An analysis on the effects of risk management and corporate governance on organizational performance. A case of Tomorrow Systems Pvt Ltd

By

CONRAD K MUNYANYI   B1128800

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SUPERVISOR: Mr. O Zivanai
ABSTRACT

The main objective of the researcher was to analyse the effects of risk management and corporate governance on organizational performance. The researcher used a case study to analyse the relationship of the variables: a case study of Tomorrow Systems (PVT) LTD and a descriptive research design was adopted. Out of a total of 63 employees 30 respondents were selected using simple random sampling. Due to the nature of the study, simple random sampling made sure that every member of the company had an equal chance of being selected. This helped to increase validity and reliability of the data collected. Questionnaires and interviews were used to assemble primary data for the research. Data was mainly collected from primary sources and graphs, tables and pie charts were used to present the data. Microsoft excel was used to analyse the data and to construct tables, graphs as well as pie charts. Main findings were that proper risk management principles enhance corporate governance and also that risk management and corporate governance have a positive relationship. The researcher also found out that performance of the organization improves by having an integrated approach to risk management and corporate governance. Based on the above findings the organization was recommended to adopt the Turnbull approach so as to maximize the benefits of effective risk management. The organization was also urged to empower its employees to proactively manage thus making every employee a risk manager. The researcher also recommended the organization to adopt a risk based thinking approach to business.