Assessing Corporate Governance Practices on the Performance of Rokel Commercial Bank, Sierra Leone.

ABSTRACT

Corporate governance is about commitment to values, ethical and appropriate business conduct. It is about how institutions and organizations are managed, controlled and run. It is a framework that guides the operations of institutions and organizations. Corporate governance remains a germane and critical factor in determining an institution's overall performance. It is therefore integral to the productivities of organizations and institutions. The aim of the study is to assess Corporate Governance Practices on the Performance of Rokel Commercial Bank, Sierra Leone Limited. This was born by the fact that Corporate Governance Practices are determinants of institutional productivity and it is accepted by scholars, academicians and policy makers. The study was guided by two objectives which include: - to evaluate how transparency and full disclosure is a significant determinant to the overall performance of the bank and to examine the risk management and internal control systems of the Bank towards and increased productivity. The research design used was mixed. Both qualitative data gathered from interviews et al and quantitative methods were used .The Primary data was gathered by staff at the Bank using a focus group discussion, questionnaires and research interviews. Findings from the study indicated that the Bank has a good transparency and disclosure policy. It also found that the Bank has strong risk management and internal control systems among others. The Researcher ended with recommendations. Among other things, he recommended Rokel Commercial Bank should sustain the good corporate governance practices already in place like transparency and disclosure. It also recommended that the Bank should improve on the work environment for the employees.

KEYWORDS: Corporate Governance, Transparency, Productivity, Internal Control, Directors and Performance.

1.1 Introduction

Sierra Leone is a low-income post-conflict country located in coastal West Africa with a population of 7.56 million inhabitants (2015 Census). Urbanization has increased significantly in recent decades, with the share of the population living in urban areas doubling from 21 percent in 1967 to 40 percent in 2015.

Sierra Leone has a fairly liberalized financial system. Interest rates and exchange rates are market-determined, and there are no selective credit controls; and despite the fact that the largest commercial bank is state-owned, the activities of the banking system are not government-dominated.

Corporate governance in Sierra Leone can be traced to the colonial days through the independence that Sierra Leone obtained from Britain in 1961. Before the independent the British colonial government imposed an Anglo-Saxon base system of corporate law and regulation on the country (Adegbite and Nakajima, 2011). The conduct and governance of Sierra Leonean firms which contain within the provision of the company legislation was originated from Britain. As a result, Sierra Leone inherited Anglo-Saxon framework of corporate governance (Okike, 2007). After independence, Sierra Leone Government has made tremendous efforts to replace the Companies Ordinance in existence during independence to fresh ones. This implies all the reforms in law and legal system are fashioned toward the Anglo-Saxon model and Sierra Leone legal operating framework for corporations have not been developed based on the country business environment (Adegbite and Nakajima, 2011). Consequently, the government of Sierra Leone have traditionally failed to deal with the problem of company law and legal system from the perspective of the socio-political environment of the country (Okike, 2007).

Since the 1970's the issue of corporate governance has been the subject of significant debate in the US and around the globe. There are reforms of corporate governance in developed and developing countries. Efforts to reform corporate governance have been driven in part by the needs and desires of shareholders to exercise their rights of corporate ownership and increase the value of their shares and wealth. Over the past three decades corporate directors' duties have expanded their traditional legal responsibility of duty of loyalty to corporate organizations and shareholders, especially in developed countries. In the mid- 1990s the issue of corporate governance in the US and UK received considerable press attention due to the wave of corporate governance failure in some firms which led to a wave of institutional shareholder activism. The East Asian financial crisis occurred as a way of ensuring that corporate value would not be destroyed traditionally because of the relationship between the CEO and the board of directors such as unrestrained issuance of stock option not infrequently. In 1997 the East Asian financial crisis was seriously affected by the exit of foreign capital after the property assets collapse. This occurred as a result of lack of corporate governance mechanisms this highlighted the weakness of the institution in their economies. Finally in early 2000s the massive collapse of corporations such as Enron and WorldCom made shareholders and governments develop an interest in corporate governance. This brought the passage of the Sabaness-Oxly Act of 2002(SarbanesOxley Act 2002, World Bank 2002, OECD 1999).

Furthermore, international organizations such as the Organization for Economic Cooperation and Development (OECD), and the Economic Commission for Africa (ECA) introduced principles of corporate governance of firms. The developed and developing countries introduced codes of corporate governance to enhance the effectiveness of corporate governance practices in firms. Consequently, the impact of corporate governance has shown a positive effect on different stakeholders by strengthening the economy. Therefore, good corporate governance is a tool for socio-economic development and this happened to developed countries such as the US and the UK.

Many African countries, Sierra Leone inclusive, suffered major setbacks in public sector management for several decades especially in the 1970s and early 1980s. This was due to bad political leadership and political instability but also due to lack of managerial skills, poor management systems, corruption, nepotism and many other factors that affected public and private organizations at the time. There was inefficient functioning of Public and Private Entities and inadequate service delivery. Corporate governance practices have become a significant factor on the performance of both Private and Public Entities. The widely held view that corporate governance determines firm performance and protects the interests of shareholders has led to increasing global attention (Bleakly, 2010).

The way in which corporate governance is implemented differs between countries, depending on the economic, political and social contexts. Rokel Commercial Bank Sierra Leone Limited is sixty percent owned by the government and forty percent privately owned entity who is mandated to follow the regulatory frameworks and implementation of effective corporate governance practices (Okello, 2011).

Corporate governance practices are classified in form of separate leadership, board composition, board committees and corporate social responsibility (CSR) reporting of an entity (Healy, 2011), and defined separate leadership as the separation of the position of chairman and CEO; board composition refers to a majority of non-executive directors on the board; board committees refers to the presence of audit, remuneration and nomination committees; and corporate social responsibility reporting refers to reporting of CSR activities. Accountability to shareholders and other stakeholders was assessed through corporate reporting practices in relation to corporate social responsibility reporting.

Khoza and Chata, (2010) pointed out that good governance practice is not just about being simply politically correct as today's public and private enterprises seem to be going about their business as Board of Directors play a significant role towards the company's performance which requires evaluation. Good governance practice is rather inextricably linked to both financial and nonfinancial performance of a company in terms of profit, expansion and employability. Thus, need to examine the corporate governance practices in Public and Private enterprises.

Ferlie (2005) postulated that as public institutions or private develop, it became necessary to put in place people who could implement corporate governance practice on behalf of the shareholder or the public. Managers are deployed as technical personnel to implement desirable corporate governance practices in the public entities to enrich their performance. These are expected to influence the company's performance through their role. Indeed, there are probably multiple truths when this question is asked of different firms, in different countries, or in different periods about the desirable implementation corporate governance practices to harmonize financial and nonfinancial performance which the study seek to address by examining corporate governance practices.

Barrett (2010) argued that corporate governance practices in an entity determines the entities financial and non-financial progress which can either be favorable or unfavorable towards the entity survival in the future without distress. The need for proper implementation of corporate governance practice is essential in the support of management duties in the contemporary corporations. The positive theory of agency argues that the managers may behave opportunistically to maximize their own welfare other than shareholders interest though governance practices, however there is a conflict of interest between managers, subordinates and Board of directors on how to effectively operate Public and Private entities. Thus, need to examine the corporate governance practices and the performance of Financial Institution in Sierra Leone.

Babaita (2012) disclosed that one of the major reasons for poor performance of public and private enterprises in many developing countries is the poor implementation of corporate governance practices coupled with the managerial autonomy to effectively contribute to its strategic role. Despite undertaking reforms in public and private sector managements, Sierra Leone, as a country continues to witness limited improvement in service delivery and economic growth.

Statement of the problem

Looking at Sierra Leone banking sector, there are several factors that could account for the overall poor performance of banks, which among other things includes poor governance framework. Therefore, in an effort to unravel these problems, Corporate Governance Practices on the Performance of Rokel Commercial Bank Sierra Leone is of ultimate significance.

This study seeks to clearly address the gaps within same in the Bank as one of the Financial Institution in Sierra Leone. From a holistic point of view, the study also evaluates the efficacy of corporate governance on the overall performance of bank. Thus, by helping to achieve stakeholder objectives.

This suggests that banks play an active role in the intermediation of savings and investment, as well as in servicing the economic agents with an efficient payment system (Darmadi, 2011). Over the years, we have witnessed the sudden rise and decline of banks in Sierra Leone, which made the evaluation of governance framework imperative. Akong (2017) argues that the numerous cases of corporate failures are an indictment on the existing corporate governance structures.

Aim of the study

The aim of the study was to assess corporate governance practices on the Performance of Rokel Commercial Bank in Sierra Leone.

Specific objectives

The study was guided by the following objectives:

1. To evaluate how transparency and full disclosure as a corporate governance practice is a significant determinant to the overall performance of Rokel Commercial Bank.
2. To examine the risk management and internal control systems of the Bank towards and increased productivity.

Research questions

The study was guided by the following objectives

1. To what extent is transparency and full disclosure as a governance practice is a significant determinant to the overall performance of Rokel Commercial Bank?
2. To what extent does the risk management and internal control systems of the Bank increased its productivity?

2.0 Literature Review

Conceptual Framework

La Porta et al. (2000) view corporate governance as a set of mechanisms through which outside investors protect themselves against expropriation by insiders, i.e. the managers and controlling shareholders. They then give specific examples of the different forms of expropriation. The insiders may simply steal the profits; sell the output, the assets or securities in the firm they control to another firm they own at below market prices; divert corporate opportunities from firms; put unqualified family members in managerial positions; or overpay managers. This expropriation is central to the agency problem described by Jensen and Meckling (1976). Regarding performance there are three main approaches to firm performance in social science research: research based on market prices, accounting ratios and total factor profitability (Bocean and Barbu, 2007). One of the most used ratio in the research regarding corporate governance is Tobin's Q, while among the accounting ratios, the most common ones return on equity (ROE), return on asset (ROA) and economic value added (EVA) can be used to assess the total profitability of a company.

The conceptual framework used performance, governance, and theories to explore how corporate governance practices plays a role in the performance of the bank.

Theoretic framework

Agency Theory

In this theory, shareholders (owners or principals) of the company hires the agents to perform the company. Principals charge the running of the business to the managers (Clarke, 2004). Managers might have more information about the company than the principles and they might not be controlled. In this situation, managers might be hard-nosed or self-interested and only think their utility while managing company. The goals or expect of agency and principal might be different and this conflict brings to agency problem.

In their study, Jensen and Meckling (1976) assumes that agents do not generally decide for welfare maximization of company shareholders referred as "principals". Moreover, agency problem rises either when the principle cannot control or know what the agent is doing in details. So, agency theory aims to prevent and provide necessary monitoring to reduce agency problems between agent and principle.

Prena (2013) argued that the agency theory looks at the relationship between the Principal and Agent who works on the behalf of the Principal. A similar relationship exist between the shareholders of a company/the stakeholders and Board of directors. Agency theory provides a framework for understanding how the alignment of incentives and information asymmetry influence board of Directors' decisions, it also predict behavior when one individual (the principal) delegates work for another individual (the agent) with the expectation that the agent will make decisions on the proper implementation of corporate governance practices. The Board of Directors is agents to the shareholders and their role in the company is to fulfill the interest of the shareholders which are embedded in the governance practices. The agency problem is used to explain how managers and Board of Directors implement the governance practices to enhance public entity performance on behalf of their shareholders. However, given that discretionary accrual decisions which is subject to additional scrutiny by internal and external auditors. The agency theory framework aided in the examination of corporate of governance practices in public and private entities (Huang, 2011).

Stakeholder Theory

Stakeholder theory was first introduced in Strategic Management: A Stakeholder Approach (Freeman, 1984) states that a company holds corporate accountability to a wide range of stakeholders. The basic definition of stakeholder theory is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman 1984). The general perspective of this theory is that the big companies which can affect the society pervasively should be accountable to all parts of society, not only to their shareholders. Stakeholders are not only being affected by companies but also they are effective on companies by holding a "stake" in the company rather than simply a "share". Friedman states that main groups of stakeholders are customers, employees, local communities, suppliers and distributors, shareholders. In addition other individuals are also considered to be stakeholders in the literature of Friedman (2006): media, the public in general, business partners, future generations, past generations, academics, competitors, NGOs or activists – considered individually, stakeholder representatives, financiers other than stakeholders (debt holders, bondholders, creditors), government, regulators and policymakers.

The analysts of the theory state that all parties with legitimate interests in the company shall get benefits and there is no priority in terms of these interests and benefits (Donalds & Preston, 1995). All participants who share the risk and make profits for the firms are stakeholders and they should obtain a balance share of the riches created by join efforts (Clarkson 2002).

Stewardship Theory

Stewardship theory is defined by Davis, Schoorman & Donaldson (1997) as "a steward protects and maximizes shareholders wealth through firm performance, because by so doing, the steward's utility functions are maximized". In this theory, company executives and managers workıng for shareholders are called as stewards. Unlike agency theory, stewards protect company and make profit for the shareholders. It is not on the perspective of individualism as agency theory (Donaldson & Davis, 1991), they aim to achieve firms' targets and integrate their goals as the top of management. Stewardship perspective comes up with that steward are satisfied and motivated when organization achieves its targets.

"The executive manager, under this theory, far from being an opportunistic shirker, essentially wants to do a good job, to be a good steward of the corporate assets. Thus, stewardship theory holds that there is no inherent, general problem of executive motivation. Given the absence of an inner motivational problem among executives, there is the question of how far executives can achieve the good corporate performance to which they aspire. Thus, stewardship theory holds that performance variations arise from whether the structural situation in which the executive is located facilitates effective action by the executive. The issue becomes whether or not the organization structure helps the executive to formulate and implement plans for high corporate performance" (Donaldson, 1995). According to the theory, managers have propensity and devotion for success of firm. Thus, managers perform the company under company goals and

satisfaction of shareholders and other participants. It is apperceived by the theory that managers perform actions as stewards for the shareholders' benefits (Tricker, 2009).

Stewardship theory sees a strong relationship between managers and the success of the firm, and therefore the stewards protect and maximize shareholder wealth through firm performance. A steward who improves performance successfully, satisfies most stakeholder groups in an organization, when these groups have interests that are well served by increasing organizational wealth (Davis, Schoolman & Donaldson 1997). When the position of the CEO and Chairman is held by a single person, the fate of the organization and the power to determine strategy is the responsibility of a single person. Thus the focus of stewardship theory is on structures that facilitate and empower rather than monitor and control (Davis, Schoorman & Donaldson 1997). Therefore stewardship theory takes a more relaxed view of the separation of the role of chairman and CEO, and supports appointment of single person for the position of chairman and CEO and a majority of specialist executive directors rather than non-executive directors (Clarke 2004).

Babic (2011) argued that stewardship theory shows trust between managers and owners of the business which therefore implies that the interests of both managers and Board members are not necessarily in conflict but managers act as good stewards in the corporation's best interests and primarily demands that the board of director supports and assists managers in achieving the company's goals, mission and objectives but not to control them through the governance practices. This theory therefore views the governance practice as an internal mechanism that bears the necessary expertise, ability and incentives to fully and effectively monitor the agents' (management) activities to precisely ascertain that, they behave in a satisfactory manner. This does not specifically disclose the governance practices implementation in public and private entities which the study sought to evaluate.

2.2.4 Resource Dependency Theory

Lawrence and Lorsch (1967) link the resource dependency theory to corporate governance. They state that successful organizations possess internal structures that match environmental demand, which links to Pfeiffer's (1972) argument that board size and composition is a rational organizational response to the conditions of the external environment. Furthermore, directors may serve to connect the external resources with the firm to overcome uncertainty (Hillman, Cannella Jr & Paetzols 2000), because coping effectively with uncertainty is essential for the survival of the company. According to the resource dependency role, the directors bring resources such as information, skills, key constituents (suppliers, buyers, public policy decision makers, social groups) and legitimacy that will reduce uncertainty (Gales & Kesner 1994). Thus Hillman et al. (2000) consider the potential results of linking the firm with external environmental factors and reducing uncertainty is the reduction of transaction cost associated with external linkage. This theory supports the appointment of directors to multiple boards because of their opportunities to gather information and network in various ways.

Corporate governance.

Corporate governance as an emerging discipline has become an issue of global importance across many organizations. It became a global issue at the beginning of the twenty-first century when a series of corporate meltdown arising from managerial fraud, misconduct, negligence caused a massive loss of shareholders wealth (Monks & Minow, 2011). Corporate governance calls for adoption of a set of principles, policies and practices that were identified to be very fundamental in guiding behavior and performance of organizations (Tricker, 2011). According to Tricker, the theoretical exploration of corporate Governance is new but the practice is as old as trade. Tricker gives an impression that corporate governance has a long history of existence except that its study has attracted more attention and been rejuvenated by the recent corporate failures in the developed economies.

The first version of the UK Code on Corporate Governance produced by the Cadbury Committee in 1992 defined corporate governance as the system by which companies are directed and controlled (Cadbury Report, 1992). Many writers contend that there is no single accepted definition of corporate governance, but it's a term that describes the procedures, processes, practices and structures through which a company manages its business and affairs and works towards meeting its financial, operational and strategic objectives so as to achieve long-term sustainability.

Corporate governance entails separation of ownership from control in the company, where the directors take the position of de facto owners (shareholders) in directing and controlling the affairs of the entity. This arrangement creates a principle/Agency relationship. Directors of companies as managers of other peoples' money, are expected to watch over it with the same anxious and vigilance as the owners would do to create conducive work environment (Bob, 2011). However, in many cases, this has proved not to be true. Governance challenges continue to arise due to issues relating to transparency, fairness, responsibility and accountability and affect the needs and interest of shareholders and stakeholders.

The contemporary organization underscores the need for continued good governance, with heightened level of interest to the companies' approaches to risk management and assurance (Opio, 2014). It therefore calls for high performance Board of Directors, Accountable management, strong internal controls, increase in shareholder engagement, proper management of risk and effective monitoring and measurement of performance by focusing on the roles of shareholders, the board of directors, the management team and the interactions between them. The inter-action give rise to the notion of best practices.

Bob and Tricker (2011) noted that away from the corporate governance principles, corporate governance polices, corporate governance codes and board structure, there are people. They exhibit political behavior and wield power that influence affairs. They have personal attributes that shape their character which in turn influence their behavior and the way they act which has a direct impact on the way an organization is governed. To ensure that polices and principles are adhered too, there must be an established, well-entrenched and generally accepted way of doing things at all levels in the organization.

2.6 Disclosure

There should be Disclosure arrangements set out as disclosure, transparency and listing rules to explain compliance. Companies must disclose specific information in order to comply with certain provisions in absence of undue influence from the board members (UK Corporate governance code 2016).

2.7 Risk management and internal control systems.

Companies should regularly identify and assess the risks they face on financial, operational, reputational, environmental, industry-related, and legal aspects. The risk management process should involve risk identification, risk assessment and risk mitigation. UK corporate code (2016) requires the Board to establish appropriate risk management and internal control systems and ensure that they are properly designed with enough capacity to identify the risks, their nature and extent to which they can affect the organization and the operation of the systems should be efficient enough to assess the current and emerging risks. The systems must be monitored and reviewed to assess their compliance and adequacy.

The code provides for the risk management and control systems adopted to encompass the policies, systems, procedures, processes, practices, culture, organization and behavioral aspects of a company. The risk management and internal control systems should be integrated in the operations of the company and should swiftly scan the evolving business risks, both within the company or from changes in the business environment.

3.1 Research Methodology

Research methodology is simply a path or a journey that researchers navigate in order to reach certain understandings and conclusions in a carefully setup setting. Whist many authors define research methodology as a process of collecting, analyzing and interpreting information to answer questions (Busetto et al., 2020; Chun Tie et al.,2019)

The researcher used a survey research design towards the completion of this study. Creswell (2014) defines research design as types of inquiry within qualitative, quantitative and mixed methods approaches that provide specific directions for procedures in a research design. According to Amin (2005), a survey research design would be an important tool to the researcher towards the collection of systematic data on different respondents of different gender, educational level and age at the same time at the Rokel Commercial Bank, Sierra Leone. Simple random sampling of respondents was used to make sure that there was no bias in the selection of respondents during the study. Quantitative research design was used by the researcher in order to permit the analysis in a descriptive and deductive manner.

The researcher conducted the study with a population which consists of all set of workers at the Rokel Commercial Bank, Sierra Leone. These categories that was chosen by the researcher are believed to be key to help in the research. This study population that the researcher has to conduct the study was workers of the Rokel Commercial Bank. The researcher sought permission to approach the workers at Rokel Commercial Bank through appropriate channels.

The study was conducted in Sierra Leone by population size of workers at the Rokel Commercial Bank with numbering over 200. These 200 workers at Rokel Commercial Bank were the focus of the survey, as they were in the best position to help with assessing corporate governance Practices on the Performance of Rokel Commercial Bank in Sierra Leone.

It would be a very difficult task to conduct a study using the whole population of the Rokel Commercial Bank, Sierra Leone. Due to that fact, the researcher chose few workers as the sample representing the total population of the Bank. In order to get a representative sample for the study, simple random sampling method was employed to get the workers who were studied. The researcher sent the survey to a sample of 60 respondents, drawn randomly from a pool of 200, workers which were acquired through an appropriate channel. Since these direct respondents are permanent workers of the Bank and have been at the Bank for at least two years, the researcher deemed them fit to represent the entire study population at the Bank, reason being they would have a reliable assessment of the corporate governance practices on the Performance of Rokel Commercial Bank in Sierra Leone. The 60 workers were selected at random by the researcher from a pool of over 200 workers including, supervisors and employees.

The researcher obtained data from the study population by using a structured research interview, questionnaires and personal observation to the target population through appropriate channel that allowed the study population to easily assess the respondents in a stress free and timely manner. Collection of the data lasted for few days .This was because the researcher did not want the responses gotten from each respondent to be affected by other respondents' opinions. The data that was collected from the study population was primary data.

The data that was used for this study was obtained from different sources. This ranged from personal interviews, questionnaires, observations and library search. However, field study involves use of schedules of interviews was applied in obtaining, reinforcing and cross checking obtained data of this Research. The data that was generated for the study comprised of secondary (desk survey) and primary sources (field survey).

Primary data are those obtained directly from the banks and workers or main source. The aim of collecting them was to obtain first-hand information about the banks being studied. The bulk of the primary data was obtained through interviews and discussions that was designed via use of information generated from secondary survey (desk survey) after taking due cognizance of the purpose and objectives of the study.

The study data collection was accomplished by preparing structured interview question and questionnaires. Accordingly, structured interview was made with other relevant respondent.

In the discussion questions note taking was used during the discussion because video recording was not allowed by other respondents. During the discussion, the researcher was not only interested on what was said rather; the way the respondents' said it was also noted.

After the interview question, a summary of the key points was re-written by the researcher in order to change unorganized sentences into brief statements to incorporate main sense and what was said or observed during the discussion.

The validity of this research was calculated through interviews and questionnaires to the workers of the case Bank. The required results to conclude the research was found through the interview, questionnaires and the response of the respondents. The study includes discussions, observations and interviews through an appropriate channel. There are 200 workers in the Bank and 60 responses to the survey. Hence, the research was said to be valid.

The reliability of the research will be said to have be proven if the researcher pre-tests the interview questions and questionnaires. In this research interview questions and questionnaires were sent to another renowned researcher who is a third party to check the reliability before the final work is ready to be utilized to the respondents. The reason for the pre-test was to check that the information was appropriate for the research or not. In order to make the research more reliable the empirical study combined with theoretical study. The researcher found the research to be reliable because the results that were found are as expected and all which represents 100 percent of the workers of the Bank that responded to the survey. Hence, the research was said to be reliable.

Discussions and Findings

Response Rate

During the study, the researcher prepared interview questions and questionnaires which were made available to respondents in order for them to give their opinions on the extent to which they agreed or disagreed or neither both with the statements. The researcher also got information from the web pages of both institutions and other referenced materials. However, the researcher managed to receive 98 percent participation.

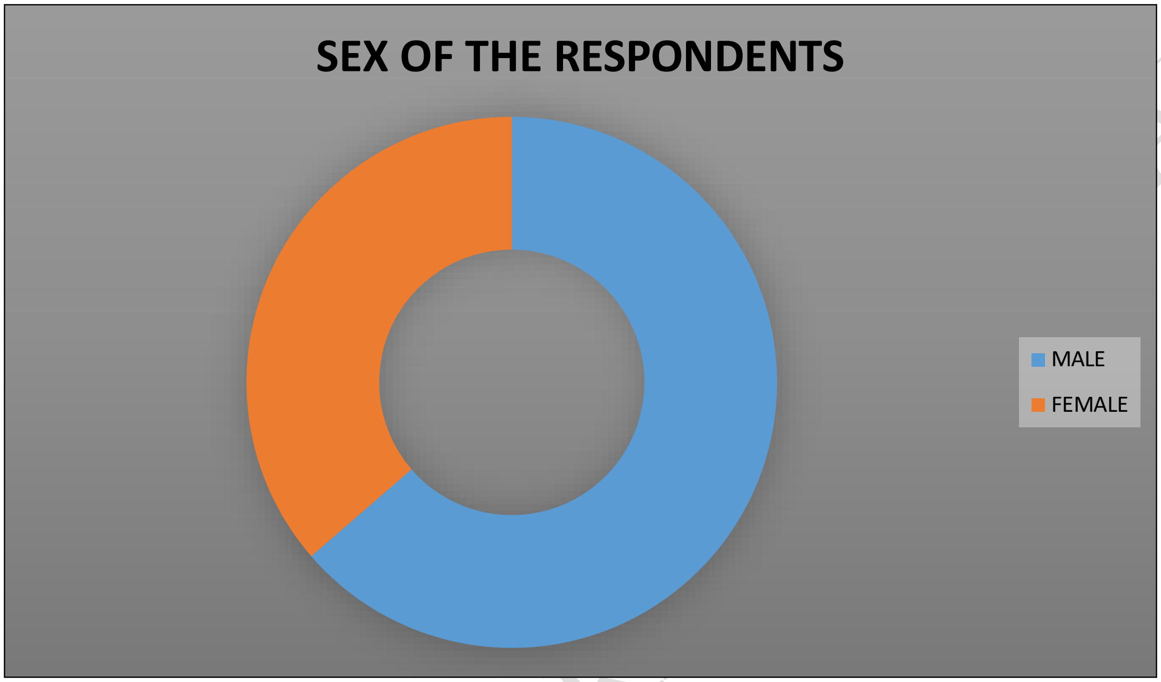
Background characteristics of respondents

The background for the study include gender, highest qualification and duration of service at the Rokel Commercial Bank.

Gender of respondent

This shows the gender of participants for the study in terms of female and male.

Chart 4.1: Gender of respondent

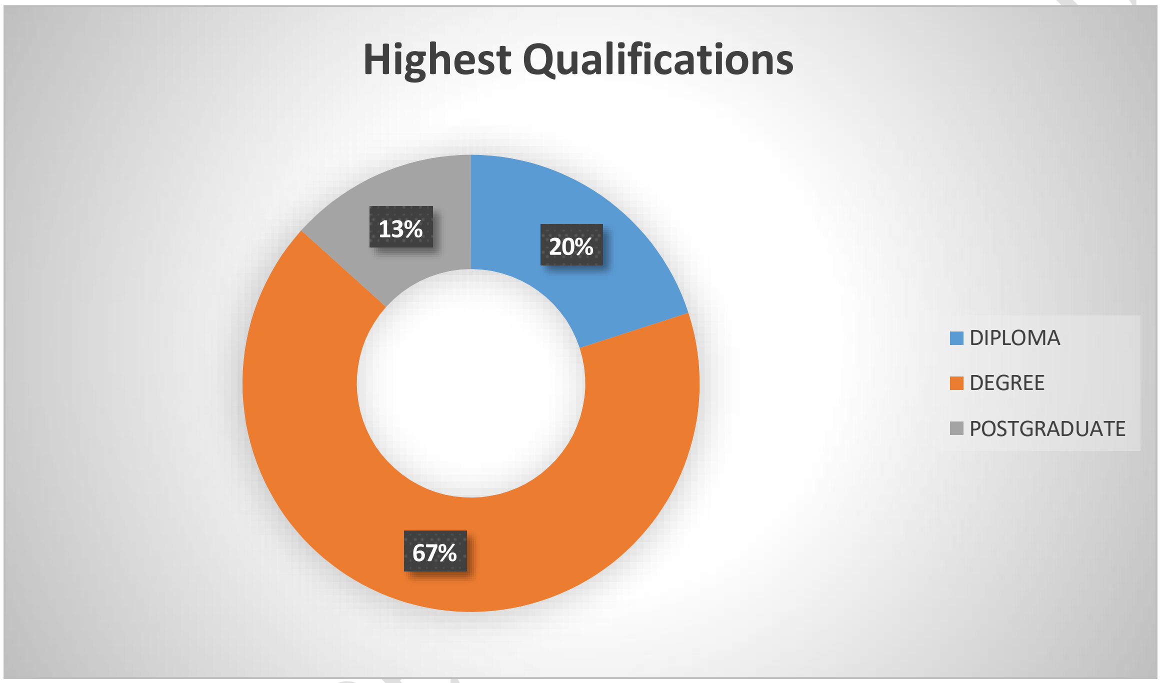


The Chart above shows that 35 respondents representing Sixty- Four percent (64%) of the total respondents are male, while 25 respondents representing Thirty - Six percent are female. This indicate an even representation of gender without bias which guaranteed reliable and validity of the information collected.

Highest qualifications of respondents

This was centered to establish the education qualification level of the respondents in terms of Diploma, graduates with the Degree and post graduate that is degree of Masters and above.

Chart 4.2: Highest qualifications

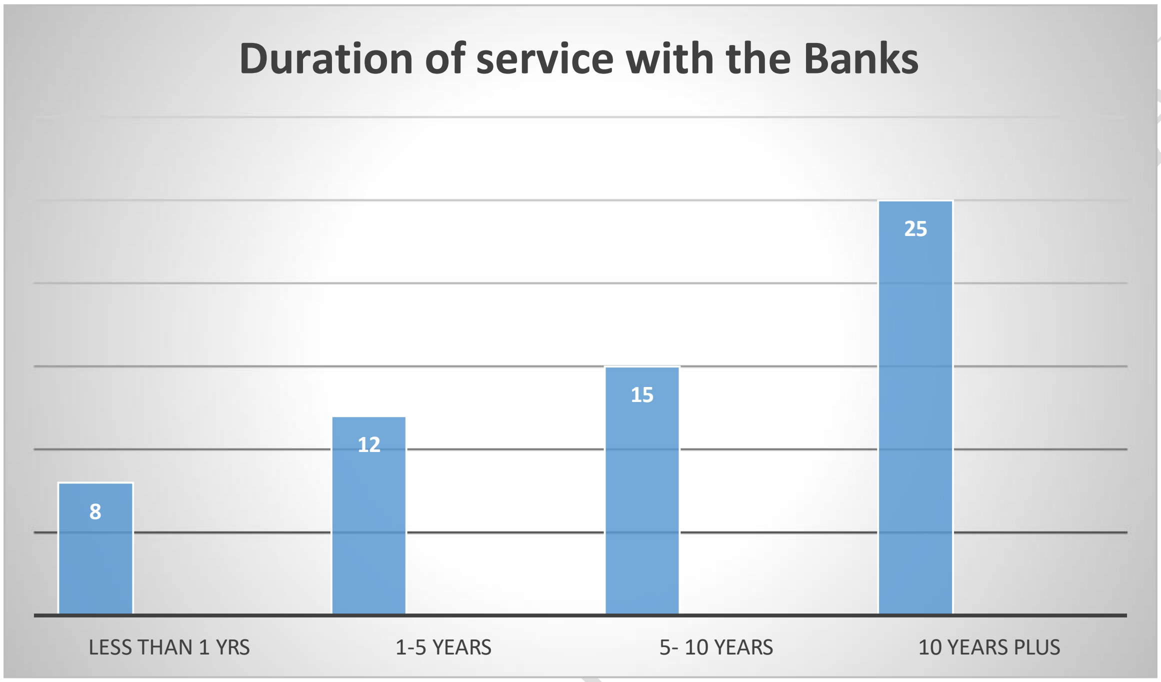


The Chart above shows that 12 respondents representing eighteen percent (20%) of the total respondents have diplomas, 40 respondents representing Sixty - five percent have Degrees, 08 of the total respondents representing thirteen percent have postgraduate degrees. This implies that majority of the respondents were degree holders with the required skills and experiences which granted collection of reliable, relevant information

Duration of service with the Bank

This shows the duration of service of the respondents with the Bank under investigation which is disclosed in terms of years worked with the corporation.

Chart 4.3: Duration of service with the Bank under investigation



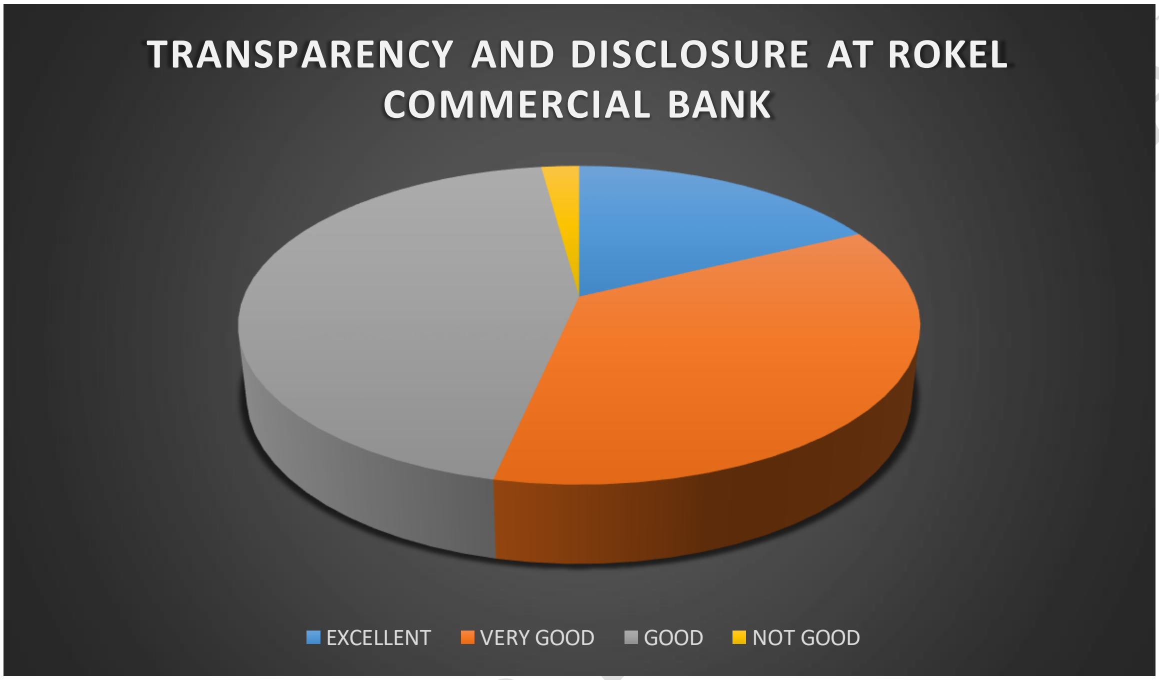
The Chart above shows that 25 respondents of the total respondents have a duration of service spanning above ten years, 15 respondents have a duration of service spanning five to ten years, 12 of the total respondents have a duration of service spanning one to five years and 8 of the respondents have a duration of service of less than one year. Majority of the respondent have worked for more than ten years which implies that the study dealt with experience staff to contribute relevant information about governance practice at the Rokel commercial Bank, Sierra Leone limited.

Respondents on Transparency and Disclosure at Rokel Commercial Bank

The factors that explain Transparency and Disclosure at Rokel Commercial Bank are revealed in Chart 4.4

Chart 4.4 on Transparency and Disclosure at Rokel Commercial Bank.

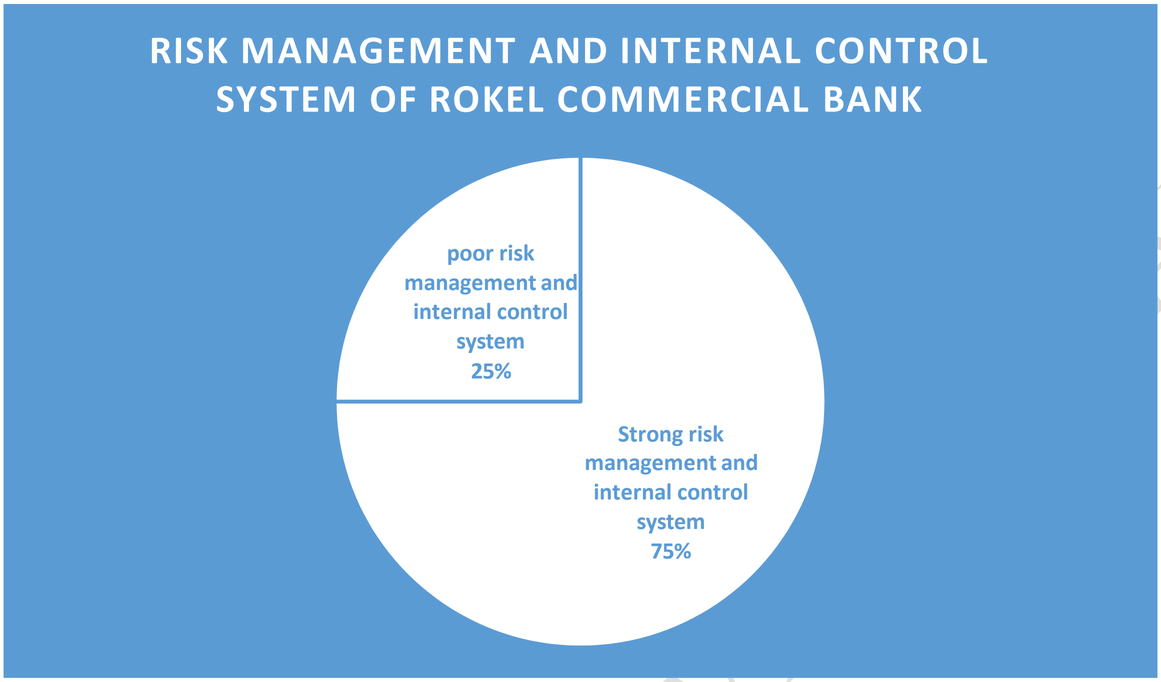
Transparency and Disclosure at Rokel Commercial Bank, Sierra Leone.



The Chart above shows how transparency and full disclosure as a principle of corporate governance is a significant determinant to the overall performance of Rokel commercial Bank. Sixty (60) respondents gave valid responses and the responses are classified into Excellent, Very Good, Good and Not Good. Accordingly, Ten (10) respondents representing 18 percent believes that the Bank has an excellent principles of transparency and disclosure in carrying the affairs of the Bank to the Stakeholders. Besides, Twenty (20) respondents representing 36 percent believes that the bank has a very good Principles of Transparency and disclosure in carrying the affairs of the Bank to the Stakeholders. Additionally, Twenty –Five (25) respondents representing 44 percent believes that the Bank has a good principle of Transparency and Disclosure in carrying the affairs of the Bank. And finally, five respondents representing 2 percent believes that the bank does not have a good Principles of transparency and disclosure in carrying the affairs of the Bank.

4. 4. The risk management and internal control systems of Rokel Commercial Bank towards and increased productivity.

Chart 4.5: Risk management and internal control systems of Rokel Commercial Bank



The Chart above shows the risk management and internal control systems of the Bank towards and increased productivity of Rokel commercial Bank. Sixty (60) respondents gave valid responses and the responses are classified into poor risk management and internal control system and strong risk management and internal control system. Accordingly, Forty - Five (45) respondents representing 75 percent believes that the Bank has a strong risk management and internal control system and it has increased its productivity. Besides, Fifteen (15) respondents representing 25 percent believes that the bank has a poor risk management and internal control system and it is affecting its productivity to the Banking industry.

Companies should regularly identify and assess the risks they face on financial, operational, reputational, environmental and legal aspects. The risk management process involves risk identification, risk assessment and risk mitigation.

Recommendations

The study makes a number of recommendations:

I. The study recommends that Rokel Commercial Bank to sustain the good corporate governance practices already in place like transparency and disclosure.

II. The study also recommends that Rokel Commercial Bank should improve on the work environment for the employees.

III. The study also recommends that the bank should limit the political interference to the affairs of the Banks.

IV. The study also recommends that the Bank should increase and improve on Board and management contact with staff, constant strengthening of internal control systems and constant planning for staff growth and development.

V. The study also recommends that the Bank should increase and improve on the merit and fairness in the operations of the corporation and full disclosure of company's affairs.

VI. The study recommends that the government should continue to formulate more policies and procedure for implementation of corporate governance practices in financial institutions to boost their performances.

VII. The study recommends that the government, non-government organizations and other stakeholders should sensitize and train senior staff in corporations on the need and importance of promoting corporate governance practices.

VIII. The study recommends that the individuals working for corporations should recognize the management of risk through the board responsibility because their support eases the implementation of governance practices.

IX. The study recommends that corporations' stakeholders should build and maintain an effective governance infrastructure within corporations.

X. The study recommends that the corporate governance framework should promote transparent and efficient markets and in consistent with the rule of law.

Conclusion

Corporate governance entails separation of ownership from control in the company, where the directors take the position of de factor owners (Shareholders) in directing and controlling the affairs of the entity. The contemporary organization underscores the need for continued good governance with heightened level of interest of company's approaches to risk management and assurance. It therefore calls for high performance Board of Directors, transparency, internal control and human resources development.

Based on the study it shows that Rokel Commercial Bank has an excellent transparency and disclosure policy and it has played an impactful role in the productivity of the Bank. It shows also that the bank has strong risk management and internal control systems. Again, it shows that the Human Resources Development of the Bank is on the average. This means more needs to be done to make the Human Resources Development of the bank and enviable one. And finally, the Bank has an excellent and well diversified Board structure and composition.

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