 2 also had a positive scores 3.9. This implies that the respondents agreed that external mechanism of corporate Administration monitors and

controls managers activities by means of external regulation.

However, variable 3 had a mean score of 3.5 after the respondents agree that the board of directors serves as bridge between owners and managers in corporate Administration which MTN performance positively.

**Research Question 2: What are the internal and external corporate Administration control mechanism in place in MTN?**

**Table 3: The internal and external corporate Administration control mechanism in place in MTN**

S/N	Variables	SA	A	U	D	SD	Total	Mean	Remark
4	Monitor by an independent third party (external auditors)	5	4	3	2	1	70	3.6	Agreed
		x	x	x	x	x			
		5	7	4	1	3			
		25	28	12	2	3	<u>70</u> 20		
5	Monitor by board of director	50	20	3	4	2	78	3.9	Agreed
6	Internal control procedures and internal auditor	50	20	3	6	1	80	4	Agreed
7	Balance of power or separation of power	75	8	3	2	1	39	4.5	Strongly agreed
8	Performance base remuneration	5	8	30	10	2	55	2.8	Undecided

Source: Field work (2012).

Table 3 shows the results of the study of the internal and external corporate administration control systems that MTN Nigeria Communications Plc uses. The results show that Variable 4 had a mean score of 3.6, which means that most people who answered agreed that an outside auditor or other independent third party checks on the company's corporate administration control procedures. This result suggests that outside oversight is very important for making the organization more accountable, open, and well-run.

Variable 5 had a mean score of 3.9 this implies that the respondents agreed that monitor by board of director is an internal corporate Administration mechanism.

Similarly variable 6 had a positive mean score of 4 point, this implies that the respondents agreed that internal control

procedures and internal auditing are part of MTN corporate Administration control mechanism.

However, variable seven had a mean score of 4.5. This indicates that the respondents strongly agreed that the balance of power or separation of power is a corporate Administration control mechanism.

Variable 8 had a mean scores of 2.8 this implies that the respondents were undecided whether performance base remuneration is a corporate Administration control mechanism put in place in MTN.

**Research Question 3: What are the systemic problems militating against corporate Administration in MTN**

**Table 4: Systemic problems militating against corporate Administration in MTN**

S/N	Variables	SA	A	U	D	SD	Total	Mean	Remark
9	Poor supply of information to shareholders	5	8	30	10	2	55	2.8	Undecided
10	Monitoring cost	30	20	6	12	1	69	3.5	Agreed
11	Inadequate supply of accounting information to shareholders	50	20	3	4	2	79	3.9	Agreed
12	Imperfection of financial reporting	15	8	9	4	10	46	2.3	Disagreed

Source: Field work (2012).

Table 4 displays the systemic problems militating against corporate Administration in MTN. to this end, variable 9 had a mean score of 2.8. This implies that the respondents were undecided whether poor supply of information to shareholder is indeed a problem militating against corporate Administration in MTN.

Variable 11 had a mean score of 3.9 which implies that the respondents agreed that inadequate supply of accounting information to shareholders is a problem militating against corporate Administration in MTN.

Variable had a mean score of 2.3. This implies that the respondents disagreed that imperfection of financial reporting is a problem militating against corporate Administration in MTN.

**DISCUSSION OF FINDINGS**

The results show that both internal and external corporate governance systems are very important for keeping MTN Nigeria Communications Plc's performance in check by watching over the actions of top management and protecting shareholders from any abuse. The board of directors is an important link between the owners and management. It makes sure that everyone is accountable and that the company's goals are aligned. The results are in

line with what Obodoechi (2007), Ryan (2009), and Abdul (2008) said in the literature review.

In addition, MTN's corporate administration architecture includes internal control systems including specified internal control procedures, internal auditing systems, and board monitoring that is always there. The corporation is also subject to outside governance procedures, such as being watched by independent third parties like external auditors. Keeping a balance of power in the governance structure is another crucial way to make sure that the government runs smoothly. These results support what Okoh (2009), Jensen (2008), and Zahra (2009) say about how important both internal and external controls are for making corporate governance systems stronger.

The study also found that there are systemic problems that make it hard for companies to run smoothly, such as high monitoring expenses and not giving shareholders enough accounting information. These limits back up what Yermack (2006) and Bacon (2007) said in the literature. The study shows that corporate governance has a big effect on how well a company does, and the makeup of the board is quite important. In Nigeria, executive directors often make up the majority of board members. Evidence suggests that boards with a lot of executive directors may increase business value, as shown by the negative relationship

between the number of non-executive directors and firm performance. This could be because inside directors know more about the company than outside directors do, which makes it easier to keep an eye on what the company is doing. Also, the number of board meetings, which is a measure of how active the board is, is positively related to performance metrics. This shows how important it is for the board to be involved in the success of the business.

The implication is that when board of directors meet frequently, they are likely to enhance firm performance. But increases firm performance when it is quantified by accounting measure-ROA. Further, the observed results show that institutional shareholding sends a constructive signal to the potential investors. It is evident from research findings that when the institutions have shareholding in the firms, it affects performance of the firm positively.

The observed results are evident that there is a need to foster good Administration practices in the Telecommunication industry to improve the firm performance. When the firms allow sufficient freedom and exercise power to the boards to take decisions towards their growth and innovation, it seeks to enhance performance of the company. The investors are also driven to invest in well managed firms as they seek to protect the interests of investors and other stakeholders. markets respond positively to better governed firms as the progress of the firm depends upon the adoption and implementation of good Administration practices. Strong corporate Administration is indispensable for the capital markets and is significant for the corporate success as well as for the social welfare.

## CONCLUSION

Based on the findings, it is clear that corporate Administration control mechanism has a positive and significant EFFECT on the performance of MTN sequel to the control of internal monitoring procedures of board of directors and internal auditors as well as the external control of third parties such as external auditors and regulatory agencies. The observed results are evident that there is a need to foster good Administration practices in the Telecommunication industry to improve the firm performance. When the firms allow sufficient freedom and exercise power to the boards to take decisions towards their growth and innovation, it seeks to enhance performance of the company. The investors are also driven to invest in well managed firms as they seek to protect the interests of investors and other stakeholders. The markets respond positively to better governed firms as the progress of the firm depends upon the adoption and implementation of good Administration practices. Strong corporate Administration is indispensable for the capital markets and

is significant for the corporate success as well as for the social welfare.

## RECOMMENDATIONS

The following recommendations are made based on the research findings so as to facilitate the improvement of corporate Administration in MTN:

1. Board of Directors of MTN should ensure that adequate information are furnished to shareholders and the general public for proper accountability and fairness to shareholders. This performance evaluation of MTN.
2. Every member of board of directors of MTN should have the power to assess the Chief Executive Officer's performance. The lead director should synthesis the assessments and feel the trend of thoughts. Alternatively, a small group/committee of independent directors also may do the synthesis.
3. A feedback is given to the CEO confidentially and in a manner that is suitable both to the directors and the CEO.
4. Shareholders of MTN should propose induction of majority of external director. The following are the significant committees which should be constituted with external directors only: the audit committee, and the compensation committee.
5. All the members of board of directors apart from the Chief Executive Officer of MTN should be external directors.
6. Members of board of directors should have meaningful ownership in the corporations o that they are the natural allies of the owners, the shareholders.

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