

THE RELATIONSHIP BETWEEN POLITICAL AFFILIATION AND PERFORMANCE OF MOBILE TELECOMMUNICATION ORGANISATIONS IN SOUTH AFRICA

Solomon Omonona, University of Fort Hare
Olabanji Oni, University of Fort Hare

ABSTRACT

This study seeks to examine the relationship between political affiliation and the performance of mobile telecommunication organizations in South Africa. The study adopted research survey design. The population was drawn from the selected telecommunication organizations. While the sample size of 355 was obtained from the population using Raosoft online calculator at 5% error tolerance and 95% level of confidence. The reliability of research is based on the consistency in results obtained after repeated investigations. The Cronbach's alpha reliability test was conducted on the four scales of the study with 0.8 for high reliability. The findings indicate that political affiliation significantly relates to financial performance ($r=0.38$, $p<0.01$) and non-financial performance ($r=0.33$, $p<0.01$). The study therefore recommends that: the negative interference by the political class should be discouraged or minimized, frequent cabinet reshuffle or change in the government should be reduced, while political integration and stability of the government must be ensured.

Keywords: Political Affiliation; Political Environment; Favourism; Nepotism; Performance; Telecommunication

INTRODUCTION

There is a growing interest in analysing the relationship between the political affiliation which is a subset of the political environment and the performance of telecommunication organisations in South Africa. The sway of external factors on organisational operations has been researchers' focus for years, together with their impact on the overall organizational efficiency (Tran & Tian, 2013). However, the environment in which organisations operate is multifaceted, multi-centred, dynamic and has a sweeping impact on such organisations. There is a mutual connection, reliance or interdependence between the organisations and the environment in South Africa as in different countries around the globe (Ogunro, 2014). Organisation cannot work in a vacuum; it needs a domain. The political environment is one of the components of the general environment which play host to every organization.

Politics has a significant influence in the business arena because politically connected firms, as posits by Bliss & Gul (2012) are widely perceived to have poor corporate governance practices and observed by stakeholders (i.e. auditors and lenders) to be risky. In addition, the seminar study of Faccio (2002), opines that a firm is said to be politically connected if the owner or a co-owner of the organization is the president, premier, member of the parliament or even related closely to a powerful politician. For instance, Silvio Berlusconi, the Italian Former Prime Minister is a major shareholder of four Italian listed

organizations (Mediaset, Fininvest, Telemilano etc.). These four corporations are considered politically allied organizations (through their owner). Faccio (2002) further explained that politically affiliated organizations are common in countries with a high level of nepotism and corruption. For instance, the politically connected organizations in the United Kingdom(UK) benefit a lot from the government, ranging from easy access to debt financing (i.e. unmerited credit facilities), stronger market power, and low income tax charges etc. No doubt, the interest of these firms will be protected through the formulation of favourable policies that will ensure that these firms have a competitive advantage over their competitors.

In Africa, the situation is worse because some politically affiliated companies or organization even enjoy free interest loan, unending tax holiday and in some bad situations when the government unduly pays for the debt of private enterprises. This is evident in a Malawian company called Sterling Timber International, which, according to Mtika (2018) was politically connected through two of its directors, Peter Mwanza, who was a former agriculture minister and a senior member of the ruling Democratic Progressive Party (DPP) and Goodall Gondwe a long-standing Finance Minister and DPP heavyweight. As recorded by the report, Sterling Timber received a 1.4-billion Kwachas (R58-million) loan from Malawi Savings Bank (MSB) in 2011 to set up a timber processing plant but which was never built. However, the situation is not totally different in South Africa, given the example of the Black Economic Empowerment (BEE), which has progressively benefited a handful of political entrepreneurs related to the leadership of the leading faction (Gumede, 2017). The need to examine the effects of political affiliation in the telecommunication sector arises because the South Africa's telecommunication sector has not met the national objective of affordable access to the full range of communication services (Gillwald et al., 2012). The high price of broadband in South Africa remains a serious challenge because the least expensive prepaid mobile calls in South Africa (SA) remain 7.5 times more expensive than the continents cheapest rate of same product despite the availability of basic amenities. In addition, the South Africa call rate is 3 times expensive more than the least available price of the main player of telecommunication industry in Africa (Gillwald et al., 2012). This is said to be a resultant effect of unfavourable political environment, which brings about series of regulatory blockages that hinder sector expansion. Therefore, there is need to examine the effects of political affiliation on the performance of mobile telecommunication companies in South Africa. Previous studies such as Faccio (2002); Choi et al. (2007) and Safina (2015) have investigated the politically affiliation firms but there is scarce empirical literature on the effect of politically connected telecommunication companies in South Africa. The research question this study seeks to answer is: what is the effect of the political affiliation on the performance of mobile telecommunication organisations in South Africa? The objective of this study is to ascertain the effect of political affiliation on the performance of mobile telecommunication organisations in South Africa.

LITERATURE REVIEW

Concept of Political Affiliation

For proper understanding of the concept “political affiliation” one must first have a grasp knowledge of what “affiliation” is? Affiliation is an official connection to something. A business empire becomes politically connected when the owner or one of the stakeholder is a political chieftain. For example, Lord Browne of Maddingley (a member of the British House of Lords) is the CEO of British Petroleum (BP). BP is therefore regarded as a politically connected firm because of the presence of its Director in the parliament (Faccio, 2002).

Second, organizations are named to be politically connected firm when one vast investor is a member of the parliament. Huge or major investors are characterized as anybody legitimately or by implication controlling somewhere around 10% of shareholder votes. A genuine case of the politically connected firm is that of an influential family in Italy, the Agnelli family. Giovanni Agnelli, a key figure in Italy and a life-term Senator. Through an amazingly perplexing ownership structure, the Agnelli family straightforwardly or by implication controls in excess of 10% of the votes (and is really the biggest investor) in 18 Italian listed business organizations.

No doubt, the interest of these firms will be protected through the formulation of favourable policies that will ensure that these firms have a competitive advantage over their competitors.

Importance of Politically Connected Firms

There is a lot of episodic confirmation that political connection plays an imperative part for businessmen and government officials. Politicians allow unique rights, grant import licenses, and confine entry into business sectors, which are of advantage to business people who are close political partners. For instance, according to Choi et al., (2007), Indonesia's long-term dictator Suharto helped his six kids and close political partners to construct a gainful business empire. At the point when Suharto needed to step aside in May 1998, the fortune of his family was assessed at \$15 billion. Liem Sioe Liong, one of the closest partners of Suharto in the business network, became one of the richest billionaires in Southeast Asia. As recorded by Faccio (2007), the Indonesian Bank Restructuring Agency circulated the names of Indonesia's key corporate debtors. Suharto's children figured on the topmost of the list: followed by Timor Putra Nasional, which is the auto firm controlled by Tommy Suharto with 3.5 trillion rupiahs in loans, while the fifth debtor on the list with 2.9 trillion rupiahs in debt, is a petrochemical company owned by the timber tycoon Prajogo Pangestu and Suharto's second son, Bambang Trihatmodjo."

In addition, Choi et al., (2007), explained that highly connected Vitalis Zvinavashe of Zimbabwe, until his retirement in 2003, was not only commanding the defense forces in Zimbabwe, but also ran a large trucking company (delivering material into the civil war region of Congo), giving the company an edge over competitors. The benefits of politically connected companies include preferential access to credit, lighter taxation, preference in the award of government contracts; reduced regulation of firms, or adverse regulatory decisions for rivals or regulatory protection, reduced enforcement of laws impacting on the firm, or stricter enforcement of laws for rivals, and government aid to financially troubled firms.

Parliamentarians are key for firms' minimization of operational cost, which is related to government bureaucracy. Moreover, parliamentarians frequently set the guidelines for the game, for example, the entry barriers and statutory capital requirement. Additionally, the legislative powers improve firms' chances of winning tenders for participation in the privatization process or for handling the transactions of state institutions. This, however, is possible according to Osamwonyi & Tafamel (2013), because these firms have an insider in the cabinet or parliament that protects their interest always.

The Concept Favourism

In this contemporary epoch, it is observed that the global economic changes that have taken place over the years are not the only reason for decline in our organizations but also decline in economy of the country. There are many issues related to hiring in public and as

well as in private sector. However, Nepotism, Cronyism, and favouritism are the main barriers in the way of well-qualified employees, because, in a public sector organization, they prefer to hire employees who are reference based or have relation with their family, friends or colleagues (Shabbir & Siddique, 2017).

Erdem & Karatas (2013) also defines the term favouritism to be a situation where people are employed and promoted without considering their qualities, (such as knowledge, skills etc.), but just because of their connection with certain individuals i.e. friends and family relations, they however benefit unduly from an organisation (Aytaç, 2010; Asunakutlu, 2010). Favouritism paves way for conflict environment between employees when motivations of organization employees are reduced, and employees exposed to high stress level with no absence ratios, thereby leading to the resignation of qualified personnel (Erdem & Karatas, 2013). Likewise, Baydar (2004) explains favouritism as unethical conduct or action by the management and proposes that organisations that are involved in such practice find it difficult to maintain or practice modern management principles.

Level of Corruption

Transparency International in Trending economics (2019) statically states that South Africa was ranked the 71 least corrupt nations out of 175 nations sampled. The lowest ever digit recorded on corruption rating in SA was in 1996, when the country was in 23 position out of the 175 nations, while in 2013, South Africa was ranked 72 position. Between the year 1996-2017, corruption was ranked at an average of 50.41% in South Africa.

Relationship between favouritism, nepotism and organisational performance

Nadeem et al. (2015) studied effects of favouritism, nepotism, and cronyism on job satisfaction in the telecommunication sector of Pakistan. The research utilizes the convenience sampling method for its data collection, with three hundred respondents from four different telecommunication companies. The data were analysed using SPSS for the correlation and regression analysis. However, the result indicates that favouritism, nepotism, and cronyism are negatively connected with job satisfaction in the telecom sector of Pakistan.

In addition, Pelit et al. (2015) also studied the effect of nepotism on organizational silence, alienation, and commitment using a study on hotel employees in Turkey. The data were sought through the use of questionnaires with a sample size of 662 employees from the hotel industry in Turkey. Pelit et al. (2015) opines that nepotism encompasses acts of practices in the sector where family members and friends are given more quality attention. Factor analysis, standard deviation, correlation, and regression analysis were utilized on the collected data. However, the result shows a positive relationship between organisational silence and alienation, while there is a negative relationship existing between nepotism and organisational commitment.

Relationship between corruption level in government and organisational performance

Sohail et al. (2014) investigated the impact of bribery and corruption on Pakistanis firm performance, with a particular emphasis on the impact of bribery on organisational performance. Impact of bribery is checked through the questionnaire which is distributed among 100 respondents. The data were analysed using correlation and regression analysis, which discovered that firm performance and bribery negatively relates. In addition, La Rocca

& Neha (2017) believes that illicit activities, fraud, and corruption have become a global phenomenon that impede on the social, political and economic development. The study seeks to determine the impact of corruption on the corporate performance of firms using a cross-sectional survey method, with a data set of two thousand, seven hundred and eighty-nine listed companies across thirty-four European countries. The result shows that corruption is harmful to both the short and long-term performance of the organisation.

Relationship between Governmental intervention and organisational performance

Dzansi et al. (2016) sought to examine the views of municipality's employee on political interference with regards to HRM practices in some selected municipalities in SA. The authors noted that citizens are not satisfied with the service delivery system in the various municipalities' areas. However, a survey was carried out in nine municipalities in the Free State province with a sample size of three hundred and forty-two employees. The findings reveal that municipal employees perceived little or low levels of political interference in HRM practices. The study also recommends that appropriate human resource management ethics should be implemented at various governmental levels.

Mfuru et al. (2018) studied the impact of political interference in public administration in Kibaha town council. Both qualitative and quantitative method were adopted for this study. In addition, data were collected from sampled twelve public administration officers (PAOs) and eighteen ward executive officers (WEOs) from Kibaha town council. Thematic and correlation analysis were utilized with the help of SPSS software. The findings, however, reveals that political interference results in the abuse of power, poor service delivery, maladministration, lack of commitment inexcusable delay and improper conduct. Mfuru et al. (2018) concluded that political interference was due to the inadequate power and responsibility separation between politics (policy) and public administration (execution).

CONTINGENCY THEORY

The contingency theory in business management perspectives is centred on the notion that there is no single ideal approach to getting things done. Contingency can be said to be the unexpected prompt conditions. Contingency style of management assumes that there is no general answer to many questions because situations, organizations and people vary and change over time. The approach challenged the management theorists of Frederick Winslow Taylor (Scientific management) in 1911 and Henri Fayol of classic process and models in 1916. The contingency approach believes solely that the answer to the question of what, how, when and where in the organisation largely depends on the critical analysis of eventualities in the external environmental.

The fundamental avowal of contingency approach is that the environment in which an organization operates determines the best way for it to organize. Contingency theory, most time, is also referred to as the "it all depends" or "Situational" theory. Contingency theorists depend on situations to take a decision. This approach examines how an enterprise or firm reacts promptly to the influences of the external variables that affect the operations of the firm. These variables include political, technological, economic, cultural and legal variables. In addition, Joseph (2014) was of the opinion that the contingency approach emphasizes that different situations or problems require different methods and solutions. Furthermore, there is no better way to plan, organize or control; rather the manager should study the environmental

situations and match them with different management techniques for the easy achievement of their organizational objectives. Conclusively, the fundamental notion of contingency theory is that no single company's structure is similarly pertinent to all corporations, instead, organisational effectiveness is dependent on a fit or match the kind of political, technology, ecological unpredictability, the dimensions of the corporation, environmental volatility, the functions of the organizational structure and its managerial skills, because what is obtainable in the South African environment is quite different from the rest of other Africa nations.

Drazin & Van de Ven (1985) opined that contingency management seeks to develop a good fit between the environment of the organization and its performance. However, the better the fit between organizations and its environment, the greater their performance. Hendrick (2003) affirms that with respect to organization, managing, leading and motivating the contingency management approach, the assumption is that there is no best way to go about the activities in an organization; it all depends on the political, economic, social, cultural or technological situation of the present external environment. Conclusively, contingency theory believes that no two situations are the same; i.e the political environment differs from state to state and nation to nation, while the pattern and relationship are enormous in the organization. This means that organizations are structured differently because the environment determines the type of structure adopted by organizations. Contingency theory becomes important in the organization since the future of organization cannot be predicted with a higher degree of certainty. Therefore, management of telecommunication companies must, in fact, maintain a flexible and decentralised organisational structure to ease decision-making, and adapting to changes in the environment.

METHODOLOGY

Survey research design methodology was utilized for this study. The study was carried out in South Africa specifically among mobile telecommunication operators. which comprises of Telkom (Mobile), Vodacom, Cell C, MTN and Virgin Mobile companies with a population estimates of 4,551 senior and management staff member and a sample size of 355 using a Raosoft online calculator with 95% level of confidence and 5% margin error. Out of the 355 copies of the questionnaire that were sent via online survey monkey, 217 responded while some were not returned. The reliability of research is based on the consistency in results obtained after repeated investigations. The Cronbach's alpha reliability test was conducted on the four scales of the study with 0.8 for high reliability. Data was collected using a questionnaire on a 5-point Likert scale. The questionnaire was validated using content validity method while Cronbach's alpha method was utilized for reliability/internal consistency. With the aid of SPSS v6, Pearson's Product Moment Correlation (PPMC) was used to test for the strength of the relationships that exist between variables.

RESULTS

Distribution of Respondents' Responses to the Items Measuring Political Affiliation

Table 1 and Figure 1 show the distribution of the respondents' responses to items measuring Political Affiliation. The results show that 105 (48.4%) of the respondents agreed, 69 (31.8%) disagreed, while 43 (19.8%) were indifferent that their operation or performance is affected by favourism that exists in the government circle. 136 (62.7%) of the respondents agreed, 58 (26.7%) disagreed and 23 (10.6%) were indifferent that nepotism in the government affects the smooth running of their organization. Also, 130 (59.9%) of the

respondents agreed, 44 (20.3%) disagreed and 43 (19.8%) were indifferent that corruption in the government system affects the performance of their organisation. 137 (63.1%) of the respondents agreed, 39 (18%) disagreed while 41 (18.9%) were indifferent that their political connections of their competitors affect the performance of their organisation. Moreover, the majority 160 (73.7%) of the respondents agreed, 31 (14.3%) disagreed while 26 (12%) were indifferent that the crime-free environment and security played a significant role in the operations of their organisation. 150 (69.1%) of the respondents agreed, 42 (19.4%) disagreed and 25 (11.5%) were indifferent that political interference affects the performance of their organization. Similarly, 150 (69.1%) of the respondents agreed, 42 (19.4%) disagreed while 25 (11.5%) were indifferent that media plays a role in building their organizational goodwill. Lastly, 135 (62.2%) of the respondents agreed, 44 (20.3%) disagreed and 38 (17.5%) were indifferent that professional code of conduct on the part of the government affects the operation of our organisation. In summary, this descriptive result indicates that political affiliation variables significantly affect the performance of mobile telecommunication organisations in South Africa.

TABLE 1
SHOWING DISTRIBUTION OF ITEMS MEASURING POLITICAL AFFILIATION

To what extent do you think the following statements are true about your firm?		Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
Our operation or performance is affected by favourism that exists in the government circle	Freq.	30	39	43	79	26
	%	13.8	18	19.8	36.4	12
Nepotism in the government affects the smooths running of our organization	Freq.	27	31	23	92	44
	%	12.4	14.3	10.6	42.4	20.3
Corruption in the government system affects the performance of our organisation	Freq.	20	24	43	64	66
	%	9.2	11.1	19.8	29.5	30.4
Political connections of our competitors affect the performance of our organisation	Freq.	13	26	41	89	48
	%	6	12	18.9	41	22.1
Crime-free environment and Security played a significant role in the operations of our organisation	Freq.	14	17	26	87	73
	%	6.5	7.8	12	40.1	33.6
Political interference affects the performance of our organization	Freq.	28	14	25	91	59
	%	12.9	6.5	11.5	41.9	27.2
Media plays a role in building our organizational goodwill	Freq.	28	14	25	91	59
	%	12.9	6.5	11.5	41.9	27.2
Professional code of conduct on the part of the government affects the operation of our organisation	Freq.	20	24	38	76	59
	%	9.2	11.1	17.5	35	27.2

Test of the Research Hypothesis

There exist a significant relationship between political affiliation and performance of mobile telecommunication organisations in South Africa.

Table 2 shows the correlation results for political affiliation and financial and non-financial performance. The result shows that political affiliation was significantly related to

financial performance ($r=0.38, p<0.01$) and non-financial performance ($r=0.33, p<0.01$). The result indicates that mobile telecommunication organisations political affiliation bias positively affect the organisational performance. That is the political affiliation bias of the mobile telecommunication organisations contribute to her financial and non-financial performance.

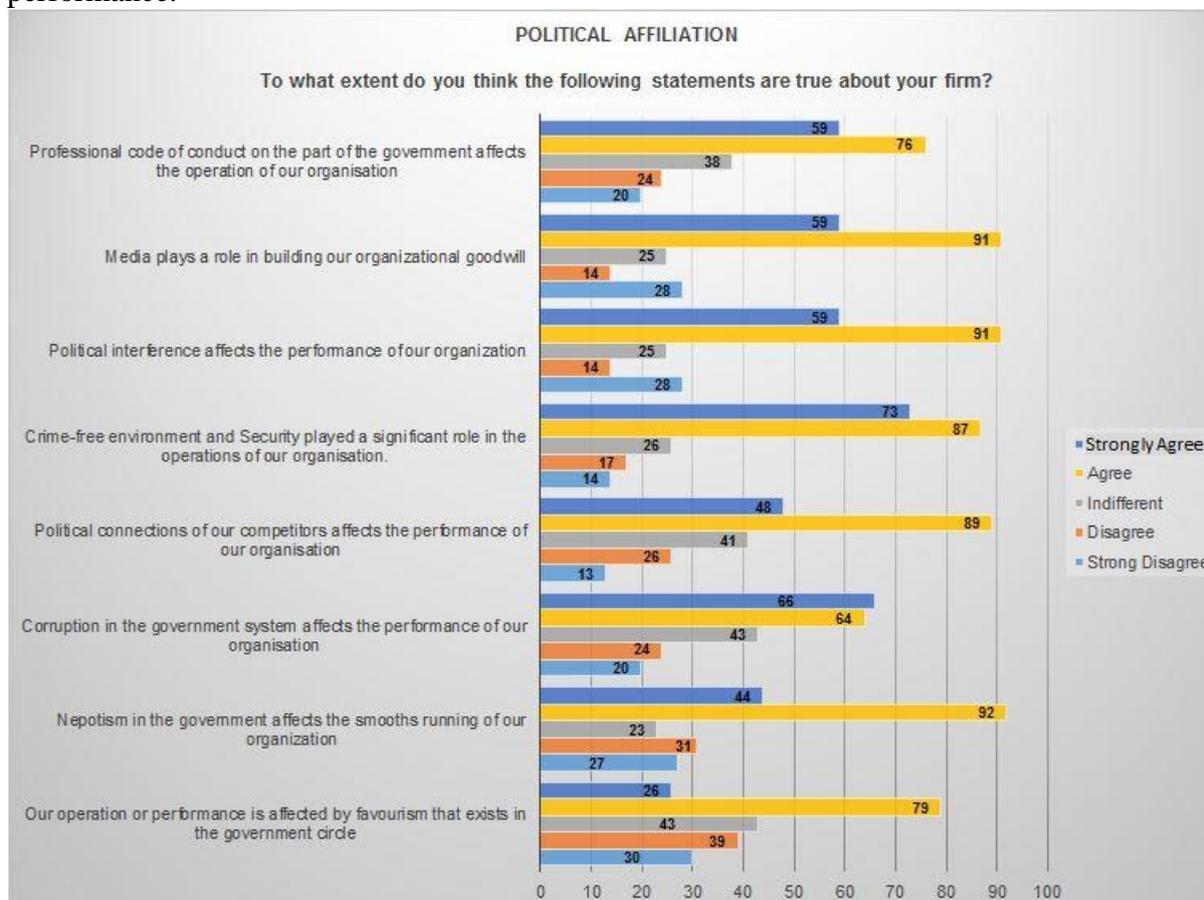


FIGURE 1
HISTOGRAM DISPLAYING THE DISTRIBUTION OF RESPONDENTS’
RESPONSES TO THE ITEMS MEASURING POLITICAL AFFILIATION
(SOURCE: FIELD WORK 2018)

		S.D	1	2	3
1. Financial performance	16.74	5.19	1	0.77**	0.38**
2. Non-Financial performance	13.61	3.79		1	0.33**
3. Political Affiliation	28.51	7.21			1

DISCUSSION

The hypothesis in Table 2 above which stated that there is a significant positive correlation between political affiliations and the performance of the mobile telecommunication organisations (and all its sub-dimensions) was supported. The results showed a significant relationship between favouritism, nepotism, and organisation performance in the mobile telecommunication. The findings indicated a correlation between the level of corruption in government and the performance of the mobile telecommunication organisations in South Africa. The findings further displayed a significant relationship between political interference (which is one of the variables of political interference) and organisational performance of the mobile telecommunication in South Africa. The findings show the importance of the role of media (which is one of the variables of political interference) on the performance of the mobile telecommunication organisations in South Africa.

These findings are consistent with findings in previous empirical studies that established a positive correlation between political affiliations and the performance of the mobile telecommunication organisations in South Africa. This is in line with the study of Sadozai et al. (2012) that reported a positive impact between nepotism, favouritism and job satisfaction. In addition, Sadozai et al. (2012) discovered that nepotism, cronyism, and favouritism relate positively to job satisfaction in the eight public parastatals of Pakistan that was investigated.

On the contrary, Safina (2015) opine that nepotism which is one of the political affiliation proxies has a positive correlation with organisation performance because it brings about the creation of new openings and opportunities for modelling of higher positions and even creating a whole department for close relatives, which invariably leads to inefficiency in the organisation. In addition, Pelit et al. (2015) discovered a negative relationship between nepotism and organisation. While, Bute (2011) also reported a negative impact of nepotism on employee satisfaction.

The second sub-dimension of political affiliation (first hypothesis) which is the level of corruption in the government system, also indicated a significant relationship with the performance of the mobile telecommunication in South Africa is in consonant with previous empirical findings like Ayaydin & Hayaloglu (2014), which reported that there is a significantly positive relationship between the growth of private firms and corruption level, but opines that the financial risk relates negatively with firm performance. Despite the positive relationships that exist between corruption and the performance of firms, Ayaydin & Hayaloglu (2014) however, still recommends that policymakers should enhance public governance quality in order to provide a level playing ground for all firms, thereby, eliminating corrupt practices. In addition, Ilhan (2017) discovered that both organisations that perceived the court system in China to be corrupt and not corrupt attained growth in firm performance. The implication is that corruption contributes to organisational growth in China.

On the contrary, Sohail et al. (2014) and La Rocca & Neha (2017) reported a negative relationship between bribery and the performance of the selected four Universities in Pakistan and the assertion that illicit activities, fraud, and corruption have become a global phenomenon that impede on the social, political and economic development respectively. The result shows that corruption is harmful to both the short and long-term performance of the organisation. Esmaili et al. (2013), examined the impact of administrative corruption on human resource Productivity, a case of Qom University, which findings revealed that administrative corruption has a negative correlation with all the productivity components;

such as job satisfaction, job security, and accuracy of actions, the speed rate of employees' performance, job knowledge and quality of work life.

The third sub-dimension of the first hypothesis (political affiliation). Political interference indicated a significant relationship with the performance of telecommunication organisations in South Africa. This finding is in tandem with previous researches, for example, Dzansi et al. (2016) investigated the municipal employees' perceptions of political interference in human resource management practices in some selected municipalities in South African, and discovered that municipal employees perceived little or low levels of political interference in HRM practices. However, it was recommended that appropriate human resource management ethics should be implemented at the various governmental levels.

Unlike the current study, Mfuru et al. (2018) reported a negative relationship between political interference and in public administration in Kibaha town council. It was revealed that political interference result to abuse of power, poor service delivery, maladministration, lack of commitment inexcusable delay and improper conduct in organisation. Similarly, Usang & Salim (2015) discovered a negative relationship between political interference and local government performance in Nigeria. Usang & Salim (2015) reported that the internal audit quality moderated the relationship between local government performance and political interference.

The fourth sub-dimension of the first hypothesis (political affiliation). The role of media significantly relates with the performance of mobile telecommunication organisation in South Africa. Meanwhile, the findings of this present study are in line with previous empirical results like Dodokh (2017) on the significance of SMU in DSP organization in Jordan on OP. In addition, Dodokh (2017) discovered a positive and significant of SMU on OP in DSP in Jordan in relation to reduction of cost, innovation, steady adaptation, satisfaction and time to market.

Political affiliation was significantly related to the performances. These indicated that mobile telecommunication organisations political affiliation bias and positively affect the organisational performance. That the political affiliation bias of the mobile telecommunication organisations contributes to her financial and non-financial performance. Gupta & Wowak (2016) reported that there is significant interaction between ideology and performance, and that the board ideology plays an important role in affecting the extent to which CEOs are rewarded and penalized for their firms' recent performance. In addition, decisions about CEO pay are in part a reflection of boards' prevailing political ideologies.

While, Baum et al. (2008) in a seminar study studied the link between political patronage (politically affiliated) and bank performance in Ukraine and discovered that politically affiliated banks significantly increased their capital-to-asset rate margin compared to unaffiliated banks. Politically affiliated bank have access to loan with lower interest rate than the non-politically connected banks. Since those affiliated banks have some of their board members in government, they make favourable policies and regulations in favour of their organisation.

In addition, Aburime (2008) investigated the effects of political affiliations to the performance of the banking sector in Nigeria and revealed that political affiliation had a positive, albeit insignificant, impact on bank profitability. This somehow contradicts the view of some employees in Nigeria who believe the success and problem of newer generation banks is traced to politics by the Nigerian government; example, Savannah Bank, National Bank, Hallmark Bank; Therefore, in order for firms to maximize profitability, management of such firms should see politics as a transformation strategy.

CONCLUSION

The study sought to establish the relationship between the political affiliation and the performance of mobile telecommunication organisations in South Africa. The study employed a cross-sectional survey to provide answers for the research hypotheses derived from the reviewed literature. The participants were employees of the mobile telecommunication companies in South Africa. Contingency theory formed the theoretical basis of the study. The hypothesis was tested showing the relationship between political affiliation and performance of mobile telecommunication organisations in South Africa.

RECOMMENDATION

However, the study thus recommended that the stability of the political space or environment is necessary for the efficient and effective running of the organization. Therefore, management of organizations must concern itself with the trends in the political space of the country; the management of the organization must also take cognizance of these constraints, actual and potential, and seek the implications of the business organization from legal advisers. The understanding of the political space will enable an organization to choose the appropriate strategy or strategies that fit the trend in the external business environment.

REFERENCES

- Aburime, T. (2008). Determinants of bank profitability: industry-level evidence from nigeria. *International Journal of Nigerian Studies and Development*, 14, 21-34.
- Asunakutlu, T. (2010). Fundamentals of favoritism: similarity and dissimilarity. Favoritism in terms of management and organization. (Ed. Ramazan Erdem), Beta Yayıncılık, İstanbul, 41-60.
- Ayaydin, H., & Hayaloglu, P. (2014). The effect of corruption on firm growth: evidence from firms in Turkey. *Asian Economic and Financial Review*, 4(5), 607-62.
- Aytac, O. (2010). Sociological foundations of favoritism. Favoritism in terms of management and organization, (Ed. Ramazan Erdem), Beta Yayıncılık, İstanbul, 3-26.
- Baum, C. F., Caglayan, M., Schäfer, D., & Talavera, O. (2008). Political patronage in Ukrainian banking 1. *Economics of Transition*, 16(3), 537-557.
- Baydar, T. (2004). Public administration practices in England in terms of management ethics. *Unpublished Master's Thesis. Institute of Social Sciences, Ankara University, Ankara.*
- Bliss, M. A., & Gul, F. A. (2012). Political connection and cost of debt: Some Malaysian evidence. *Journal of Banking & Finance*, 36(5), 1520-1527.
- Bute, M. (2011). The Effects of nepotism and favoritism on employee behaviors and human resources practices: A research on Turkish public banks. *TODAY'S Review of Public Administration*, 5(1), 185-208.
- Choi, J. P., & Thum, M. (2007). The economics of politically-connected firms. *International Tax and Public Finance*, 16(5), 605.
- Dodokh, A. M. I. (2017). The impact of social media usage on organizational performance: a field study on dead sea products companies in Jordan (Doctoral dissertation, Middle East University, Jordan).
- Drazin, R., & Van de Ven, A. H. (1985). Alternative forms of fit in contingency theory. *Administrative science quarterly*, 514-539.
- Dzansi, L. W., Crispen, C. & Denis, Y. D. (2016). Impact of municipal employees' perceptions of fairness in human resources management practices on motivation: evidence from a South African Province. *Problems and Perspectives in Management*, 14(1-1), 138-149.
- Erdem, B. & Karatas, A. (2013). The effects of cronyism on job satisfaction and intention to quit the job in hotel enterprises: the case of three, four and five star hotels in muğla, turkey. *Manas sosyal Araştırmalar Dergisi*, 4(1), 55-74.
- Faccio, M. (2007). The characteristics of politically connected firms. Purdue CIBER Working Papers. Paper 51.
- Gillwald, A., Moyo, M., & Stork, C. (2012). Understanding what is happening in ICT in South Africa. A supply-and demand-side analysis of the ICT Sector. Evidence for ICT Policy Action Policy Paper, 7.
- Gupta, A. & Wowak, A. J. (2016). The elephant (or donkey) in the boardroom: How board political ideology affects CEO pay. *Administrative Science Quarterly*, 62(1), 1-30.

- Hendrick, R. (2003). Strategic planning environment, process, and performance in public agencies: A comparative study of departments in Milwaukee. *Journal of Public Administration Research and Theory*, 13(4), 491-519.
- Ilhan, S. & Aytac, O. (2010). Social and cultural role in the formation of nepotistic tendencies in Turkey. Favoritism in terms of management and organization. (Ed. Ramazan Erdem), Beta Yayincilik, Istanbul, 61 – 83.
- Joseph, C. (2014). Management technique for effective organization. Nkpor Nigeria, Base 5 Publishes.
- La Rocca, M. & Neha, N. (2017). The effect of corruption in management and board on firm performance in Europe. University of Calabria.
- Esmaili, M., Seraji, R., Rashid, A. A. & Bayanloo, Z. (2013). The impact of administrative corruption on HR Productivity (Case study: Qom University). *Advanced Research in Economic and Management Sciences*, 11, 246-260.
- Mtika, C. (2018). Politically connected brothers, scandal, toxic loans-Malawi edition. *Mail & Guardian*, Africa's best read.
- Faccio, M. (2002). Politically-connected firms: can they squeeze the state? AFA 2003 Washington, DC Meetings.
- Mfuru, A. W. E., Sarwatt, A. C., & Kanire, G. (2018). The Impact of Political Interference in Public Administration in Kibaha Town Council. *Global Journal of Political Science and Administration*, 6(4), 21-31.
- Nadeem, M., Ahmad, R., Ahmad, N., Batool, S. R., & Shafique, N. (2015). Favoritism, nepotism and cronyism as predictors of job satisfaction: Evidences from Pakistan. *Journal of Business and Management Research*, 8, 224-228.
- Ogunro, V. O. (2014). Nigeria's business environment: issues challenges and prospects. *International Journal of Academic Research in Business and Social Sciences*, 4(4), 132-138.
- Osamwonyi, I. O. & Tafamel, E. A. (2013). Firm performance and board political connection: Evidence from Nigeria. *European Journal of Business and Management*, 5(26), 83-96.
- Pelit, E., Dincer, F. I. & Kilic, I. (2015). The effect of nepotism on organizational silence, alienation and commitment: A study on hotel employees in turkey. *Journal of Management Research*, 7(4), 82-110.
- Sadozai, A. M., Zaman, H. M. F., Marri, M. Y. K. & Ramay, M. I. (2012). Impact of favoritism, nepotism and cronyism on job satisfaction a study from public sector of pakistan. *Interdisciplinary Journal of Contemporary Research in Business*, 4(6), 760-771.
- Safina, D. (2015). Favouritism and nepotism in an organization: Causes and effects. *Procedia economics and finance*, 23, 630-634.
- Shabbir, B. & Siddique, H. (2017). Impact of nepotism, cronyism, and favouritism on organizational performance with a strong moderator of religiosity. *International Journal of Scientific & Engineering Research*, 8(4), 299-309.
- Sohail, M., Arslan, M., & Zaman, R. (2014). The impact of corruption on firm performance: evidence from pakistan. *Public Policy and Administration Research*, 4(9), 121-126.
- Gumede, W. (2017). BEE benefiting politically connected black capitalists. Opinion, *The Sunday Independent*.
- Tran, Q. & Tian, Y. (2013). Organizational structure: Influencing factors and impact on a firm. *American Journal of Industrial and Business Management*, 3(2), 229-236.
- Trending Economics (2019). South Africa Corruption Rank (1996-2018).
- Usang, O. & Salim, B. (2015). Political interference and local government performance in Nigeria: The moderating role of internal audit quality. *International Journal of Economic Perspectives*, 3, 93-100.