CORPORATE GOVERNANCE PRACTICES AND FINANCIAL PERFORMANCE OF REGISTERED TRANSPORT SAVINGS AND CREDIT CORPORATION IN NAIROBI COUNTY, KENYA

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DECLARATION

This research project is my original work and has not been previously published or submitted elsewhere for award of a Master Degree at Kenyatta University.

Signed ……………………………… Date: ……………………

Hannah Wairimu Kariuki

D53/CTY/PT/29203/2014

I confirm that this research project has been undertaken by the candidate under my supervision.

Signature………………………………….. Date………………………

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DEDICATION

I dedicate this work to my family for they were supportive of me in the course of my studies. I will forever be indebted to you and I live to remember your support.

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ABBREVIATIONS AND ACRONYMS

BOD	Board of Directors
CCG	Centre for Corporate Governance
CCN	City Council of Nairobi
CEO	Chief Executive Officer
CMA	Capital Markets Authority
ICPAK	Institute of Certified Public Accountants of Kenya
ICPSK	Institute of Certified Public Secretaries of Kenya
ISA	International Standards of Accounting
KRA	Kenya Revenue Authority
MD	Managing Director
MFI	Micro Finance Institutions
NPM	Net Profit Margins
NSE	Nairobi Securities Exchange
NTSA	National Transport and Safety Authority
PSV	Public Service Vehicles
ROA	Return on Asset
ROE	Return on Equity

SACCO	Savings and Credit Cooperatives
SSA	Sacco Societies Act
SASRA	Sacco Societies Regulatory Authority
TLB	Transport Licensing Board

OPERATIONAL DEFINITION OF TERMS

Cooperative societies An association of persons in a SACCO who have come together to achieve a similar economic or social goal.

Corporate governance practices - This is the pattern of behaviors to run a firm for the welfare of shareholders of a SACCO.

Board of directors: This is a group of elected officials by the shareholders and with the responsibility of managing the SACCO on their behalf.

Disclosure: This means reporting a particular aspect of corporate governance or disseminating information in the annual reports.

Performance: This is an action of consideration in relation to how success or Failure has been achieved.

Matatus These are minibuses used for transport in Kenya.

Public transport Consists of transport system in which passengers travel in public service vehicles at a fee.

Savings and Credit Cooperative - Private and cooperative financial intermediary where membership is open and voluntary.

Financial performance - Measure of firm's ability to use its assets efficiently to generate profits.

CEO duality Concentration of decision management and decision control in one individual

Corporate social responsibility - Continuing commitment by business to behave ethically and contribute economically to the stakeholders.

Skills development - The process of upgrading or adding a persons skills to bring the desired change.

Registered Transport SACCOs - This is a corporate body for investors in the transport industry.

ABSTRACT

Corporate governance is of great importance for financial performance. In Africa, Savings and Credit Cooperative Organizations (SACCOs) have been growing as a strong tool to meet financial needs. This is because, cooperatives are well placed to bring about equitable development and justice. However, SACCOs like any other business, are faced with challenges in their quest for growth and corporate governance stand as one of the main challenges facing SACCOs. Some of these SACCO shave come under spotlight for cases of mismanagement and a number of them have closed and therefore if this trend is not checked, it may lead to depletion of SACCOs' funds and collapse of more SACCOs in Kenya. This study therefore, investigated the influence of corporate governance on financial performance of transport SACCOs in Nairobi County, Kenya. A legal notice by the ministry of cooperatives No. 23 of 2010 led to the formation of transport SACCOs where most of them were formed to comply with the rules but not for good management of their fleet. The objectives of the study were the effect of; chief executive officer duality, corporate social responsibility, disclosure and skill development on the financial performance of the transport SACCOs. The scope covered the transport SACCOs in Nairobi County which is the county with the largest number of transport SACCOs and thus a better overview for the study. The findings of this study will hopefully be beneficial to executive members of SACCOs and other cooperative societies in improving the performance of cooperative societies and enable them to compete locally and globally. The study was related to three theories; stakeholders' theory, resource dependency theory and the agency theory. Empirical literature was sought by getting information from previous studies from various libraries and through internet search. This study applied a descriptive survey design where the population was 264 transport Sacco's registered in Nairobi county, simple random sampling was applied and a sample size of 80 SACCOs was studied, primary data was collected using questionnaires while secondary data was gathered from the SACCO's reports. Quantitative data was analyzed using a multiple regression model while qualitative data was analyzed by way of understanding the information given by respondents, these data was presented in tables, graphs, percentages and frequency distributions.As explained by R square, the Coefficient of Determination, 71.57% of the variation in the Financial Performance was explained by variability in the chief executive officer Duality, Corporate Social Responsibility, Disclosure of Information and Skills Development. Regression analysis results established that all the corporate governance variables assessed were useful predictors of financial performance. Correlation Analysis results established a very strong, positive association between corporate social responsibility and financial performance. The relationship between disclosure and financial performance was found to be strong and positive. The relationship between Chief executive officer Duality and financial performance was found to be negative and moderate in strength. The relationship between Skills Development and financial performance was found to be moderate and positive. As such, Corporate Governance played a central role to the financial performance condition of transport SACCOs. The study therefore recommended more investment in corporate governance practices as viable organisational strategies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Savings and credit cooperative societies (SACCOs) are encompassed of members that form a financial intermediary. SACCO's members can save and borrow money from these institutions. Murdoch and Armendariz (2005) acknowledged that SACCOs are ever accelerating the wide recognition in the whole world as financial intermediaries in the microfinance industry. With this rate of growth of SACCOs worldwide, they expressed need for proper corporate governance for the sake of profitable institutions. Actually, the Vision2030 of Kenya recognizes SACCOs as a prime mover in financial resource mobilization to create a vibrant and globally competitive financial sector in Kenya.

SACCOs operate across all sectors of the economy and it has been estimated that cooperative societies in Kenya, provide livelihood to 63% of Kenyans both directly and indirectly. Data from the ministry of cooperatives, development and marketing shows that SACCOs have been growing at a rate of 25% per year for the past six years, (GoK, 2011). Cooperative institutions contribute to the direct employment of over 250,000 people and indirectly (Ministry of cooperative development and marketing, 2006).The cooperative movement in Kenya is liberalized. The government has opened up the sector to provide the requisite environment that allows for the creation of professionally managed self-controlled and self-reliant ventures. Market forces have triggered a structural transformation that has seen the fading away of inefficient cooperatives, (Owango, 2008). This has ensured growth in the sector especially in the financial services provision, which has given players in the formal banking industry a run for their money. This growth of SACCOs has been driven by the interest rates regime, which has seen the Sacco charge lower interest than the commercial banks. The sector is regulated by statute (Sacco Societies Act), which is enforced by the Sacco societies regulatory authority, (SASRA), (GoK, Min of Cooperatives, 2011).

New rules with provisions for the regulation of the sector have been put in place, they require the Sacco’s to follow the regulations and adhere to the same. The Sacco’s are equally required to develop a code of conduct with an intention of safeguarding the member’s interests. The Sacco Societies Act (SSA) regulates these cooperative movements. The SSA necessitated the formation of Sacco Societies Regulatory Authority (SASRA).This authority enforces the corporate governance of SACCOs within the stipulated corporate guidelines in the SSA.

1.1.1 Corporate Governance

Corporate governance is a procedural practice that forms a platform for firm’s managers to induce thinking and making decisions for the general welfare of the shareholders. The managers acquire a pattern of behaviors to run a firm in tandem with international standards in order to maximize shareholder’s wealth. Hermes (2008) defined corporate governance as concoctions of rules that enhance firm’s management to control their behavior. Bobtricker and Robert (2012) stated that corporate governance plays an imminent role in control of manager’s behavior in decision making. It forms a legal basis that guides the relationships between directors of the company, shareholders, management and other stakeholders of the firm. Corporate governance is also applied in non-profit making institutions to deliver better results for such organizations (Baraka, 2006).

Centre for Corporate Governance (CCG) voluntarily initiated corporate governance blueprints in Kenya in 1999. Capital Markets Authority (2002) reports indicate that the blueprints were then used by the Capital Markets Authority (CMA) as a requirement for corporate governance of the listed companies.

The boards of directors have a critical role in terms of governance and management of institutions. They have the power to evaluate members of the top management. The contention however is when the Chief executive officer (CEO) adds up as the chair to the board and his performance is below par. It becomes a challenge to the board charged with the responsibility of carrying out the task of evaluating and determining his suitability for the position, (Namisi, 2008). CEO duality may thus be a source of conflict to the organization by way of having a tough task of managing shareholder expectations and keeping in touch with the performance of the chief executive officer regardless of the prevailing circumstances. The scenario may be a cause of conflict in the running and management of the organization.

Barako (2007) suggests that the management of a profitable enterprise would voluntarily disclose more information to the market to enhance the value of the firm, as this also determines their compensation as well as the value of their human capital in a competitive labour market. Therefore a positive relationship is expected between voluntary disclosure and financial performance. CSR is often viewed as the human side of any organization; it brings to life the caring and partnership elements that are critical for a business to operate in a society with acceptance and ease. Porter and Kramer (2006) reviewed that if corporations were to analyze their prospects for social responsibility using the same frameworks that guide their core business choices, they would discover that CSR can be much more than a cost, a constraint, or a charitable deed. It can be a source of opportunity, innovation, and competitive advantage.

1.1.2 Financial Performance of Transport SACCOs

Financial performance is defined as the measure of the firm's ability to use its assets efficiently to generate profit. It's also referred to as the health of the financial position of a firm for a certain period of time. Financial performance forms the basis for benchmark with other firms in the same industry with similar categorization of firm's specific parameters. The managers are able to establish their level of effectiveness in management of organizations. Higg (2004) expressed that financial performance is a key indicator in measurement of corporate governance practices of a firm. The key ratios used to measure financial performance of firms are; return on assets (ROA) and return On Equity (ROE).Cooperative Societies Act 2004 indicates that SACCOs Societies Regulatory Authority enforce the regulation that every cooperative society should keep proper accounts compiled in accordance to International Standards of Accounting(ISA). Records should be audited at least once in every financial year by a recognized auditor(s) appointed by the SACCOs and approved by the commissioner of the SACCOs Society Regulatory Authority. This study adopted Return on Investments also Called Return on Assets along side membership as measures of financial performance of the SACCOs. A higher membership and Return on Investment ratio showed that the performance of the Sacco was good.

1.1.3 Effect of Corporate Governance on Financial Performance

Corporate governance enshrines resource dependency theory. The board of directors (BODs) is composed of both executive and non-executive members that bring wealth of experience to the firm. These members are quite resourceful in their area of specialization. They offer advice on the management of the SACCOs. Therefore, the Sacco is always endowed with tactics that drives the financial performance to the higher mark (Hilman & Dalziel, 2003). The practice of good corporate governance tames the agency cost. Shareholders do not invest much in monitoring the behavior of managers (Hermes, 2008). The managers exercise day to day management of the SACCOs and BODs plays an oversight role of the management. Therefore, managers put much effort to improve the financial performance of SACCOs to avoid the wrath of the BODS and shareholders.

The legal procedures and policies advocates for the SACCOs to put first the interest of the organization before individual’s interest. The managers should work hard to maximize shareholder’s wealth. Managers are expected to balance the interests of all stakeholders. This motivates and enhances loyalty of all persons affected directly or indirectly by the SACCO. Definitely, financial performance improves when shareholder’s interests comes before any other interest (John & Senbet, 2003).This state of governorship improves the financial performance of SACCOs(Donaldson, 2002).

Muriithi (2004) noted that best practices of corporate governance defend the right of creditors, employees, directors and managers of the firm. Corporate governance advocates for the state of being accountable, objective, business expert and being a manager of high integrity (Mang’unyi, 2011). Bhagat and Jefferis (2002) confirmed that good corporate governance lessens chances of being vulnerable to unforeseeable financial distress.

The Ministry of Transport in Kenya gazetted the Legal Notice No.23 of 2010 to regulate that any person desiring to invest in transport industry should be in a corporate body. Public transport operators should either form or join Savings and Credit Cooperatives (SACCOs) or Transport companies. The body is required to have a minimum of thirty fleet of matatus and buses. The Legal Notice No.23 of 2010 is currently Legal Notice No. of 2014 after further amendment to regulate night travels. The Transport and Licensing Board (TLB) enforces these rules day to day in order to manage public transport sector as a well formalized institution. The Kenyan government expressed the need for sanity in transport industry. The Ministry of Transport and Infrastructure's introduced matatu operators in a movement that is good for all transport stakeholders. Companies and SACCOs provide basis for the growth of economy (McCormick *et al., 2011).*

As at Friday, 30th May, 2014, the National Transport and Safety Authority (NTSA) had registered 1603 transport SACCOs and companies in Kenya. Out of this figure, Nairobi County has 264 registered transport SACCOs. It is estimated that 80% of Nairobi residents live in outskirts of Nairobi city. They rely on public transport to commute to and fro in their area of residence. Minibuses carry 29-33 passengers while high capacity buses ferries 49-60 passengers. Ngirachu (2014) cites how there was an organized transport system in Nairobi during 1966.

1.2Statement of the Problem

According to SASRA report 2011, mismanagement of SACCOs has led to the collapse of SACCOs and therefore an outstanding management team should exercise good governance to attract more investors due to better performance .most transport SACCOs in Nairobi County are formed not for the need of good management of their fleets but rather as a way of complying with rules and regulations. This motive of formation has led to poor performance of transport SACCOs in Nairobi County. For a

SACCO to post good performance, several factors must be in play. These factors include; management skills, corporate social responsibility and disclosure. Performance is a function of these factors such that if these factors are favorable, the SACCO is likely to post excellent performance and experience poor performance where one or all of the factors are not favorable. Improvement in working conditions and management competence leads to increase in performance and vice versa. Increase in competition on the other hand leads to decreased performance (NTSA, 2015)

Quality corporate governance has gained popularity as a parameter for a firm's financial performance. Studies have shown that a well governed financial institutions results to higher returns than poorly managed organizations. Developing countries of which Kenya belong, are currently progressively grasping the idea of good corporate administration, due to its capacity to affect emphatically on maintainable development. Regardless of the expanding familiarity with corporate issues, minimal exact examinations exist on the corporate administration practices of SACCOs in the rising economies. This research has tended to concentrate mostly on developed economies with comprehensive outcomes. However, Very little research has been done on corporate administration in Africa, particularly concerning SACCOs.

Locally various scholars have carried out research on SACCOs in Kenya. Some of these include Mwaura (2014) determinants of financial performance of public transport businesses in Kenya: case of Kiambu County, Mwangi (2014) the influence of members' income and conduct of SACCOs in the relationship between characteristics and efficiency of SACCOs in Kenya, Muturia (2013) an investigation of the factors influencing the performance of matatu SACCOs in Kiambu county: the case of selected matatu SACCOs operating in Thika town, Kenya. None of these studies has addressed the factors affecting transport SACCOs in Nairobi County hence the second knowledge gap. This study therefore wanted to answer the question on corporate governance practices affecting the performance of transport SACCOs in Nairobi County.

1.3 Objectives of the study

1.3.1 General Objective

The main objective of the study was to establish the effect of corporate governance practices and financial performance of registered transport SACCOs in Nairobi County, Kenya.

1.3.2 Specific Objectives

This study was guided by the following objectives;

i. To determine the effect of Chief Executive Officer (CEO) Duality on financial performance of registered transport SACCOs in Nairobi County, Kenya.
ii. To assess the effect of disclosure on financial performance of registered transport SACCOs in Nairobi County, Kenya
iii. To identify the effect of corporate social responsibility on financial performance of registered transport SACCOs in Nairobi county, Kenya.
iv. To determine the effect of skills developments on financial performance of registered transport SACCOs in Nairobi County, Kenya

1.3.3 Research Questions

This study answered the following research questions;

i. How does Chief Executive Officer (CEO) Duality affect the financial performance of registered transport SACCOs in Nairobi County?
ii. To what extent does disclosure affect financial performance of registered transport SACCOs in Nairobi County?
iii. How does corporate social responsibility influence financial performance of registered transport SACCO's in Nairobi County?
iv. To what extent does skill development affect financial performance of registered transport SACCOs in Nairobi County?

1.4 Significance of the Study

This study will be beneficial to directors of SACCOs and other cooperative societies in improving the performance of cooperative societies and enable them to compete locally and globally.

The study and recommendations given will hopefully be of importance to the government and especially the department of cooperatives in strengthening policy consideration regarding cooperative societies.

The study will also hopefully open opportunities for future researchers who would want to carry out further research on cooperative societies and especially the transport SACCOs. The research will act as a stepping stone to further research in the same area.

1.5 Scope of the Study

The study was concerned with the factors of corporate governance that affect the financial performance of the transport SACCOs. Nairobi being the county with the highest number of matatus in operation has given a better overview of the corporate governance practices and the study targeted all the registered transport SACCOs in Nairobi county. The study covered the period between July and September 2016 to enable proper data collection, organization and presentation.

1.6 The Limitation of Study

The respondent feared victimization, assurance was given to the respondents on confidentiality. Respondents were reminded that their participation in the exercise was willful and that they have the freedom to pull back from the activity or not to answer any question(s) they may feel not quiet okay with. An understanding of publishing the findings of the study was reached.

The study had a restricted focus on SACCOs within Nairobi County area, and considering the diversity of the county, the findings may not have been representative of the whole population of SACCOs in Nairobi. However, the sampling technique used ensured that each respondent has an equal chance of being selected to participate in the study.

1.7 Organization of the study

This project is structured as follows: the foregoing chapter one provides the research background, statement of the problem, research objectives, significance of the study, scope, and the limitations of the study. Chapter two presents literature review, theoretical review Empirical review on the corporate governance practices that affect performance and a conceptual framework. Chapter three contains the research design, target population, sampling design, data collection methods, research instruments, data collection procedure and data analysis. Chapter four comprises of data analysis and presentations and chapter five has the summary of findings conclusion and recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section covers theoretical review, theories related to corporate governance, components of corporate governance, empirical review and summary of literature review.

2.2 Theoretical Review

Capital Market Authority Act (2002) defined corporate governance is a remarkable process of fulfilling desires of corporate's stakeholders. This concept offers the structure in which manager's task is to maximize shareholder's wealth. Resource dependency theory, agency theory and stakeholder's theory are the key theory that affirms the essence of corporate governance in an organization. Neuman (2006) stated that a theory is a framework in which the body of knowledge is conceptualized to make meaning to a phenomenon in the universe. Agency theory and stakeholder's theory have been the main theories about corporate governance (Mulili & Wong, 2010).

2.2.1 Stakeholders Theory

Stakeholders are group or individuals affected by the activities of the organization. For example, suppliers, customers, employees, directors, shareholders and the community. The stakeholders' theory proposes that managers should consider the interests of these stakeholders. Freeman (1984) is the first expositions of Stakeholders theory, couched with management discipline, proposed that a general theory of the firm incorporating corporate accountability to abroad range of stakeholders. Solomon and Solomon (2004). The theory implies that transport SACCOs should work towards better service the customers and other stakeholders which in return will translate to better performance.

Blair (1995), this theory expresses that directors should settle on decisions that assess the interests of the considerable number of partners in the firm. It has its roots in sociology, organizational behavior and other wide researched areas. The theory considers a more extensive group as opposed to concentrating on shareholders. Chew and Gillian (2006) contend that stakeholder's theory does not give single corporate target, but rather guides mangers to serve many masters.

John and Senbet (2003) expressed the corporate governance as blueprint for controlling interests of stakeholders through advent of legal frame work and policies of the corporation. Therefore, organizations formulate vision statements, mission statements and values that cater for the interest of all stakeholders.

2.2.2 Resource Dependency Theory

In 1978, Pfeffer and Salancik coined resource dependency theory through intense review of empirical studies. They observed that the set of executive and non-executive board members contribute much resources in the organization. Resource dependency theory hold views that these personnel, after being appointed to form the board, will aggressively work hard for the common good of the firm. Therefore, the board is seen as a key factor in increasing the financial performance of a company. Resources have different forms as can also be expressed as the firm's capital (Hilman & Dalziel, 2003).

Non-executive board members bring in wealth of specific expertise to strategically manage the company amidst the existing uncertainties. The firm becomes reputable amongst other corporations as a result of decisions made by the seasoned experts. The firm become reputable by associating with these key people .Small scale entrepreneurs can outsource the knowledge of non-executive directors if they cannot employ them permanently. The firm will still become successful through cheaper consultancies. Besides counsel offered by non executives, they can also form strategic networks that the company can connect to penetrate new markets. Non executives apply their past management experiences to assist the company mitigate against the business risks. This theory is applicable to transport SACCOs whereby better results can be obtained through appointment of people with highest interests in the SACCOs as directors.

2.2.3 Agency Theory

Agency theory is defined as the relationship between the principals who are the shareholders and agents who are the company executives and managers (Jensen & Meckling 1976). Agency theory contends that in the new era organizations in which share proprietorship is generally held, managerial actions extends from those required to maximize on shareholders returns. In this theory, the owners are the principal while the managers are the agents. Agency loss is the degree to which shareholders returns go below what they would get if they exercised maximum control of the company. Agency theory applies agency cost aimed at reducing agency loss. These incorporate motivator plans for chiefs which compensate them fiscally to maximize shareholders' interests. Such plans commonly incorporate plans whereby senior managers get shares, maybe at a lessened value, in this manner aligning financial interests of managers to those of investors (Eisenhardt, 1989).

On account of SACCOs, the proprietors are the customers and furthermore the supervisors and they choose one of their own every year to deal with the SACCO undertakings on their behalf. This prompts decrease agency loss and agency costs since operating costs are less. Administrative capability empowers the agent settle on goo organizational decisions that would prompt better performance of the SACCO consequently profiting both individuals and supervisors. Agency theory along these lines informs of the relationship between managerial decisions outcomes and performance of the SACCO (Mwangi, 2014).

2.3 Empirical Literature

Many studies have been done all over the world on creation of wealth and clarifying of financial stewardship influencing factors. The present research study considered the different researches distinguishing discovered benefits. The investigation looked for the significant data on past studies from university libraries, private libraries, and public library and through the web search.

Njoroge (2014) on corporate governance practices and its effect on performance of Sacco's (super highway) found out that on board Size and composition, the researcher found out that the two practice influence efficient performance among Transport SACCOs. On disclosure, 85% of the respondents strongly agreed that disclosure is very important for efficient performance among Transport SACCOs and hence should be integrated in the management of Transport SACCOs. On corporate governance practice 78.87% of the respondents strongly agreed that good corporate governance practices influence efficient performance among Transport SACCOs. The study recommended transport SACCOs need to adopt and put into use corporate governance practices in order to reap maximum benefits of corporate governance, also the government needs to come up with more mechanisms to ensure that transport SACCOs fully embrace corporate governance practices.

2.3.1 CEO Duality and Financial Performance

Fama and Jensen (1983) propose that centralization of decision management and decision control in one individual lessens board's adequacy in monitoring top management. The writing uncovers a board structure typology, the framework where the CEO likewise act as executive of the board and the framework where the positions of CEO and chairman are held by two people. It has been noticed that the framework where the CEO additionally act as board executive prompts conflict of interests thus giving preference to the system where the CEO's role is separated from that of the board chairman. Abor (2007) contends that organizations are more significant when the CEO and board positions are separated.

Separation of roles is a system where the positions of CEO and chairman are occupied by two individuals. Kabaiya (2012) used 43 SACCOs in Murang’a County to study relationship between corporate governance practices and their financial performance. He applied descriptive research design to describe the situation of these SACCOs. The variables to facilitate the study were CEO duality, Number of BODs committee, Independence of BODs and Disclosure of Information. Majority of respondents at 53% said that BODs is highly independent while 47% of them said the independence of the BODs is fair. Only 11 % of CEOs chaired the BODs in these SACCOs. The researcher observed that all SACCOs had fulfilled regulations of mounting board committees but some directors had minimal skills. The SACCOs had been disclosing information to the public as per the regulations.

Kitetei (2009) sampled deposit taking micro finance institutions in Kenya to examine relationship between corporate governance and financial performance. The researcher used CEO duality component to study this relationship. He observed that majority of these firms at 67% had CEO and BODs chairman's position served by different personnel. The rest of deposit taking MFIs at 33% had CEO adding up as chairman of the board. He noted that the firms with two distinct roles of CEO and chairman had better performance than that with dual CEO.

The Chairman is elected by the Board at the first meeting following each AGM and his/her responsibilities are clearly defined and advised to the chairman. The Chairman should possess prudent judgment and effective decision making, Ability to develop a coherent and effective team among the directors as well as Effective communication skills (SASRA). "No person shall serve in the post of Chairman for more than two consecutive terms and no person who has held office for two consecutive terms shall be eligible for re-election as Chairman for a period of three years from the date of vacation of office without written authority from the Commissioner". The membership of the various committees dictated by the wealth of experience that one brings on board but in many instances especially in non-formal settings the experience factor does not come onto play but the major motivation is the contenders influence over the membership during the electioneering period, (Atsango, 2010). This brings into focus the levels of competency in terms of skills and character of the members of the boards running and managing their SACCOs.

2.3.2 Disclosure and Financial Performance

Disclosure is the process through which an organization communicates with the outside world. Disclosure can either be voluntary or involuntary/mandatory disclosure. It gives an insight as regards the operations of an organization in totality from the top to the bottom (Mellan, 2010). Disclosure enables the understanding of the systems and processes that pertains the operations and procedures guiding the operations and requirements of an organization.

Disclosure always creates confidence in the management because the membership will always feel appreciated by virtue of having all the information that pertains the relations and internal working of the firm. The level of disclosure in an organization is a reflection of the tenets of corporate governance in it. The directors should always be obliged to disclosure their interests in firms doing business with the organization and they should always strive to uphold high standards of integrity and not profit from the access to insider information in the firm for their own good, (Kisero, 2010).

Disclosure brings all the activities that range from recruitment, supplier and contractor appointments, personnel and human resource relations to the fore and aids the membership appreciate the procedures and internal working of the firm. Disclosure thus minimizes instances of discontent, ill feelings and has goodwill promoted within the organizational setting, (Heskett, 2009). This promotes the creation of a positive corporate image, leads to enhanced internal relations and aids propel the firm's image and standing in society.

Linyiru (2006) carried out a notable research on the corporate governance practices of banks in Kenya. He used stratified sampling to analyze a population of 45 commercial banks to establish the nature and characteristics of corporate governance systems in the banks. He found out that most banks are aware of corporate governance and they practice it, though there is need to strengthen these practices in the banking industry.

Financial information and basic accounting procedures demand disclosure and forthrightness in relation to the stipulated operating standards. Organizations should always conform to the required guidelines which dictate how financial reporting should be done. The shareholders will always appreciate decisions made when the board of management is transparent enough to tell them what it is that influenced the taking of a particular position and the motivation that guided the decision taken, (NBER, 2010). This will have the ultimate effect of inducing a good corporate image and enhancing the creation of good corporate governance. The bar has been raised with regard to operations of listed firms in terms of authentication of books of accounts, audit and corporate governance procedures. The housing finance corporation saga whereby the directors and the auditors were arraigned in court on the discovery of falsification of the books of accounts is a case in point, (Mutiga, 2011).

2.3.3Corporate Social Responsibility and Financial Performance

Corporate Social Responsibility is characterized as proceeding with duty by business to act morally and add to financial advancement while enhancing the personal satisfaction of the workforce and their families and of the neighborhood group and society everywhere as partners (Holmeand Watts 2010). Stakeholder implies those on whom an association's exercises have an effect. It was used to portray corporate proprietors beyond owners emanating from an influential book on strategic management (Edward and Freeman) a shareholder approach. Advocates contend that enterprises make more long term profits operating on a viewpoint while pundits contend that CSR diverts from the economic role of organizations. Others contend

CSR is only window-dressing, or an endeavor to pre-empt the part of governments as a guard dog over effective multinational partnerships (Carroll Buchholtz, 2000).

CSR practices can be classified broadly as having an internal or external approach. Internal aspects of CSR practices include those practices that affect employees and shareholders such as employee welfare, working conditions, job design, and intellectual property. The external aspects of CSR include environmental issues, products, markets and marketing, suppliers, employment, community activity and human rights (Johnson &Scholes, 2002).

Equality and non-discrimination are at the core of the rights-based approach endorsed at the Copenhagen World Summit for social development and strengthened at the fourth Women Conference in Beijing in 1995. Granting the same legal status to men and women Okwach on business women in Kenya, asserts that; “What enabled them to succeed are personal insights, wisdom, creative ideas, and innovative capabilities which pertains to good management of business” (Okwach, 2001). Kenya women therefore have the capability to serve in the same capacities as men even in the Matatu sector and no longer belong to the kitchen. In the collection of essays edited by Reagan *et al* (1976) in their essay “occupational segregation into certain female occupation” it is claimed that women tend to be segregated into certain female occupations. They further argue that, throughout the world, the work of women is less valued, especially in terms of payment. They are less paid than men in some jobs. What comes out strongly from their essay is the fact that women jobs are redefined so that what would have been equal to a man’s job is less paid and thus rationalized. They point out that sexism is also used to deny men employment in certain jobs such as nursing and secretarial.

According to Thompson *et al. (2007),* “Acting in a socially responsible manner thus encompasses more than just participating in community service projects and donating money to charities and other worthy social causes but entails undertaking actions that earn trust and respect from all stakeholders operating in an honorable and ethical manner, striving to make the company a great place to work, demonstrating genuine respect for the environment and trying to make a difference in bettering society.”

Owino (2015) carried out a study on relationship between management competence, competition and working environment and SACCO performance in Nairobi county, the researcher used net assets to measure financial performance and found out that there was a positive relationship between SACCO performance and the working environment such that a favorable working environment commands better SACCO performance while unfavorable working environment caused poor SACCO performance and recommended that SACCOs should seek to improve and perfect the working environment more so the issue of wages paid to their staff to improve their motivation and hence increase SACCO performance.

2.3.4 Skill Development and Financial Performance of SACCOs

Skills development is the process of enhancing one’s abilities with the changing needs of the work and business environment. Enhancing an effective workforce can be achieved through training and thus overall performance will be achieved (Boice & Kleiner, 2007). Evans (2001) recommends that training should slot in coaching and counseling, conflict determination, setting performance norms, connecting the system to the pay and giving employee the feedback. However in many cases, executives in corporative societies skip training.

Muriuki (2010) investigated how governance, education and training, market risks and membership base affect SACCO performance taking a case of Tharaka Nithi Teachers SACCO. Descriptive research design was used in the study. Since the population was not homogeneous, stratified random sampling design was used as a technique to draw a sample from the sampling frame. Questionnaires were used as data collection instruments and the data was analyzed using the SPSS. The results showed that governance had enormous effects on the performance of the SACCO. Further, the results also indicated that the aspects of education and training played a major role in influencing governance structures. The researcher recommended that the SACCO diversifies its products to take into account the needs of the members and the available market as a means for resource mobilization.

The study by Neo *et.al (2000*) revealed that 16% of executives in corporative societies have never received any training from their societies. Farr (2003) recommends training across the organization structure. Bretz, Milkovich and Read, (2002) also found out that lack of training of executives highlights a gap between the expected and the real performance and related satisfaction. Training and development is considered a guide and a long-term projector to future organization success.

Training are given to managers of cooperative societies cultivate enhance growth and development, improvement and help them to face greater challenges, help them to contribute towards mission and vision (Evans, 2001). However as highlighted by Large (2005) executive have the foremost duty regarding building up their aptitudes, information and experience to be versatile, adaptable and concentrated on the future because of the difficulties related with the changing idea of work and the working environment condition. Also, the directors' duty is to evaluate, educate, allude, guide and develop. Awino (2001) distinguished four challenge areas influencing effective strategy implementation and referred to absence of fit between strategy and structure; deficient data and communication frameworks; asset distribution and inability to confer new aptitudes.

2.3.5 Sacco Societies Act

This growth of SACCOs has been driven by the interest rates regime, which has seen the Sacco charge lower interest than the commercial banks. The sector is regulated by statute (Sacco Societies Act), new rules with provisions for the regulation of the sector have been put in place, they require the SACCO's to follow the regulations and adhere to the same. The SACCOs are equally required to develop a code of conduct with an intention of safeguarding the member's interests. The Sacco Societies Act (SSA) regulates these cooperative movements. The SSA necessitated the formation of Sacco Societies Regulatory Authority (SASRA).This authority enforces the corporate governance of SACCOs within the stipulated corporate guidelines in the SSA.

In a study by Mwaura (2014) aimed at establishing the determinants of financial performance of public transport business in Kenya taking a case of Kiambu County. Research findings concluded a positive relationship between both overall and operating strategies and the nature and level of regulatory compliance. The study advised that compliance may be enhanced by promoting cooperation between Matatu owners and government in streamlining regulations and ensuring fair and consistent enforcement, as well as by recognizing that Matatus are legitimate transport businesses rendering a public service.

2.3.6 Financial Performance of SACCOs

Financial performance is a key attribute of good corporate governance. Financial performance can be defined as how well an organization employs it's assets from their primary goals to generate revenue. Return on assets and return on equity are some of the measures used to estimate financial performance Economic value added is also an attribute of financial performance whereby shareholders value is evaluated after the total cost of capital is taken into account, (Higgs, 2004).

The study identifies with previous works by (Ndaru, 2009) which measured and compared performance indicators with growth of firms' asset bases, financial profitability, increases in revenue, improvement of product quality, employee turnover and retention rates and organizational processes. The study found a positive relation between the corporate governance standards and ratings and the organizational value owing to the performance posted by the sampled firms. A statement of financial condition of the SACCO gives a snapshot of the 'health' of the institution at any given time. The statement has a liability side (sources of Funds) and Assets (Uses of Funds). Once the members deposit their money in the SACCO, the management has a responsibility to ensure the members will get their money back, and should give interest being a reward for using the members' money for their operations. While the sources of funds for the SACCO mainly include members' savings, the uses of funds are the SACCOs' investments. The investments include loans which take a major share, financial investments, liquid investments, non financial investments and other investments in regulated financial institutions. The SACCO while looking for where to invest members' funds should consider the Safety, Liquidity and Yield. This should all be integrated into the SACCOs Investment policy and a proper appraisal should be done on the investment vehicle being considered for use (Kenya SACCO Net).

This study adopted change in membership and Return on Investment or Return on Assets as measures of the magnitude of the financial performance of the SACCOs.

2.4 Summary of Literature Review

Empirical reviews from different researchers show that there is a significant relationship between corporate governance and financial performance of corporations. However, some empirical tests did not uphold the relationship as result of contravening variables that varies from one country to another. Corporate governance is among the attributes most dominating in the management of firms. Regulatory bodies have made principles of corporate governance mandatory in all SACCOs and companies. Sanctions are being imposed to firms that fail to practice right corporate governance. Therefore, BODs and managers always strive to adhere to laid out procedures, policies and statutes for the growth of the organizations. Shareholders benefit immensely since their interests are protected by these regulations.

Various researchers sampled regulatory State corporations, commercial banks listed at the NSE, insurance companies, airline companies and MFIs to study effect of corporate governance on financial performance. Kabaiya (2012) studied relationship of corporate governance and financial performance of Murang'a SACCOs irrespective of their nature of operations. Therefore, the researcher sought to fulfill research gaps of this relationship on transport SACCOs in Nairobi County.

Table 2.1: Summary of Literature Review

Author	Title	Findings	Recommendations	Gap Filed	Gap
Kabaiya 2012	Corporate governance and financial performance of SACCOs in Muranga county	Management and executive function separation affects financial performance	Clear separation of powers between board and management.	CEO duality and board composition as performance variables.	Effect of skills development as an independent variable.
Mwaura 2014	Determinants of financial performance of public transport in Kiambu	Positive relationship between operating strategies and level of regulation	Promotion of cooperation between matatu owners and the government	Compliance with government regulation as variables of financial performance	Specific regulations in SACCOs; CSR, disclosure and skill development
Owino 2015	Effect of management competence, competition and working environment on performance of public service vehicle SACCOs in Nairobi county	Positive relationship between the working environment and financial performance	SACCOs should seek to improve and perfect the working environment more so the issue of wages paid	Causal research design was applied	Descriptive research design will apply
Njoroge 2014	Corporate governance practices and its effect on performance of super highway transport SACCOs	Corporate governance strongly affects financial performance	More mechanisms by the government to ensure adoption of corporate governance practices.	Purposive random sampling was used to determine sample	random sampling will be applied in sample selection
Kitetei2009	Relationship between corporate governance and financial performance of Deposit taking micro finance institutions	Better performance with separate persons CEO and board chair personnel	SACCOs to delegate authority and separate roles.	CEO duality on financial performance	Corporate social responsibility as an independent variable
Mbaabu 2010	Corporate governance and financial performance of Insurance companies in Kenya	Positive relationship between Board size and structure and ROE	Adoption of proper board structures to enhance performance	Financial performance measured in terms of ROE	ROA as a measure of financial performance

Source: *Researcher (2016)*

2.5 Conceptual Framework

This section presents the conceptual framework of the study. The section shows that relationship between the independent and the dependent variables of the study. The dependent variable of this study was the financial performance of transport SACCOs in Nairobi County which were measured by Return on Assets Ratio. The independent variable of this study were corporate governance which is composed of; CEO duality, corporate social responsibility which were in the terms of gender of employees and terms of employment, disclosure was measured by the extent of disclosure and skills development for directors which were rated by the frequency of trainings for directors.

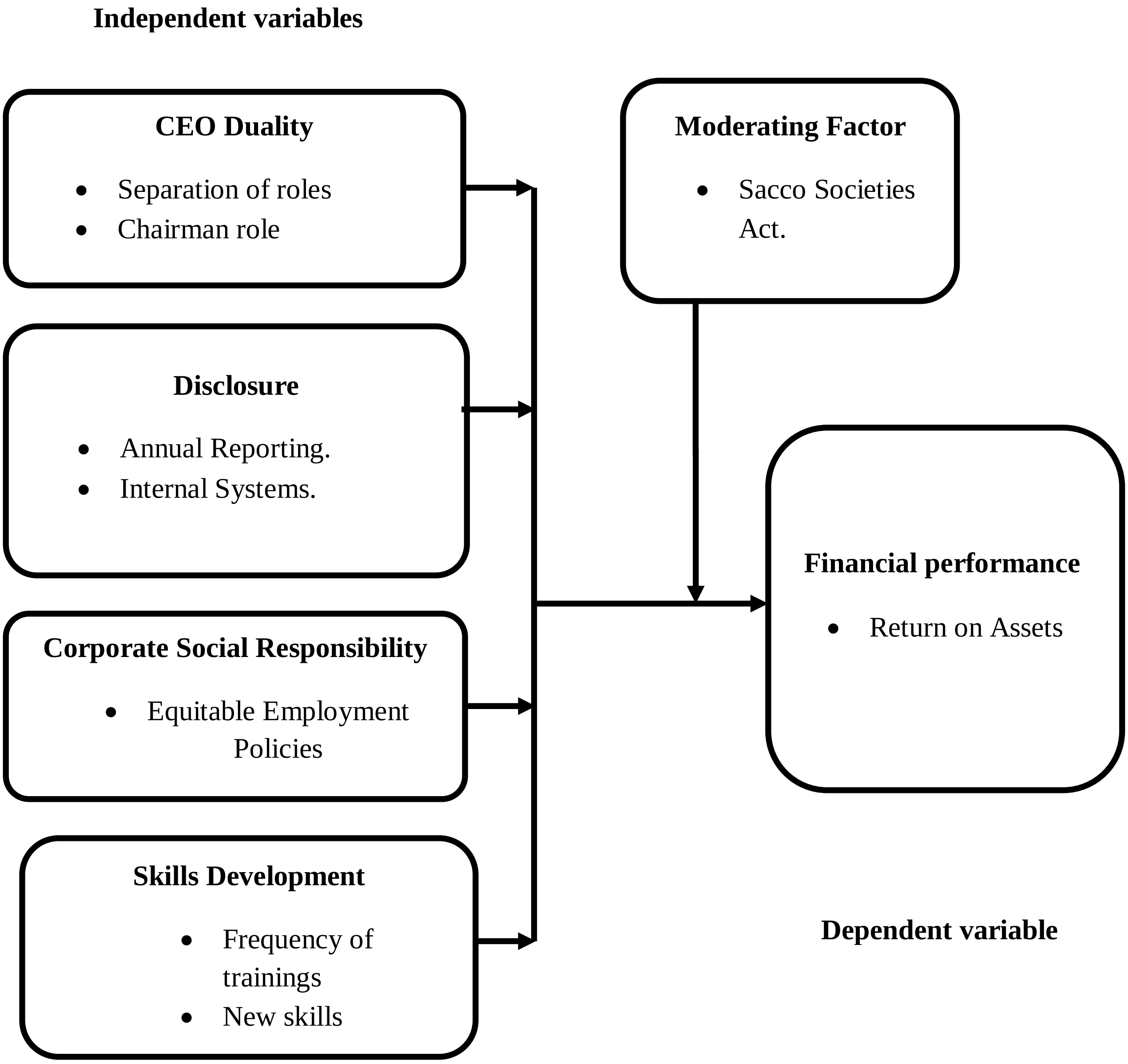

Figure 2.1: Conceptual Framework

Source: *Researcher (2016)*

The dependent variable of this study were the financial performance of transport SACCOs in Nairobi County which were measured by Return on Assets Ratio. The independent variable of this study were corporate governance which is composed of; CEO duality, corporate social responsibility disclosure and skills development.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

This chapter gives a detailed outline of how the study will be carried out. It will describe the research design, the target population, the sample and sampling design, research instruments, data collection and data analysis procedure.

3.2. Research Design

Kumar (2005) defined research design as a procedural layout that helps a researcher to answer research questions appropriately. The design helps a researcher to avoid carrying out research in a subjective and inaccurate manner. Descriptive research design was adopted in this study to answer questions concerning the current status of the subject under study and explain the phenomenon as it exists on the field without the manipulation of the variables under study. It described the financial results as a factor of corporate governance practices that have been put in place in transport SACCOs in Nairobi County.

3.3. Target Population

Ngechu (2004) defined population as an overall group of things, people or elements that are under investigation and stressed that the entire set of individuals to be investigated should have common characteristics so as to make meaningful study. The study considered a population of 264 registered transport SACCOs by NTSA as at 30th May, 2015 that operate within Nairobi County and data was gathered from the general managers of the transport SACCOs.

3.4. Sampling Design and Sample Size

Cohen and Marion (2000) defined a sample as a portion of the entire population to be studied and generalize findings. The researcher applied simple random sampling strategy to select sample. The entire transport SACCOs in Nairobi County were listed in alphabetical order. Any population is considered to be normally distributed or statistically significant when $n > 30$ According to Mugenda and Mugenda, (2003) a ten percent to thirty percent of the entire population depending on the size is most recommended. The population of 264 had a sample size consists of 80 respondents which was 30% of the entire population. Therefore, the researcher had a total of 80 SACCOs to study and the general managers of the SACCOs were the respondents.

3.5 Data Collection instruments

The study used both Primary and secondary data. Primary data was collected using a questionnaire which included both open-ended and close-ended questions. The questionnaire had 5 sections. Section A was on the CEO duality; Section B on corporate social responsibility in SACCOs, section C disclosure of information, section D on skills development of directors while section E measured the financial performance of SACCOs.

Secondary data was obtained from information on annual SACCOs' reports especially yearly audited financial statements between 2013 and 2016 that were attached on the websites of the sampled transport SACCOs. The corporate governance variables operationalized were quoted in the data collection tool to measure their effects on financial performance of transport SACCOs in Nairobi County.

3.6 Validity and Reliability of Research Instrument

According to Nachmias and Nachmias (1996), validity of an instrument is the degree to which an instrument measures what it is supposed to measure. The research instrument needs to be validated before being administered to the sample members. Mugenda and Mugenda (1999) argue assessing the content validity of a measure using the usual procedure is to make use of an expert mind or master in a specific field. To build up the validity of the research instrument, the researcher got assessments of specialists in the field of study particularly the researcher's supervisor and lecturers. This encouraged the necessary amendment and change of the research instrument in this manner enhancing validity. Once a test is substantial, it is solid yet a test might be dependable regardless of the possibility that it is not valid. As indicated by Mugenda and Mugenda (1999) reliability refers to the inside consistency of a scale, which assesses how much things are homogeneous. Normally it alludes to how much measurements are precise and repeatable. It's concerned with the interrelationship among items in the scale for all who answer the item and is frequently evaluated using the test-retest reliability method. Reliability is increased by including numerous comparative things on a measure, by testing a differing test of people and by using uniform testing methodology.

This study conducted a pilot study of the questionnaires before using the questionnaire. The instruments were pre-tested to determine the accuracy, clarity, validity and reliability. Piloting of the instruments was done to estimate the time the respondents would take to respond to the questions. The researcher piloted five questionnaires to the respondents of transport SACCOs that were not sampled for study to prove their validity and reliability. The researcher measured the amount of time that the respondents took to fill the entire questionnaire. The researcher evaluated how the directors answered the questions and made amendments on any level of ambiguity before administering the questionnaires to the respondents. This was done to ensure questions would be answered clearly and fluently without difficulties and in a timely manner.

3.7 Data Analysis and Presentation

The research used both quantitative and qualitative data. Once data has been collected, a researcher can organize, summarize and interpret with help of a statistical software such as SPSS version 20 (Kasomo, 2006).Before the main analysis, diagnostic tests were conducted. These tests were used to ascertain that the data sets satisfied the underlying assumptions for conducting key analytical tests proposed such as the regression analysis. These diagnostic tests included test for auto correlation using the Durbin Watson test, normality test using Shapiro-Wilk normality test, Multi collinearity test using SPSS collinearity diagnostics and heteroskedacity test using Test Glejser. The researcher organized data in reference to their means and standard deviation. Data was presented in form of tables, pie charts, percentages and graphs. A multiple regression model was used to analyze quantitative data to assess the relationship between corporate governance and financial performance of transport SACCOs. The researcher used a multiple regression model to test whether there was a relationship between corporate governance and financial performance of transport SACCOs in Nairobi County. Qualitative data was analyzed by way of understanding the meaning of the information divulged by the respondents and comparing it to documented data from previous research on effects of corporate governance on financial performance.

The general algebraic equation considered financial performance as a dependent variable that is given by the Return on Assets and SACCO membership for the period between 2013 and 2015. The characteristics of corporate governance were the independent variables. The independent variables that were taken into account included; CEO duality, Disclosure, corporate social responsibility and skill development. The equation was as follows;

$$\mathbf{Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta 4X_4 + \varepsilon}$$

Where;

Y - Financial Performance (Indicated by the Return on Assets of the SACCO.)

β_0 - constant value that showed effects of other variables not under study

β_1 – β_4 – represents regression coefficients that showed the extent of change on dependent variable for every unit change of independent variable.

X_1 – CEO duality. A binary variable which equals 1 was assigned when the CEO also served as board chairman, 0 if otherwise.

X_2 – disclosure. Used to measure the extent of disclosure of relevant information to stakeholders

X_3 – corporate social responsibility. Likert scale used to measure the extent of practice of CSR from 2013 to 2015 in terms of equality in job opportunities and working environment.

X_4 – Skill development. The frequency of training was used to measure the extent of the application of Skills development from 2013 to 2015. The formal system of evaluating members of the board was implemented in order to incorporate new skills acquired.

ε –Error term.

3.8 Ethical Consideration

The study sought research approval letters from a number of institutions which included Kenyatta University, The National Commission for Science and Technology (NACOSTI) and the Ministry of Education as an assurance to respondents that the study sought to accomplish purely academic ends. The purpose of the study was also explained to the respondents to assure them of confidentiality. Ethical behaviors with regard to the right of the respondents to voluntarily participate was also adhered to. Finally, the materials, information and citations from other scholars were duly acknowledged by the researcher.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This part of the study presents a detailed coverage of the results and discussions to that effect. The chapter presentation includes the response rate, respondents' background details as well as descriptive and inferential statistics. It also compares and contrasts the results with previous studies and theoretical orientations in order to arrive at logical conclusions.

4.2 Response rate

This part presents a summary of the response rate as well as respondents characteristics. The presentation is critical in understanding the background of the research respondents.

4.2.1 Response rate

Table 4.1 presents statistics on the level of the feedback throughout the study undertaking. Covered as well is a justification why the feedback received was sufficient.

Table 4.1: Response Rate

Targeted respondents	Responses received	Non Responses	Response rate
80	59	21	73.75%

Source: *Survey data (2016)*

The researcher distributed a total of 80 questionnaires to the various general managers of the SACCOs identified as the study respondents. However, only 59 respondents availed back their questionnaires. The study therefore attained a response rate of 73.75 %. The response rate was taken to be very good, a decision guided by Mugenda & Mugenda (2003), who asserts that a response rate of 50% is considered adequate, 60% good and above 70% as very good.

4.2.2 Respondents Profile

This section provides statistics on the distributions of respondents with regard to two factors; gender and period worked for the SACCO Society. Figure 4.1 presents a summary of the respondents' gender. 68.09% of the respondents were male while only 31.91% were female. As such, management of transport SACCOs in Nairobi County was male dominated.

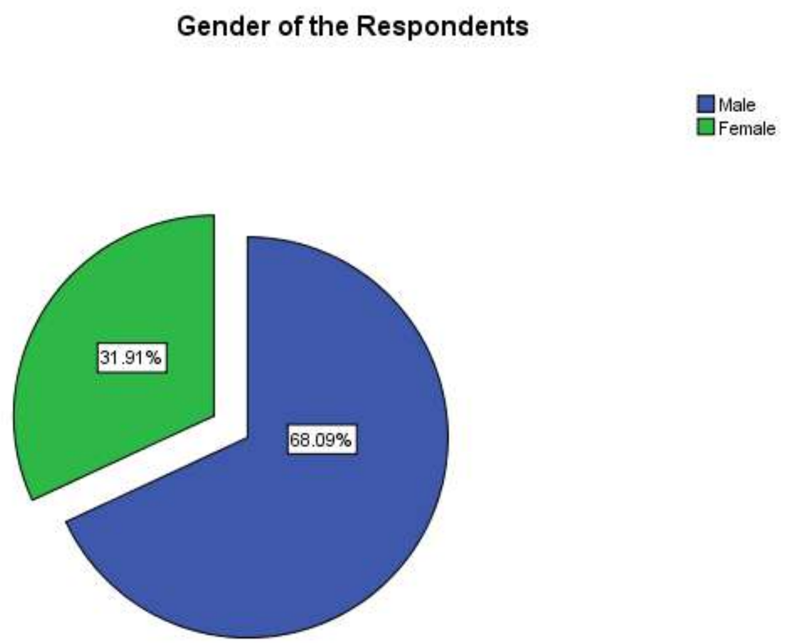

Figure 4.1: Respondents' Gender

Source: Survey data (2016)

Table 4.2 presents statistics on the duration that respondents had worked in the SACCOs.

Table 4.2: Respondents' Length of Service in the Current Position

		Frequency	Percent	Cumulative Percent
Valid	Less than one year	28	47.5	47.5
	1-5 years	22	37.3	84.7
	More than 5 years	9	15.3	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

47.50% of the respondents had served in their current management positions for less than one year. 37.30% had served between one and five years in their current positions. Finally, 15.30% had served for more than 5 years. As such, the management of transport SACCOs in Nairobi County is fairly well experienced.

4.3 Descriptive statistics.

This part covers the descriptive statistics generated through the analysis procedure. The presentation was guided by the research objectives and sought to enrich the process of answering the research questions.

4.3.1 CEO Duality

This part presents descriptive statistics on the CEO Duality condition of the SACCOs as indicated through the study undertaking. Figure 4.2 presents a summary of the SACCOs leadership status with regard to the CEO doubling up as Chairman of the Board of Directors or Duality Condition. Majority of the transport SACCOs in Nairobi County representing 52.54% had their Chief Executives doubling up Board of

Directors Chairpersons. The remaining 47.46% had their roles separated from those of the Chair. It was therefore concluded that majority of the SACCOs had Duality condition. The findings suggest that SACCOs were not following the arguments of Namisi (2008) and agency theorists such as Fama and Jensen (1983) who indicated that duality limits the effectiveness of the board in management.

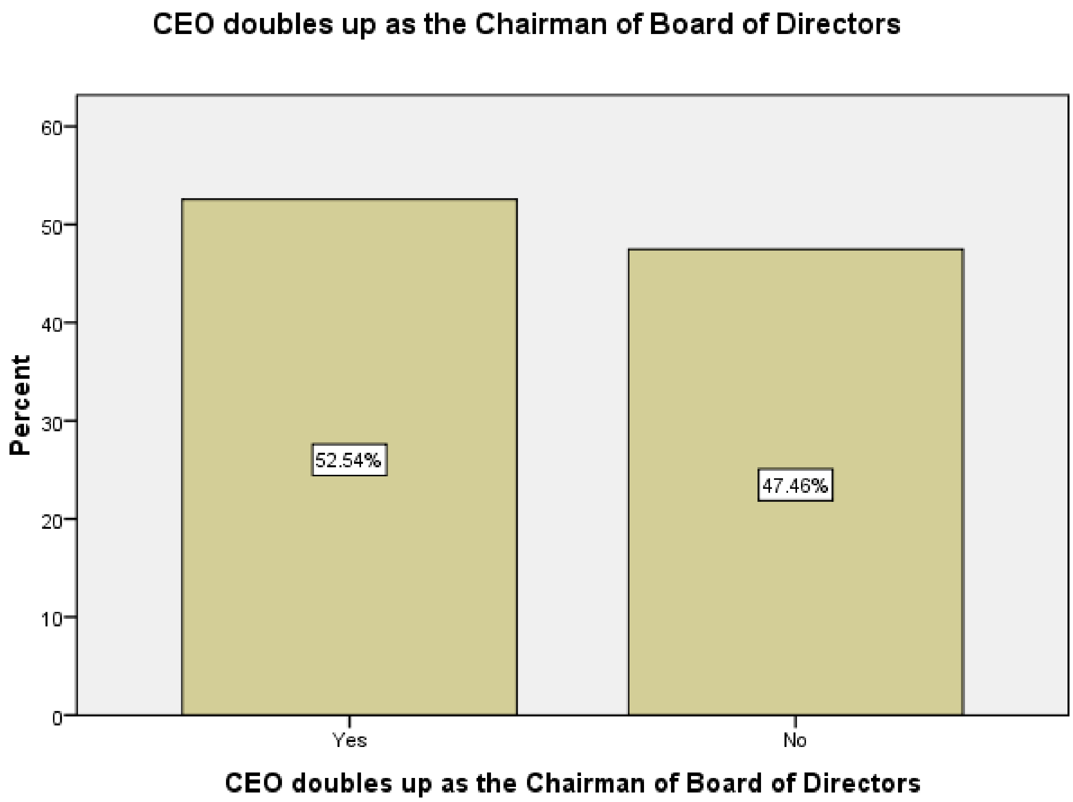

Figure 4.2: CEO of the SACCO doubles up as Board Chair

Source: *Survey data (2016)*

Table 4.3 presents statistics on whether the Board Chair was elected at the AGMs of the SACCOs.

Table 4.3: Election of Board Chair at AGMs

	Frequency	Percent	Cumulative Percent
Valid Yes	59	100.0	100.0

Source: *Survey data (2016)*

100% of the respondents indicated that the Board Chairperson was elected at the Annual General Meetings. There was therefore observance of democratic principles of SACCOs management for the Transport SACCOs in Nairobi County as earlier observed by Mwangi (2014).

Table 4.4 presents statistics on the tenure of the chairperson of the board of directors upon election.

Table 4.4: Tenure of the Chair of the Board of Directors

N	Valid	59
	Missing	0
Mean		1.7288
Range		3.00
Minimum		1.00
Maximum		4.00

Source: *Survey data (2016)*

The Chairpersons of transport SACCO Boards in Nairobi County are elected for an average of approximately 2 years. The maximum tenure of the chair for any one SACCO was 4 years with the minimum tenure being 1 year. This represented a sector chairperson's tenure range of 3 years. Hence, the Chairperson of the board of directors for transport companies was reviewed on a fairy regular basis to curb abuse of the position as prescribed by agency theorists such as (Jensen & Meckling 1976).

4.3.2 Corporate Social Responsibility

This section covers statistics on Corporate Social Responsibility (CSR) as a corporate governance practice. Figure 4.3 presents statistics on the extent to which respondents shared with the proposition that the SACCO had demonstrated to offer equal employment opportunities to all regardless of gender. 74.57 % of the respondents agreed with existence of that condition. 11.86% and 5.08% shared with that only to a moderate extent and little extent respectively. Finally, 8.47% of the respondents shared the contrary opinion and therefore disagreed with that proposition. As such, the transport SACCOs in Nairobi County had demonstrated to offer equal employment opportunities for all irrespective of gender in line with prescriptions given by Holme and Watts (2010) and other stakeholder theorists such as Solomon and Solomon (2004).

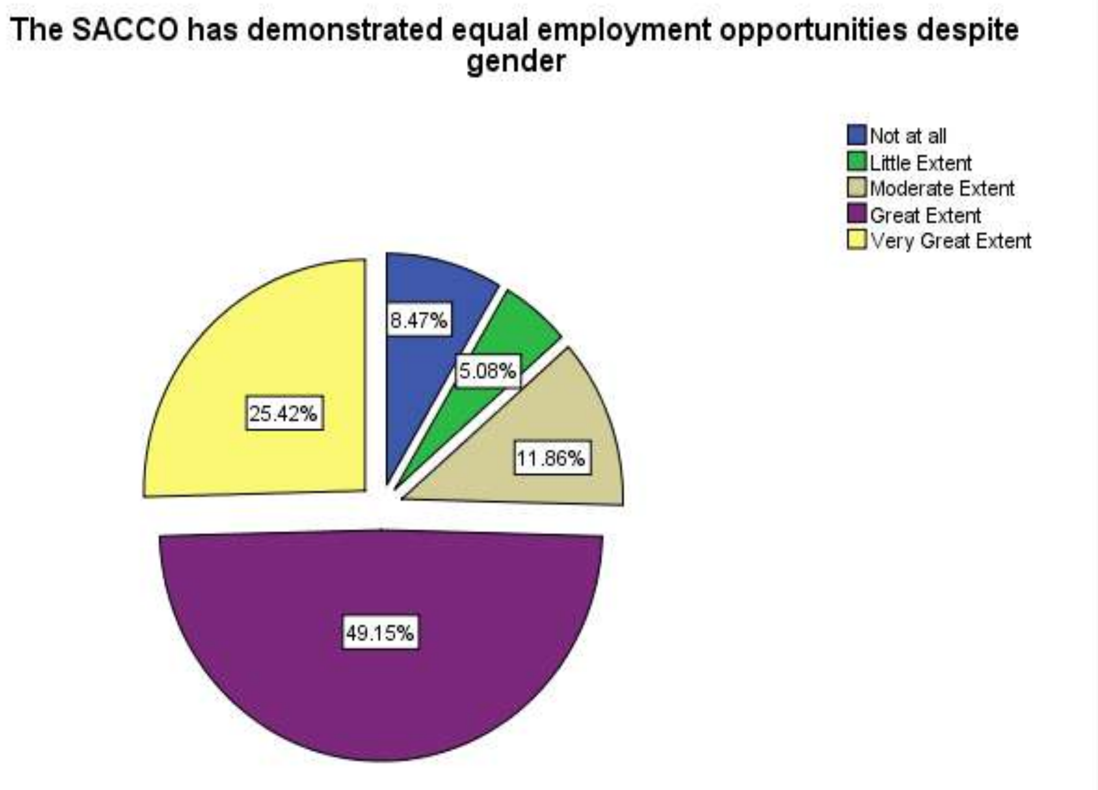

Figure 4.3: Equal Employment Opportunities

Source: *Survey data (2016)*

Table 4.5 presents statistics on the average daily earnings by the employees in the SACCO.

Table 4.5: Employees' Average Daily Earnings

		Frequency	Percent	Cumulative Percent
Valid	Kshs 500 and below	21	35.6	35.6
	Kshs 501 to 1000	19	32.2	67.8
	Kshs 1001 to 1,800	11	18.6	86.4
	Above Kshs 1,800	8	13.6	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

Majority of the employees representing 67.80% earned on average either between Kshs 500 and below or between Kshs 501 to 1000. 18.60% of the employees earned at least Kshs 1001 and at most Kshs 1,800. Finally, 13.60% of the employees earned above Kshs 1,800. As such, the average daily earnings of the employees reflected a good working environment in the transport SACCO in line with stakeholder theoretical orientations (Johnson &Scholes, 2002; Okwach, 2001).

Figure 4.4 presents a summary of the average employee working hours as shared by the respondents. Majority of the employees in the transport SACCOs in Nairobi County worked on average between 8 and 12 hours per day. 38.98% of the respondents worked on average below 8 hours in a day. Finally, 20.34% of respondents worked for between 12 and 18 hours on average in a day. Therefore, the employees' average daily working hours in the transport SACCOs subsector in Nairobi County reflected a conducive working environment in line with stakeholder views such as Solomon and Solomon (2004), Chew and Gillian (2006) and John and Senbet (2003).

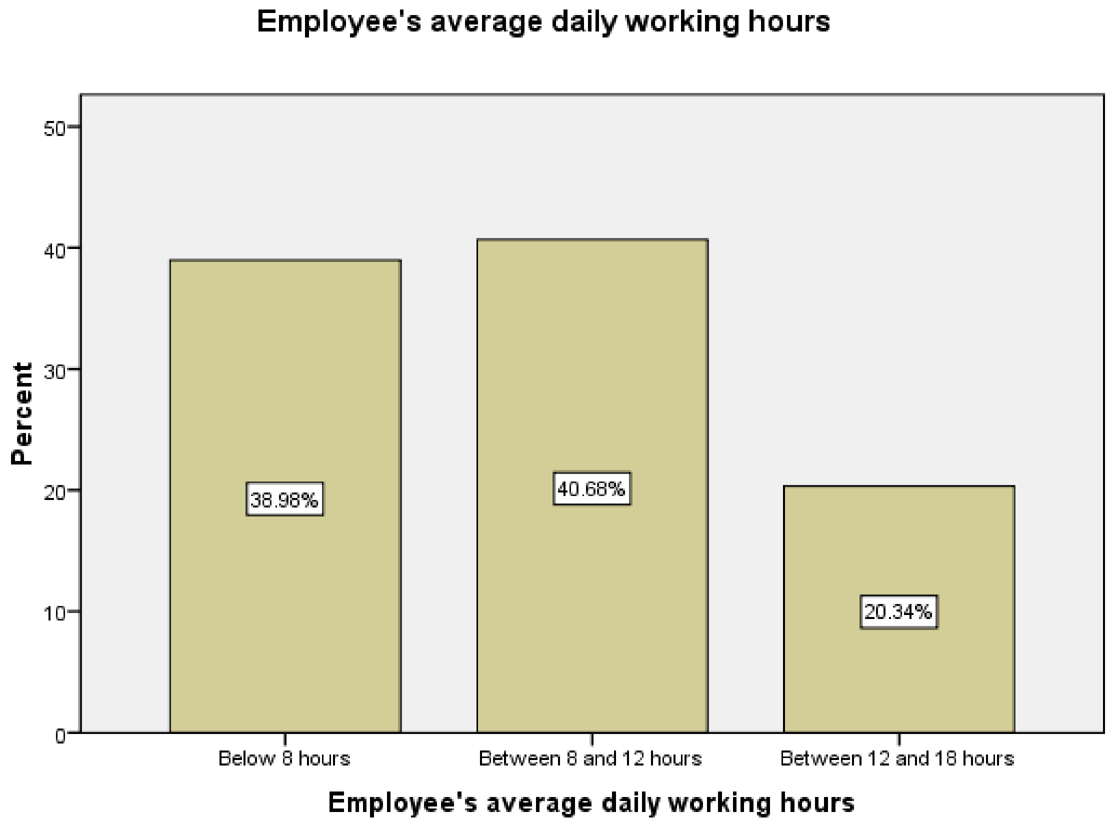

Figure 4.4: Employees' Average Daily Working Hours

Source: *Survey data (2016)*

4.3.3 Disclosure of Information

This section covers statistics on disclosure of information condition in the transport SACCOs which formed one of the key objectives of the study. Table 4.6 presents statistics on whether the books of accounts of the transport SACCO were publicised by the organisations.

Table 4.6: Books of Accounts Publicised

		Frequency	Percent	Cumulative Percent
Valid	Yes	39	66.1	66.1
	No	20	33.9	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

Majority representing 66.10% of the transport SACCOs in Nairobi County publicised their books of accounts. The rest 33.90% of the SACCOs did not publicise their books of account. As such, majority of the transport SACCOs complied with legal provisions requiring books of accounts to be publicised as earlier indicated by Kisero (2010).

Figure 4.5 presents statistics on the extent to which respondents shared with the proposition that the managers and Board of Directors of the SACCO made full disclosure of Annual reports to its shareholders. 64.40% of the respondents shared to a great extent with the proposition that the managers and Board of Directors made full disclosure of the annual report to shareholders. 23.73% and 11.86% of respondents indicated that this was the case only to a moderate and little extent respectively. As such, majority of the transport SACCOs made full disclosures of the Annual Report to shareholders as required by law as earlier observed by Kisero (2010).

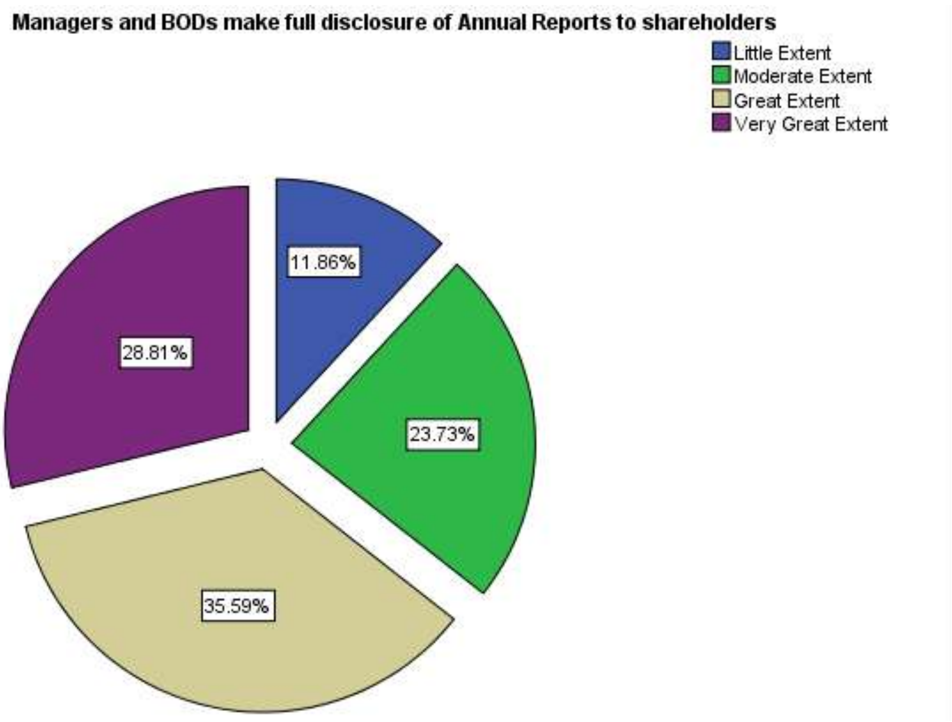

Figure 4.5: Full Disclosure of Annual Report

Source: *Survey data (2016)*

Table 4.7 presents statistics on the extent to which respondents shared with the proposition that the internal relations the SACCO enhanced its image the society.

Table 4.7: SACCOs' internal relations enhanced corporate image

		Frequency	Percent	Cumulative Percent
Valid	Great Extent	32	54.2	54.2
	Very Great Extent	27	45.8	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

All the respondents agreed with the proposition that internal relations in the SACCO enhanced its image in the society as earlier established by Heskett (2009). As such, it was critical to create and boost good internal relations.

Figure 4.6 presents statistics on the extent to which the respondents agreed with the proposition that the SACCO restricted insider trading. 74.57 % agreed with the condition. 16.95% were undecided while 8.47% disagreed with the condition. As such, the SACCOs in Nairobi County had put mechanisms to deal with or restrict insider trading in the organisations as shared earlier by previous studies such as Mwangi (2014).

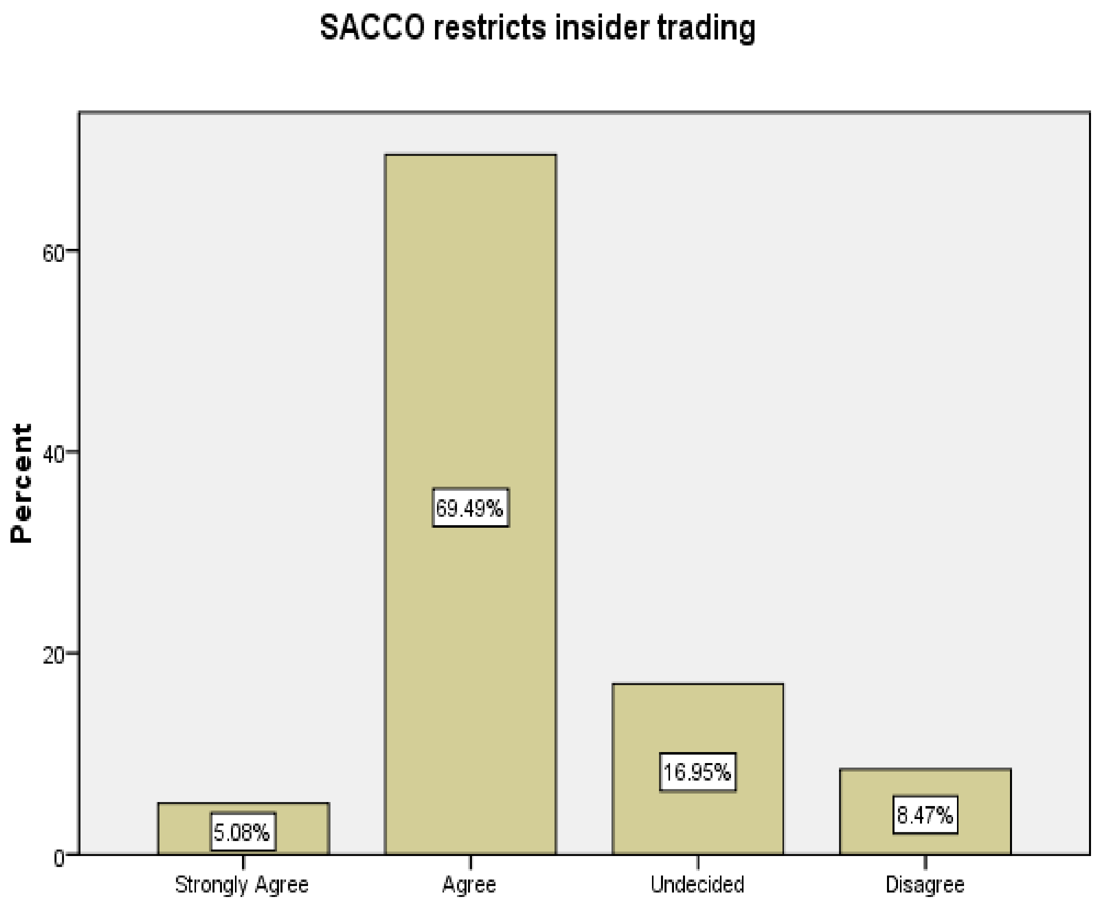

Figure 4.6: Restriction of insider trading

Source: *Survey data (2016)*

Table 4.8 presents statistics on the extent to which the respondents shared with the proposition that the information disclosed was free from errors.

Table 4.8: Error free disclosure of information

		Frequency	Percent	Cumulative Percent
Valid	Strongly Agree	29	49.2	49.2
	Agree	17	28.8	78.0
	Undecided	7	11.9	89.8
	Disagree	4	6.8	96.6
	Strongly Disagree	2	3.4	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

78.00% respondents agreed with the proposition that the information disclosed in the SACCO was error free. 11.90% were indifferent with this condition while 10.20 % of them disagreed with that condition. The findings support past results by Kisero (2010).

Figure 4.7 presents statistics on the extent to which the respondents agreed with the proposition that the information was easily accessible to users. 76.27% of the respondents agreed with the proposition while 15.00% were undecided about the existence of that condition. Finally, 8.47% of respondents differed with the proposition. Therefore, the information disclosed was easily accessible to users as prescribed by Heskett (2009).

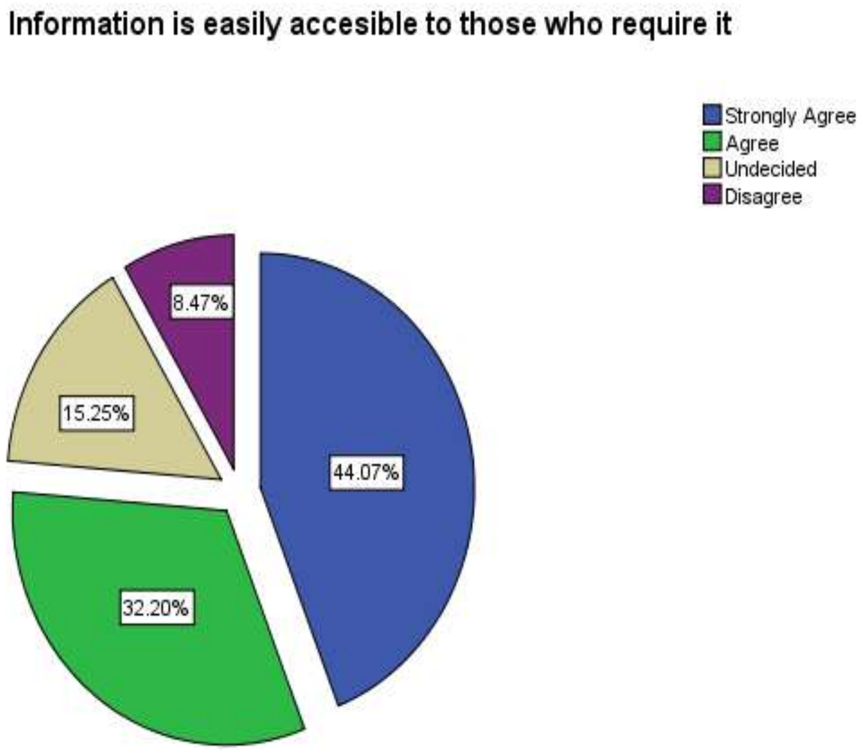

Figure 4.7: Information is easily accessible to users

Source: *Survey data (2016)*

Table 4.9 presents statistics on extent to which respondents agreed with the proposition that disclosure met the regulatory threshold or requirements.

Table 4.9: Disclosure meets regulatory requirements

		Frequency	Percent	Cumulative Percent
Valid	Strongly Agree	6	10.2	10.2
	Agree	29	49.2	59.3
	Undecided	12	20.3	79.7
	Disagree	12	20.3	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

59.30% of the respondents agreed with the proposition that the disclosure framework in the SACCO met the regulatory threshold. 20.30% were undecided while a further 20.30% disagreed with the condition. Therefore the disclosure met the legal requirements for most players in the sub sector as earlier observed by Linyiru (2006).

4.3.4 Skills Development

This section covers statistics on Sills development system as a corporate governance issue in the in the SACCOs. Figure 4.8 presents statistics on the frequency with which the transport SACCOs held trainings for their management teams. 64.41% of respondents indicated that their SACCOs often offered management trainings. 23.73% and 6.78% indicated that this happened only sometimes and rarely respectively. Finally, 5.08% of respondents indicated that management trainings were never held. As such, the SACCOs often offered management trainings in line with prescriptions by Boice and Kleiner (2007).

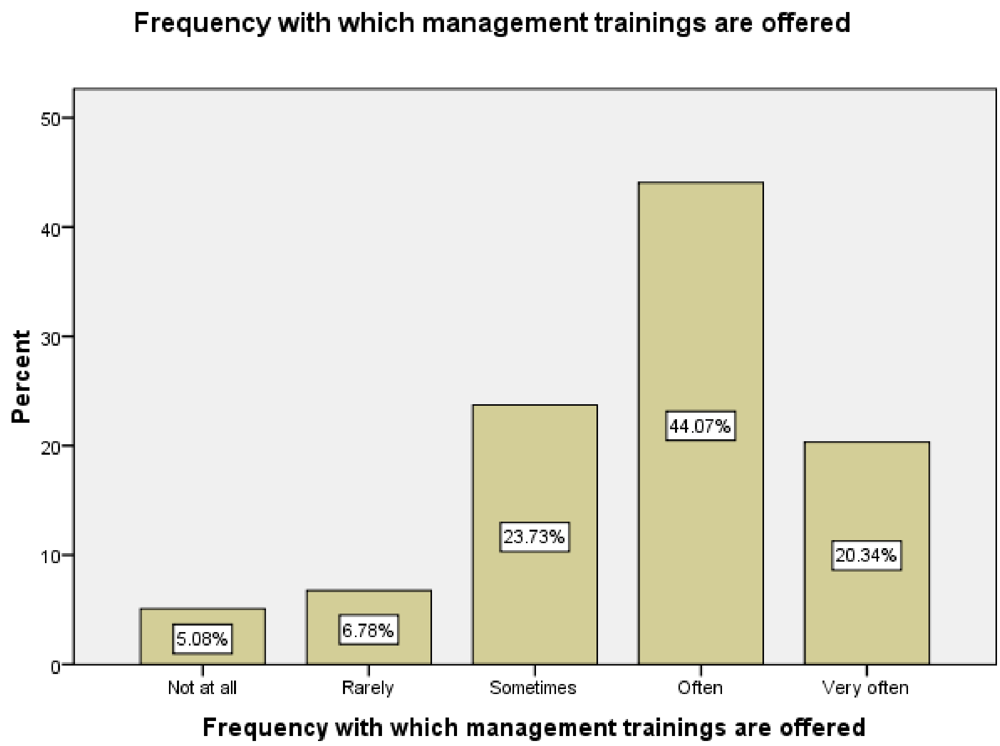

Figure 4.8: Frequency of management training

Source: *Survey data (2016)*

Table 4.10 presents statistics on whether the respondents had attended any seminar provided by their SACCOs over the past one year.

Table 4.10: Attendance of seminar provided by the SACCO

		Frequency	Percent	Cumulative Percent
Valid	Yes	49	83.1	83.1
	No	10	16.9	100.0
	Total	59	100.0	

Source: *Survey data (2016)*

A whopping 83.10% of respondents indicated that they had attended a seminar organised by their SACCOs over the past one year. The remaining 16.90% of respondents indicated that they and not attended any. As such, the SACCOs facilitated the members to attend seminars provided in line with past studies such as Evans (2001)

Figure 4.9 presents statistics on the number of seminars attended by the respondents over the past one year. Majority representing 61.02% of the respondents had attended 1-3 seminars. 23.73%, 13.56% and 1.69% of respondents had attended 4-6 seminars, 7-9 seminars and 10-12 seminars respectively. Therefore, the management team had attended a fairy good number of seminars for enrichment with better management skills as earlier held by Muriuki (2010).

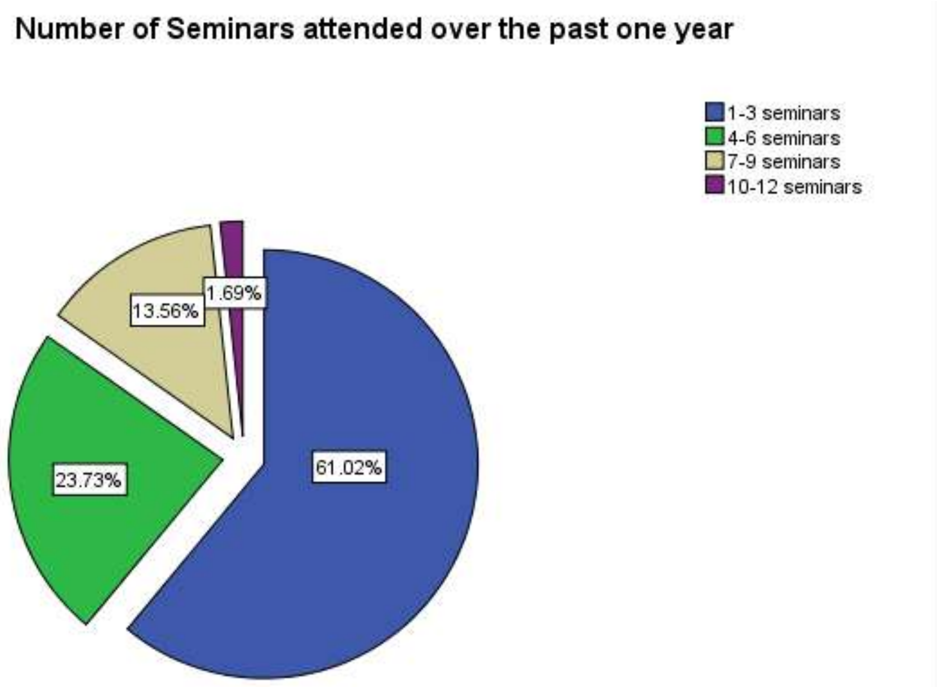

Figure 4.9: Number of Seminars attended

Source: *Survey data (2016)*

Table 4.11 presents statistics on the extent to which the respondents felt that they had attained new skills after training on the job.

Table 4.11: Acquisition of new skills on job training

		Frequency	Percent	Cumulative Percent
Valid	Little Extent	7	11.9	11.9
	Moderate Extent	1	1.7	13.6
	Great Extent	43	72.9	86.4
	Very Great Extent	8	13.6	100.0
	Total	59	100.0	

Source: *Survey Data (2016)*

A whopping 86.40% of the respondents indicated that they had acquired new skills to a great extent on the job training. The remaining 13.60% indicated that this happened either to a little or moderate extent. As such, going by the majority, the respondents had acquired new skills to a great extent as a results of the trainings. The skills acquired as shared by the respondents included customer relations, financial management, stress management, work life balance skills, team work and team building skills as well as risk management skills as earlier established by Muriuki (2010).

Figure 4.10 presents statistics on the extent to which the respondents opined that the new skills acquired had improved their performance. Majority of respondents representing 66.10% indicated that the skills they obtained in their SACCOs had improved their performance to a great extent. 18.64%, 8.47% and 6.48% of respondents indicated that this was the case only to a moderate extent, little extent and no extent at all respectively. The findings support the views presented by Awino (2001).

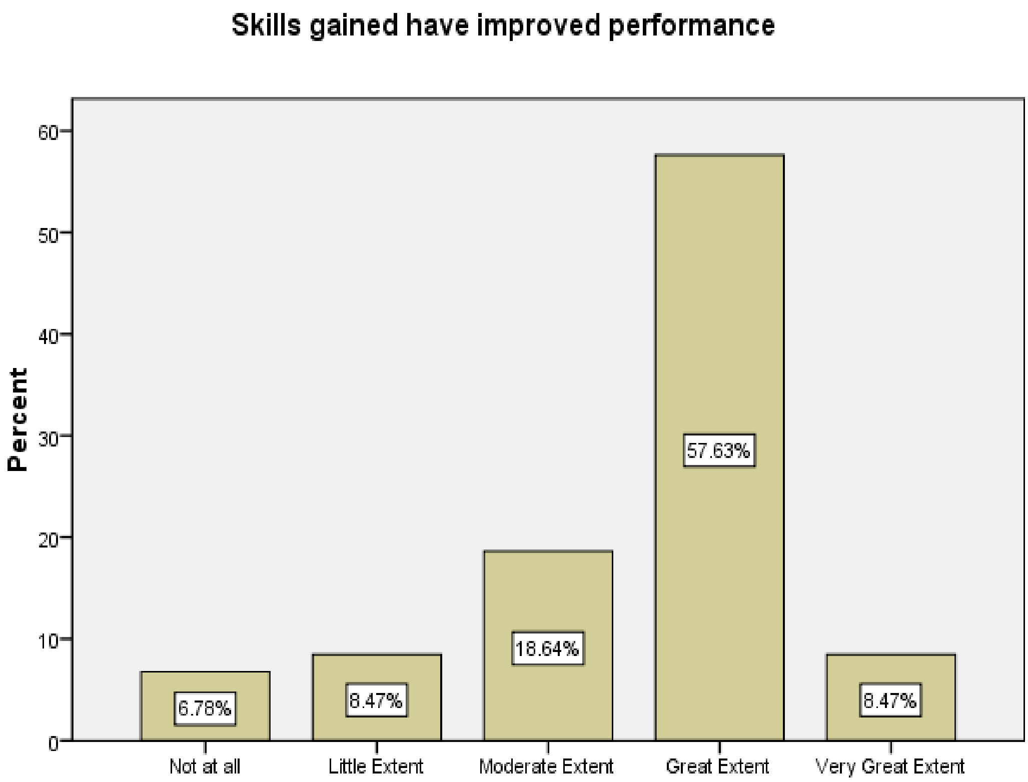

Figure 4.10: New Skills and Improved Performance

Source: *Survey data (2016)*

4.3.5 Financial Performance

This part covers statistics on the descriptive statistics derived on the financial performance status of the SACCO. Table 4.12 presents statistics on the Return on Assets as an indicator of profitability of the transport SACCOs in Nairobi County.

Table 4.12: Return on Assets for SACCOs

N	Valid	59
	Missing	0
Mean		15.00
Range		10.00
Minimum		9.00
Maximum		19.00

Source: *Survey data (2016)*

The average Return on Assets ratio for the transport SACCO subsector in Nairobi County stood at 15.00% as indicated by the mean. The highest ROI reported was 19.00% with the least being 9.00% therefore giving a range of 10.00%. This was an indication that transport SACCOs' financial performance was widely variant as held by Owino (2015).

Table 4.13 presents statistics on the membership of the SACCOs in Nairobi County.

Table 4.13: SACCOs' Membership

N	Valid	59
	Missing	0
Mean		872.00
Range		1099.00
Minimum		157.00
Maximum		1256.00

Source: *Survey data (2016)*

The transport SACCOs in Nairobi County had an average membership of 872 members. The SACCO with the highest number of members had 1,256 members with the least having 157 members. The SACCOs' membership range was therefore very huge standing at 1,099 members indicative of wide discrepancies in SACCO membership as held by Owino (2015).

4.4 Inferential Statistical Analysis

Under this section, statistics that aid key conclusions and generalisations to the entire population are presented. The findings are then compared and contrasted with past study findings and theoretical orientations to arrive at logical conclusions.

4.4.1 Diagnostic Tests

Before the main analysis, data gathered through the study undertaking was subjected to a thorough screening process where key diagnostic tests were conducted. The diagnostics served to establish that the data met the expectations of carrying out a regression analysis which was the main analytical model used in the study. The diagnostic tests included the Durbin Watson test for auto correlation, Test Glejser for heteroscedacity, test for normality using Shapiro-Wilk test of Normality and Test for multicollinearity using regression diagnostics on SPSS.

4.4.1.1 Test of Normality

The responsewas59 in total. For this reason, the researcher opted for the Shapiro-Wilk test of normality since the value is less than 2000. If the total responses were above this value, the study would have used the Kolmogorov-Smirnovtest. Key hypothesis for the normality test were then developed.

$H_{0:}$ The observed distribution fits a normal distribution.

$H_{a:}$ The observed distribution does not fit a normal distribution.

Consequently, accepting H_0 would imply assumption of normality condition.

Table 4.14: Shapiro-Wilk Test of Normality

	Shapiro-Wilk		
	Statistic	Df	Sig.
FINANCIAL PERFORMANCE	.841	59	.052

a. Lilliefors Significance Correction

Source: *Survey data (2016)*

The P value (sig.) of the Shapiro-wilk test for financial performance is 0.052 which is greater than 0.05. Therefore, the researcher failed to reject H_0 and made an assumption to that effect that the data set follows a normal distribution. As such, the data did not significantly deviate from a normal distribution (Shapiro & Wilk, 1965; Razali & Wah, 2011).

4.4.1.2 Test for Multi Collinearity

Table 4.15: Test for Multi Collinearity

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	CEO DUALITY	.435	2.299
	CORPORATE SOCIAL RESPONSIBILITY	.340	2.941
	DISCLOSURE	.604	1.656
	SKILLS DEVELOPMENT	.373	2.681

a. Dependent Variable: FINANCIAL PERFORMANCE

Source: *Survey data (2016)*

According to Liu, Kuang, Gong, & Hou, (2003), ‘Tolerance’ represents the proportion of variation in the predictor variable that cannot be accounted for by the other predictors in the model. Very small ‘Tolerance’ values would indicate that a predictor is redundant. On the other hand, ‘Tolerance’ values that are less than 0.10 may require further investigation. The Tolerance output values for our predictor variables in our case are 0.435, 0.340, 0.604 and 0.373 for CEO Duality, Corporate Social Responsibility, Disclosure and Skills Development respectively which all surpass the minimum threshold of 0.10. Additionally, as included in the output, VIF which abbreviates the Variance of Inflation Factors represents the reciprocal of tolerance; (1 / tolerance). A variable whose VIF values is greater than 10 would require further investigation and may be associated with multi collinearity problem. The collinearity statistics VIF output for our predictor variables stand at 2.299, 2.941, 1.656 and 2.681 for CEO Duality, Corporate Social Responsibility, Disclosure and Skills Development respectively which are all below the maximum or cut off point of 10. To that end therefore, an assumption was made that multi-collinearity problem was absent from the data set.

4.4.1.3 Test for Heteroskedacity using Test Glejser.

According to Long & Ervin (2000), Heteroskedacity test assesses the possibility of there being dissimilarities in the residual variance of the observation over time.

The Decision Rule for Purposes of Interpreting Heteroskedasticity Test with Test Glejser was developed as follows; if the value Sig. > 0.05, then there is no problem of heteroscedasticity. Conversely, if the value Sig. <0.05, then there is a problem of heteroscedasticity (Glejser, 1969).

Table 4.16: Test Glejser for Heteroscedasticity

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.013	.004		3.031	.064
	CEO DUALITY	.701	.005	.049	1.630	.210
	CORPORATE SOCIAL RESPONSIBILITY	.730	.003	.071	.216	.300
	DISCLOSURE	.017	.006	.780	.061	.460
	SKILLS DEVELOPMENT	.011	.003	.121	.281	.710

a. Dependent Variable: AbsUt
Source: *Survey data (2016)*

Based on Output Coefficients, the obtained P values of 0.210, 0.300, 0.46 and 0.710 for CEO Duality, Corporate Social Responsibility, Disclosure and Skills Development respectively were all greater than 0.05 (> 0.05). As such, the study made a conclusion that there was no heteroscedasticity problem in the data set.

4.4.1.4 Test for Auto Correlation.

Table 4.17 shows the Durbin Watson statistics as generated using SPSS.

Table 4.17: Durbin Watson test for Auto correlation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.846[a]	0.7157	0.7076	.00125	1.754

Predictors: (Constant), CEO DUALITY, CORPORATE SOCIAL RESPONSIBILITY, DISCLOSURE, SKILLS DEVELOPMENT

b. Dependent Variable: FINANCIAL PERFORMANCE
Source: *Survey data (2016)*

The Durbin-Watson in the Model Summary, d = 1.754, lies between the two critical values of $1.5 < d < 2.5$. A conclusion was therefore made to that effect that the first order linear auto-correlation in the multiple regression data was absent (Durbin & Watson, 1971).

4.4.2 Regression Analysis

The study utilized the regression model and correlation analysis as key tools towards the provision of reliable and evidence based answers to the research questions. For this purpose, the level of significance was set at $\alpha = 0.05$. The study then defined the critical values and the Rejection region where a conclusion towards the existence of a significant effect would be made if the p value ≤ 0.05. I.e. if the P Values are less than 5%. The study opted for the F Test on ANOVA as the ideal Test statistic.

Table 4.18 presents Statistical output of F test performed using SPSS.

Table 4.18: F Test on ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4.117	4	1.372	.360	.044[a]
	Residual	274.568	55	3.813		
	Total	278.685	59			

a. Predictors: (Constant), CEO DUALITY, CORPORATE SOCIAL RESPONSIBILITY, DISCLOSURE, SKILLS DEVELOPMENT

b. Dependent Variable: FINANCIAL PERFORMANCE

Source: *Survey data (2016)*

As evidenced in the Analysis of Variance (ANOVA) output, at the 0.05 level of significance, there existed enough evidence to conclude that the slope of the regression line was not zero as depicted by the null hypothesis. The implication was that the independent variables CEO Duality, Corporate Social Responsibility, Disclosure and Skills Development were all useful predictors of financial performance of the transport SACCOs in Nairobi County. This conclusion was made since the p value < 0.05. The P Value from the ANOVA table is 0.044 which is less than 0.05 level of significance. The fin dings support earlier results by Ndaru (2009) and Kabaiya (2012) who indicated that good corporate governance was critical to financial performance.

Table 4.19 presents the regression model summary.

Table 4.19: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.846[a]	0.7157	0.7076	.00125

a. Predictors: (Constant), CEO DUALITY, CORPORATE SOCIAL RESPONSIBILITY, DISCLOSURE, SKILLS DEVELOPMENT

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.846[a]	0.7157	0.7076	.00125

a. Predictors: (Constant), CEO DUALITY, CORPORATE SOCIAL RESPONSIBILITY, DISCLOSURE, SKILLS DEVELOPMENT

b. Dependent Variable: FINANCIAL PERFORMANCE

Source: *Survey data (2016)*

R Square or the Coefficient of Determination stands at 0.7157. This implies that 71.57% of the variation in the Financial Performance is explained by variability in the CEO Duality, Corporate Social Responsibility, Disclosure of Information and Skills Development as Corporate Governance Variables. To this effect, only 28.43 % of the variation in the financial performance of transport SACCOs is explained by other variables not included in the model. As such, a conclusion was therefore made that at least one of the corporate governance variables under assessment were useful predictors of financial performance (Draper, Smith, & Pownell, 1966; Seber& Lee, 2012).

Table 4.20 presents the Regression Model Coefficients. The Model was Key in explaining the effect of the corporate governance variables under assessment and financial performance of transport SACCOs.

Table 4.20: Regression Model Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.205	.793		1.780	.018
	CEO DUALITY	-.654	.430	-.593	-4.824	.022
	CORPORATE SOCIAL RESPOSIBILITY	.867	.393	.743	3.234	.020
	DISCLOSURE	.671	.467	.528	.994	.032
	SKILLS DEVELOPMENT	.459	.284	.524	.208	.027

a. Dependent Variable: FINANCIAL PERFORMANCE
Source: *Survey data (2016)*

As evidenced by the regression analysis output, all the independent variables, CEO Duality, Corporate Social Responsibility, Disclosure and Skills Development are significantly different from 0 (zero) since their P Values are less than 0.05. The coefficient for CEO Duality (-0.654) is significantly different from 0 because its p-value of 0.022 is smaller than 0.05 level of significance. A unit increase in Duality Situation in transport SACCOs would lead to a 0.654 unit decrease in financial performance. As such, CEO Duality demonstrates financial performance declining effects for transport SACCOs in Nairobi County, Kenya. Therefore CEO Duality yields a significant negative effect to transport SACCOs' financial performance in line with prescriptions of Fama and Jensen (1983) and Abor (2007).

The coefficient for Corporate Social Responsibility (0.867) is statistically significantly different from 0 because its p-value of 0.020 is less than 0.05 level of significance. A unit increase therefore in Corporate Social Responsibility engagements would lead to a 0.867 unit improvement in financial performance. Thus, corporate social responsibility demonstrates performance enhancing effects for financial performance of transport SACCOs in Nairobi County, Kenya. In other words, Corporate Social Responsibility as a corporate governance practice yields a statistically significant effect on financial performance of the transport SACCOs as earlier indicated in past studies by Owino (2015). The findings also marry with suggestions of stakeholder theorists such as Solomon & Solomon (2004), Chew & Gillian (2006) and John & Senbet (2003).

The coefficient for Disclosure (0.671) is statistically significantly different from zero because its p-value of 0.032 is less than 0.05 level of significance. As such, a unit improvement in disclosure system in the transport SACCOs would lead to a 0.671 unit improvement in financial performance. Disclosure therefore enhances the performance of transport SACCOs in Nairobi County, Kenya. The factors yields a statistically significant influence on financial performance of transport SACCOs as earlier held by Kisero (2010) and Linyiru (2006).

Finally, the coefficient for Skills Development (0.459) is statistically significantly different from zero because its p –Value of 0.027 is less than 0.05 level of significance. Therefore, a unit improvement in skills development activities would lead to a 0.459 unit increase in financial performance. As such, Skills Development was a viable corporate governance activity that would significantly drive the financial performance to new ends. The findings agree with theoretical prescriptions of Boice and Kleiner (2007), Evans (2001) and Muriuki (2010). The regression model was developed as follows;

Financial Performance = 4.205 – 0.654 (CEO Duality) + 0.867 (Corporate Social Responsibility) + 0.671 (Disclosure) + 0.459 (Skills Development).

4.4.3 Correlation analysis

The Pearson Correlation analysis was also used in an attempt to understand the magnitude or strength and direction of relationship between corporate governance variables and financial performance of the transport SACCOs. Table 4.21 indicates the Correlation Output.

Table 4.21: Pearson Correlation Analysis

		FINANCIAL PERFORMANCE
CEO DUALITY	Pearson Correlation	-.467**
	Sig. (2-tailed)	.002
	N	59
CORPORATE SOCIAL RESPONSIBILITY	Pearson Correlation	.976**
	Sig. (2-tailed)	.001
	N	59
DISCLOSURE	Pearson Correlation	.663
	Sig. (2-tailed)	.004
	N	59
SKILLS DEVELOPMENT	Pearson Correlation	.385**
	Sig. (2-tailed)	.023
	N	59

**. Correlation is significant at the 0.01 level (2-tailed).

Source: *Survey data (2016)*

There exists a statistically significant negative relationship between CEO Duality and financial performance of transport SACCOs as evidenced by the Pearson Correlation Output. The strength of association is moderate since the Pearson Correlation Co-efficient stands at 0.467 and statistically significant since the Sig. (2-tailed) value of 0.002 is less than 0.05 level of significance. The findings support agency prescriptions for separation of roles as held by Fama & Jensen (1983) and Abor (2007).

As per the results of the Pearson Correlation analysis, there exists a positive relationship between Corporate Social Responsibility and Financial Performance. The association between the two variables is very strong since the Pearson Correlation Coefficient is 0.976 and statistically significant since the Sig. (2-tailed) value of 0.001 is less than 0.05 level of significance. The findings also marry with suggestions of stakeholder theorists such as Solomon & Solomon (2004), Chew & Gillian (2006) and John & Senbet (2003).

The Pearson Correlation coefficient for Disclosure is 0.663. This indicates a strong level of positive association between Disclosure and financial performance. The relationship is statistically significant since the Sig. (2-tailed) value of 0.004 is less than 0.05 level of significance. The findings agree with past studies by Kisero (2010) and Linyiru (2006).

Finally, the Pearson Correlation Coefficient for Skills Development is 0.385 which indicates a moderate level of positive association between Skills Development and financial performance. The relationship is statistically significant since the Sig. (2-tailed) value of 0.023 is less than 0.05 level of significance. The findings agree with theoretical prescriptions of Boice & Kleiner (2007), Evans (2001) and Muriuki (2010).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This part presents a summary of the results established through the study. Also covered are the key conclusions and recommendations as well as suggestions for further research. The recommendations borrow largely from the results of the study.

5.2 Summary of Findings

The study sought to determine the effect of corporate governance on the financial performance of transport SACCOs in Nairobi County of Kenya. The Specific Corporate Governance variables whose effect on financial performance was examined included CEO Duality, Corporate Social Responsibility, Disclosure and Skills Development. The main analysis procedures in this determination were the correlation and regression models. On performance, the study established that the transport SACCOs' profitability as a dimension of financial performance was widely variant. The study further unveiled huge discrepancies in SACCOs' membership base. As informed by the R Square or the Coefficient of Determination, more than two thirds of the variation in the Financial Performance was explained by variability in the corporate governance variables include in the model, that is, CEO Duality, Corporate Social Responsibility, Disclosure of Information and Skills Development as Corporate Governance Variables. Therefore, the modelled framework was a good one in prediction of financial performance of transport SACCOs.

On CEO Duality, the study established that more than half of the transport SACCOs in Nairobi County had Duality condition. The study further established observance of democratic principles of SACCOs management especially with regard to board chair selection. The study further established that the chairperson of the board of directors for transport SACCOs was reviewed on a fairy regular basis to curb abuse of the position. Regression Analysis Results indicated that CEO Duality was a useful predictor of financial Performance. Correlation Analysis results indicated a moderate level of negative association between CEO Duality and Financial Performance.

On Corporate Social Responsibility, it was established that the transport SACCOs in Nairobi County had demonstrated to offer equal employment opportunities for all irrespective of gender. The study further indicated that the average daily earnings of the employees reflected a good working environment in the transport SACCO. It was also established that the employees' average daily working hours in the transport SACCOs subsector in Nairobi County reflected a conducive working environment. Regression Analysis Results indicated that Corporate Social Responsibility was a useful predictor of financial Performance. Correlation Analysis results indicated a very strong positive association between Corporate Social Responsibility and Financial Performance.

On Disclosure, the study established that majority of the transport SACCOs complied with legal provisions requiring books of accounts to be publicised. As such, majority of the transport SACCOs made full disclosures of the Annual Report to shareholders as required by law. It was also shown that the SACCOs in Nairobi County had put mechanisms to deal with or restrict insider trading in the organisations. The study found out that information disclosed was in most cases free from errors and omissions and was easily accessible to users. In addition the disclosure system in the SACCO met the legal requirements for most players in the sub sector. Regression Analysis Results indicated that Disclosure was a useful predictor of financial Performance. Correlation Analysis results indicated a strong level of positive association between Disclosure and Financial Performance.

On Skills Development, the study established that the SACCOs often offered management trainings and that SACCOs facilitated the members to attend seminars provided. The study established that the management team had attended a fairy good number of seminars for enrichment with better management skills. Skills Development programs were found to have instilled new skills which had greatly improved performance and which included customer relations, financial management, stress management, work life balance skills, team work and team building skills as well as risk management skills. Regression Analysis Results indicated that Skills Development was a useful predictor of financial Performance. Correlation Analysis results indicated a moderate level of positive association between Skills Development and Financial Performance.

5.3 Conclusion

The study concluded that the corporate governance model used for the study was good in explaining financial performance of transport SACCOs. On CEO Duality, the study concluded that most transport SACCOs practiced duality condition. The study further concluded that CEO Duality was useful in prediction of financial Performance. It was further concluded that Duality and Financial Performance exhibit a negative association and as such, the Duality situation needed a quick reversal.

On Corporate Social Responsibility, it was concluded that the transport SACCOs were keen to practice Corporate Social Responsibility, a factor which the study concludes enhanced of financial Performance. Corporate Social Responsibility, the study concluded enhanced Financial Performance of the SACCOs. As such, more investment in CSR activities would enhance Financial Performance.

On Disclosure, the study findings informed a conclusion that the transport SACCOs had a fairy good disclosure framework. The study further concluded that disclosure of information enhanced financial Performance of SACCOs. On Skills Development, the study concluded that the transport SACCOs had a fairy good Skills Development Systems. The study further concluded that investment in Skills Development would serve to enhance Financial Performance.

5.4 Recommendations

The study recommends separating of powers and defining of roles between the board and the C.E.O in order to create a conducive work environment for exercising authority and policy making and implementation of policies in SACCOs. This also calls for SACCOs to competitively recruit C.E.Os. This will always give the SACCOs room to practice the allowable standards of corporate governance practices. It will cushion the shareholders for the risk of loss owing to abuse of power and the net effect of good governance practices will ultimately improve financial performance. The transport SACCOs should as well explore and develop their engagement in Corporate Social Responsibility (CSR) activities. This conclusion was made as the factor was found to yield the greatest influence on Financial Performance of

SACCOs. As such, the SACCOs should strive to meet the diverse interests of all stakeholders.

SACCOs should always uphold the standards and allowable levels and practices of disclosure within their ranks. This is driven by the virtue that industry standards demand that all the pertinent information is made available to all intended users freely. The industry standards equally stipulate that no one should use inside information for their own personal gain. The regulators who are the Ministry of Cooperatives and the SASRA should always enforce the requirements for publishing of accounts, availing of information to the membership to safeguard shareholder interests and assure the SACCOs of growth. This will have the ultimate effect of raising the thresholds as regards the corporate governance standards and it will have a big bearing in the financial performance of the SACCOs by way of infusing professionalism which may influence the posting of better results. The skills Development framework of the SACCOs should be enhanced as the study established this as a viable investment. As such, the SACCOs should put more emphasis on training workshops, seminars and executive development forums.

5.5 Suggestions for Further Research

The study proposes that further research should be carried out with consideration to other aspects of corporate governance other than the ones considered for the study with a view of finding out if the study findings will be consistent with the current study. This is because the principles of corporate governance are numerous and the study considered only four. Due to research constraints, the study was only limited to Nairobi County.

The study further proposes that a study on the relationship between corporate governance practices and financial performance should be carried out on a wider scale with a consideration of transport SACCOs in the whole country to find out if the findings of the study carried out in Nairobi County tallies with the situation on the national scene.

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APPENDICES

APPENDIX I: Letter to Respondents

Dear respondent

RE: DATA COLLECTION FOR RESEARCH PROJECT

I am a student at Kenyatta University undertaking a study on Corporate Governance Practices and Financial Performance of Registered Transport Sacco's in Nairobi County.

I humbly request for your assistance in filling this questionnaire. The information you offer will be treated with utmost confidentiality. Your name in this case may not be mandatory. Your contribution will be highly appreciated (Please tick where appropriate).

Yours faithfully,

Hannah Kariuki

APPENDIX 11: QUESTIONNAIRE

Please fill in the questionnaire. Your responses will be treated with utmost confidentiality and only used for the purposes of study.

Questionnaire no………………………….. Date ……………………………….

SACCO INFORMATION

Name of the SACCO……………………………………….....

Position in the SACCO………………………………………..

1). How long have you served in that position?

Less than one year [ ] 1- 5 years [ ] More than 5 years [ ]

2) Gender:

Male [ ] Female[ ]

PART A: CEO DUALITY

Kindly provide answers to the following questions by ticking (√) against the most suitable alternative or giving narrative responses in the spaces provided**.**

A1; Separation of Roles

SEPARATION OF ROLES	**YES (1)**	**NO (0)**
The CEO/Manager added up as the chairman of the Board of Directors(BODs)		

A2. Chairman Elections

Is the Board chair elected in an AGM? ….Yes (   )   No (   )

If yes; For what duration…………………………………….

PART B : CORPORATE SOCIAL RESPONSIBILITY

B1. Equitable Employment Policies

To what extent do you share with the following statement (s) regarding the system of employment in the SACCO? Tick appropriately

	1	2	3	4	5
The SACCO has demonstrated to offer equal employment opportunities regardless of gender.					

Scale: 1-Not at all 2-Little extent 3-Moderate Extent 4-Great Extent 5-Very Great Extent

B2. Working Environment

B2.1.what is the average daily earnings of the employees in your SACCO? Tick (√) one bracket

Ksh.500 & below	**Ksh. 501 & less than Ksh. 1,000**	**Ksh. 1,000& less than Ksh. 1,800**	**Above 1,800**
( )	( )	( )	( )

B2.2. what is the average daily working hours of employees in your SACCO? Tick (√) one bracket

18 hours & above	**12 hours & less than 18**	**8 hours & less than 12**	**Below 8 hours**
( )	( )	( )	( )

PART C: DISCLOSURE OF INFORMATION

C1; Annual Reports

Tick the appropriate box to indicate the extent of the application of disclosure.

C1.1 Are the books of accounts publicized by the organization?

Yes ( )No ( )

C1.2 The Five Point Likert Scale is as follows; Tick (√) one box

1-Not at All 2-Little Extent 3-ModerateExtent

4-LargExtent 5-Very Large Extent.

Attributes of disclosure of information	**Not at all (1)**	**Little extent (2)**	**Moderate extent (3)**	**Large extent (4)**	**Very large extent (5)**
The managers and BODs of the Sacco made full disclosure of Annual Reports to its shareholders					
Internal relations enhanced the Sacco's image in the society					

C1.3.Kindly confirm the following by ticking appropriately **(**√**)**

1 – Strongly Agree 2– Agree 3– Undecided

4 - Disagree 5- Strongly Disagree

Details	1	2	3	4	5
The organization restricts insider trading					
Information that is disclosed is fairly free from errors					
Information is easily accessible to those who require it					
Disclosure meets regulatory requirements					

PART D : SKILLS DEVELOPMENT

D1. Frequency of trainings for SACCO management. Tick (√) one bracket

D1.1. How often does the Sacco offer trainings for its management?

Very Often ( )   Often ( )   Sometimes ( ) Rarely ( )   Not at all ( )

D1.2. Have you attended any seminars provided by your SACCO in the last one year?

Yes [ ]   No [ ]

D1.3. If yes, how many seminars have you attended?

1-3 [ ]   4-6 [ ]   7-9 [ ]   10- 12 [ ] more than 12 [ ]

D2. New Skills Acquired by Management

D2.1.To what extent do you feel that you have attained new skills after training on-the-job?

Not at all ( )   Little Extent ( )   Moderate Extent ( )

Great Extent ( )   Very Great Extent ( )

D2.2. To what extent have the new skills improved your performance?

Not at all ( )   Little Extent ( )   Moderate Extent ( )

Great Extent ( )   Very Great Extent ( )

SECTION E: SACCO PERFORMANCE

E1. Indicate your membership as shown below:

Item	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015
Number of members at the end of the year					
5 YEARS AVERAGE					

	Return on Assets i.e. Earnings After Tax / Total Assets		
FINANCIAL YEAR	Earnings After Tax	Total Assets	**ROA**
2010/2011			
2011/2012			
2012/2013			
2013/2014			
2014/2015			
5 years average Return on Assets (ROA)			

THANK YOU FOR YOUR COOPERATION.

APPENDIX III: LIST OF TRANSPORT SACCOSIN NAIROBICOUNTY

1	12C TRANSPORT SACCO LTD
2	2B TRAVELLERS SACCO LTD
3	2KR ROUTE 105 MULTIPURPOSE COOPERATIVE SOCIETY LIMITED
4	2KW SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
5	8B SACCO SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD
6	AKILLA TRANSPORTERS LIMITED
7	ALDANA TRAVELLERS SACCO
8	ALSOPS TRAVELLERS SERVICE LTD
9	ARRIVA COACH LTD
10	ASTRABELL LIMITED
11	BABA DOGO 25 TRAVELLERS SACCO
12	BAKAKI 101 TRAVELLERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
13	BANANA HILL MATATU SACCO LTD
14	BENJO(K) LTD
15	BLUELINE SAFARIS SHUTTLE
16	BURETI EXPRESS SACCO LTD
17	BURUBURU 58 TRAVELLERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
18	CBET SACCO
19	CHUKA SACCO SOCIETY LTD
20	CITY HOPPER LIMITED/FANAKA MERCHANTS LIMITED
21	CITY STAR SHUTTLE LIMITED

22	CITY TRAM SHUTTLE LTD
23	CITY TRAVELLERS SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED
24	CLASSIC PELICAN SACCO LIMITED
25	CLIMAX COACHES LIMITED
26	COMLINES SACCO LIMITED
27	COMPLIANT MANAGEMENT COMPANY LIMITED
28	COSY TRAVELLERS LTD
29	CROWN BUS SERVICE LTD
30	DABUMATO COMMUTER SERVICE SAVINGS & CREDIT CO-OPERATIVE SOCIETY LTD
31	DAIMA CONNECTIONS LTD
32	DAKIKA MATATU OWNERS SACCO
33	DANDORA USAFIRI TRAVELLERS SACCO
34	DIX-HULT MATATU OWNER SACCO
35	EASTERN BYPASS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
36	EASTERN BYPASS TRAVELLERS COMPANY LIMITED
37	EASTLANDS EAGLES LIMITED
38	EASTLEIGH COMMUTER SERVICES LIMITED
39	EASTLEIGH ROUTE SACCO
40	EASY COACH LTD
41	ECOSA TRAVELLERS SACCO
42	EGESA SHUTTLE SACCO
43	ELDORET EXPRESS LIMITED
44	ELEVENTH HOUR TRANSPORT SACCO

45	EMBASSAVA COOPERATIVE SAVINGS AND CREDIT SOCIETY LTD
46	EMUKI COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
47	ENNUS LTD
48	ESTATES CONNECTION LIMITED
49	EVERBEST
50	EXPRESS CONNECTIONS LTD
51	FIG KOMBA
52	FIVE FRIENDS INVESTMENT COMPANY LTD
53	FORWARD TRAVELLERS SACCO LTD
54	FOURTY FOUR SACCO
55	FREESTYLE CONNECTION LTD
56	GANAKI MULTI PURPOSE COOP SOCIETY
57	GATANGA TRAVELLERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
58	GESARATE TRADE LINKS COMPANY LTD
59	GINYALI COOPERATIVE SAVINGS & CREDIT SOCIETY LTD
60	GITHIGA TRAVELLERS SACCO
61	GIWA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
62	GUSII COMMUTER SERVICES SACCO LTD
63	GUTON KENYA ENTERPRICES LIMITED
64	HIGHRISE KIBERA SACCO
65	HIMOSA TRAVELLERS SACC0
66	HOME SACCO
67	HURUMA 46 SAVINGS AND CREDIT CO-OP SOCIETY LTD

68	HURUMA MINI-BUS SACCO LTD
69	IMPACT SHUTTLE LIMITED
70	INDIMA (NJE) SACCO
71	INTER COUNTIES TRAVELLERS SACCO
72	INTER COUNTY EXPRESS LTD
73	JESMAT TRAVELLERS CO-OPRATIVE
74	JONSAGA FLATS SACCO
75	KADANA TRAVELLERS INVESTMENTS COMPANY LIMITED
76	KAKA TRAVELLER SACCO LIMITED
77	KAM TRANSPORTERS SACCO LTD
78	KAMANA SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD
79	KANGEMI MATATU OWNERS SACCO
80	KANI TRANSPORT SACCO SAVINGS AND CREDIT SOCIETY LIMITED
81	KARARWA INVESTMENT COMPANY LIMITED
82	KARIOBANGI MATATU OWNERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
83	KARURI COMMUTERS SERVICES SAVINGS AND CREDIT CO-OPERTAIVE SOCIETY LIMITED
84	KASBOWA SAVINGS AND CREDIT COOPERATIVE SOCIETY LIMITED
85	KAT MOK TRAVELLERS LIMITED
86	KAWANGWARE MATATU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
87	KAYO-LINE GROUP COMPANY LIMITED.
88	KAZANA TRAVELLERS SERVICES LIMITED
89	KENYA BUS SERVICE MANAGEMENT LIMITED
90	KIAMBU MARAFIKI SACCO LTD

91	KIBERA MATATU OWNERS COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
92	KIDAGI SACCO
93	KILELE SHUTTLES LIMITED
94	KILIMAMBOGO TRAVELLERS SACCO
95	KILLETON COMMUTERS SERVICES SAVINGS AND CREDIT COOPERATIVE LTD
96	KIMMA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
97	KINATHI SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
98	KINATWA CO-OPERATIVE SACCO SOCIETY LIMITED
99	KIPSARAMAN TRAVELLERS SERVICES LIMITED
100	KIRAGI TRAVELLERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
101	KITENGELA MINIBUS SACCO(KIMISA)
102	KIU INVESTMENT SACCO
103	KIWALIRU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
104	KIZALI TRAVELLERS LIMITED
105	KNRT SAVINGS & CREDIT CO-OPERATIVE SOCIETY LIMITED
106	KUKENA SACCO SOCIETY LIMITED
107	LAKENYA TRANSPORT SACCO LTD
108	LANKANA SACCO SOCIETY LIMITED
109	LATEMA 22 TRAVELLERS SACCO
110	LIKAMBU MATATU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
111	LIKANA ROUTE 114/115 MATATU CO-OPERATIVE SOCIETY LTD
112	LINA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

113	LINGANA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
114	LIRA LINE SACCO SOCIETY LTD
115	LOPHA MULTIPURPOSE CO-OPERATIVE SOCIETY
116	LUCKY BABA DOGO TRAVELLERS SACCO LTD
117	LUCKY TRANSPORTERS COMPANY
118	LUMINOUS SHUTTLES LIMITED
119	LUXURY SHUTTLES & TRAVELLERS LTD
120	MACHAKOS PUBLIC TRANSPORTERS SACCO SOCIETY LTD
121	MADIWA MATATU OWNERS SACCO
122	MAKANA SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
123	MAKATA SACCO
124	MAKOS SACCO
125	MAKUENI TRANSPORTERS SACCO
126	MAMIKA SACCO LIMITED
127	MANATWA SACCO
128	MANATWA SACCO
129	MANMO SACCO
130	MARIMBA TRAVELLERS SACCO
131	MATUNDA(FRUITS) BUS SERVICES
132	MATWA SAVINGS AND CREDIT SOCIETY LIMITED
133	MBUKINYA SUCCESS (K) LTD
134	MEGARIDER MANAGEMENT LIMITED
135	MEKINA MATATU SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED

136	MERU NISSAN OPERATORS COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
137	METROTRANS EAST AFRICA LIMITED
138	MNGN SACCO LTD
139	MNK SACCO SOCIETY LTD
140	MOLO CLASSIC SACCO SOCIETY LTD
141	MOLOLINE SERVICES LIMITED
142	MOONLIGHT COACH LTD
143	MOYALE RAHA TRANSPORTERS LIMITED
144	MSAFARA SACCO SOCIETY LTD
145	MUKURWE TRAVELLERS SACCO
146	MUNA SUPREME SHUTTLE
147	MWAMBA TRAVELLERS SACCO
148	MWIKI PSV SACCO
149	MWIKI SUPER SHUTTTLE MANAGEMENT COMPANY LIMITED
150	MWIKINA NISSAN SAVING AND CREDIT COPERATIVE SOCIETY LIMITED
151	MWINGI TRAVELLERS
152	MWIRONA SACCO LTD
153	NABOKA TRAVELLERS SACCO
154	NAEKANA ROUTE 134 CO-OPERATIVE SAVINGS $ CREDIT SOCIETY LTD
155	NAIROBI FRIENDS TRAVELLERS SOCIETY
156	NAIROBI KIRU LINE SERVICES LTD
157	NAIROBI NAKURU KIKUYU SHUTTLE LIMITED
158	NAIROBI PRESTIGE BUS SHUTTLE LTD

159	NAIROBI SHUTTLE LTD
160	NAIROBI-WESTERN-CLASSIC SACCO
161	NAKAM SACCO SOCIETY LIMITED
162	NAKAMATA SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD
163	NAKASKI TRANSORT SAVINGS CREDIT SACCO LTD
164	NAKATHI TRAVELLERS SACCO LIMITED
165	NAKILI SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
166	NAKIMU CLASSIC
167	NAKIMU CLASSIC TRAVELLERS SACCO
168	NAKIMU CLASSIC TRAVELLERS SACCO
169	NAKINDUKA MATATU SACCO
170	NAKISA SACCO SOCIETY LTD
171	NAKONN SACCO LTD
172	NAKWE TRAVELLERS SACCO SOCIETY LTD
173	NAMAK
174	NAMAKI CX
175	NANGKIS MATATU SACCO
176	NAROK LINE SERVICE
177	NAROK SAFARIS SACCO SOCIETY LIMITED
178	NARUGI DEVELOPMENT SACCO LTD
179	NASAMKI SACCO
180	NAWAKU SACCO
181	NAWASUKU SACCO
182	NAZIGI SACCO

183	NEEMA TRAVELLERS AGENCY LTD
184	NEWLOT TRAVELLERS SACCO LTD
185	NGOKANA SAVINGS AND CREDIT COOPERATIVE SOCIETY
186	NGONG TRAVELLERS SACCO
187	NGUMO-LINE SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
188	NGUSO TRAVELLERS SACCO
189	NKIKAN SACCO SOCIETY LIMITED
190	NMOA SACCO SOCIETY LIMITED
191	NORTH RIFT SHUTTLE
192	NUCLEUR INVESTMENTS LTD
193	NUCLEUR INVESTMENTS LTD
194	NUNGUNI EXPRESS TRAVELLERS SACCO
195	NYAMIRA LUXURY EXPRESS COMPANY LIMITED
196	OBAMANA TRAVELLERS SACCO
197	ONGATA LINE TRANSPORTERS
198	ONGATA RONGAI BUS SERVICES
199	OROKISE SACCO LTD
200	OROMATS SACCO SOCIETY LTD
201	OUTER CIRCLE SACCO
202	OUTREACH TRAVELL
203	PAKIN ALICIA SACCO SOCIETY LTD
204	PEJA TRAVELLERS LIMITED
205	PEJO TECH COMPANY LTD
206	PINPOINT SOLUTION (K) LTD

207	PRIME TRANSCITY LIMITED
208	QUARSER SHUTTLE
209	QUE SERVICES SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
210	RASASI INVSETMENT LIMITED
211	REMBO SHUTTLE SAVINGS AND CREDIT SACCO LTD
212	RENGCOM COMMUNICATIONS LTD
213	ROG TRAVELLERS SAVINGS AND CREDIT COOPERATIVE SOCIETY LTD
214	RONGAO SAVING AND CREDIT COOPERATIVE SOCIETY LIMITED
215	RONGO PUBLIC TRANSPORT SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LIMITED
216	RUKAGINA 44 SACCO
217	RUNKA SERVICES COOPERATIVE SAVINGS AND CREDIT SOCIETY LTD
218	RWAKEN INVESTMENTS LIMITED
219	SASALINE CLASSIC SHUTTLE LIMITED
220	SATIMA SACCO SOCIETY LTD
221	SEMA STAGE MINIBUS OWNER SACCO
222	SEMAKA COOPERATIVE SAVINGS AND CREDIT SOCIETY LIMITED
223	SERIAN SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
224	SILKER AGENCIES LTD
225	SNOWBALL SACCO SOCIETY LTD
226	SONY TRADING LIMITED
227	SOUTH B MATATU OWNERS SACCO SOCIETY LTD
228	SOUTH B TRAVELLERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD
229	ST. MARYS TRANSPORT SACCO SOCIETY-JASSET

230	STAHITO COMMUTER SERVICES CO.LIMITED
231	STARBUS (K) LTD
232	STARWAYS EXPRESS LTD
233	SUPER HIGHWAY 45 SACCO SOCIETY LTD
234	SUPER METRO LIMITED
235	SUPER PREMIUM SAVINGS AND CREDIT COO-PERATIVE SOCIETY LTD
236	SUPERCOACH SAFARI SACCO SOCIETY LIMITED
237	SUPREME SHUTTLE LIMITED
238	TAWALA UTAWALA SACCO
239	TEAM FERGIE TRANSPORTERS
240	TELAVIV TRANSPORTERS LIMITED
241	THE GUARDIAN COACH CO.LTD
242	THIKA FALLS SACCO LTD
243	THIKA ROAD TRANSPORTERS SACCO LTD
244	THOMAT SAVINGS AND CREDIT COPPERATIVE SOCIETY LIMITED
245	TRANSNOMICS LIMITED
246	TRAVEL MART LIMITED
247	TRINITY TRANSPORTERS AND LOGISTICS LIMITED
248	TRIPLE S SERVICES COMPANY LIMITED
249	TUJIJENGE COUNTRY BUS SACCO
250	UGWE BUS SERVICES LIMITED
251	UMOINNER SACCO LTD
252	UMOJA INNERCORE TENA MATATU OWNERS SAVINGS AND CREDIT CO-OPERATIVE SOCIETY LTD

253	UMOWA SACCO	
254	UNGWANA SUCCESS SACCO	
255	UNIFIED INTERNATIONAL LIMITED.	
256	UTAWALA BY-PASS TRAVELLERS SACCO	
257	WAKADEBA SACCO	
258	WAKIMALI TRAVELLERS LTD	
259	WALOKANA	
260	WAMASAA TRAVELLERS LIMITED	
261	WAPI WAPI THE CRAB SERVICES LIMITED	
262	WENYA SAFARI LTD	
263	WEST MADARAKA ROUTE 14 COOPERATIVE SACCO.	
264	ZURI GENESIS SACCO LIMITED	

Source: NTSA (2015)

APPENDIX IV: Research Authorization by Kenyatta University

APPENDIX V: Research Authorization letter by NACOSTI

APPENDIX VI: Research Permit by NACOSTI