DECLARATION

I, the undersigned declare that this is my original work and has not been submitted for any academic award in any institution.

Signature………………………………… Date……………………………………

SAMUEL MASOO MWATI

C153/OL/CTY/26534/2014

This research has been submitted for review with my approval as university supervisor

Signature………………………………… Date……………………………………

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DEDICATION

I wish to dedicate this project to the memory of my parents the late Benjamin Mwati Muindi and Julia Syombua Masoo Mwati, whose names I am proud to bear.
ACKNOWLEDGEMENT

I am most grateful to God for the gift of life and the chance to undertake this academic journey in good health. I also want to thank Kenyatta University for the chance to study, fellow students in my class for the challenge and healthy academic interaction, the lecturers for sharing their knowledge with us especially Ngeno Kwa, the class coordinator and Professor David Minja my Supervisor for his thorough interrogation and academic guidance, may God bless you all. I also want to thank the County Commissioner Nairobi office and the County Secretary Nairobi City County for permitting me to conduct my research in Nairobi City County. To my family, thank you for your patience and encouragement as I undertook the study, I remain indebted and eternally grateful to my wife Mercy and children Carol, Wesley and Sharon, may God continue to bless you and may you be a blessing to me.
Corporate governance is considered an important requirement for operations for any organization as it enhances the effectiveness of Boards, transparency and disclosure, accountability, risk management, internal controls, ethical leadership, and good corporate citizenship. Nairobi City County is one of the devolved governments being county number 47 in Kenya. The county is charged with the role of bringing services to the people through the devolved functions. The demand for better services from the county government has increased over the last four years due to the growing population of the county and awareness by the citizens. Consequently, the study identified objectives in order to analyze the effects of corporate governance practices adopted by the Nairobi City County to ensure its organizational performance in service delivery. The objectives were to determine Corporate Governance practices adopted by Nairobi County, to find out the relationship between corporate governance and performance of the county government, and to examine the challenges of corporate governance practices in the county. This study was guided by four theories, the famous Agency Theory, Stewardship Theory, Resource Dependency Theory, and the Public Participation Theory. The study used a population of 50 comprising of managers and other key personnel identified from the finance and planning department in the office of the governor cutting across the 18 sub counties. Stratified random sampling technique was used to ensure objectivity and reduce biases in the study. Therefore 60 percent of the study population was sampled in the finance and planning department and employed census for the top management who were 15 in number. Data was collected from the sample group using questionnaires and for census group data was collected through interviews which enabled information provided to answer the research questions. Secondary data was also used to gather information necessary in the analysis of the data and improve the quality of the outcome. The collected data was analyzed using the univariate (descriptive) analysis technique so as to answer the research questions. Key findings were that there is a significant relationship between corporate governance and performance. Capabilities have no independent statistical significant influence on performance. This could be attributed to weak manifestations of capabilities in Kenyan county government. It further concludes that although a positive relationship existed between corporate governance and performance, the explanatory power of these models was weak. It is highly likely that there are other factors other than those conceptualized in this study which influence organizational performance.
# ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AGM</td>
<td>Annual General Meetings</td>
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<tr>
<td>CBN</td>
<td>Central Bank of Nigeria</td>
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<td>CEC</td>
<td>County Executive Committee</td>
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<td>CECM</td>
<td>County Executive Committee Members</td>
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<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CG</td>
<td>Corporate Governance</td>
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<tr>
<td>CMA</td>
<td>Capital Market Authority</td>
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<td>CMC</td>
<td>Cooper Motor Corporation</td>
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<td>FSQ</td>
<td>Functional Service Quality</td>
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<td>IF</td>
<td>Information System</td>
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<tr>
<td>ICAN</td>
<td>Institute of Chartered Accountants of Nigeria</td>
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<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
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<tr>
<td>KCC</td>
<td>Kenya Co-operative Creameries</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
</tr>
<tr>
<td>RoE</td>
<td>Return on Equity</td>
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<td>SCs</td>
<td>State Corporations</td>
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<td>SPSS V21</td>
<td>Statistical Package for Social Sciences Version Number 21</td>
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<tr>
<td>TI</td>
<td>Transparency International</td>
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<tr>
<td>TSQ</td>
<td>Technical Service Quality</td>
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<td>TQM</td>
<td>Total Quality Management</td>
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CHAPTER ONE: INTRODUCTION

1.1 Background of the study

Becht et al. (2002) identify several reasons why corporate governance has become prominent. The fact that there has been a world-wide wave of privatization over the past two decades, the pension fund reform and the growth of private savings, the takeover wave of the 1980s, the deregulation and integration of capital markets, the 1997 East Asia Crisis, and the series of recent corporate scandals in the U.S. and elsewhere.

1.1.1 Corporate Governance

Corporate Governance is defined as an internal system encompassing policies, processes and people, which serve the needs of shareholders and other stakeholders, by directing and controlling management activities with good business savvy, objectivity, accountability and integrity (Mang’unyi, 2011). It deals precisely with problems of conflict of interest, design ways to prevent corporate misconduct and aligns the interests of stakeholders using incentive mechanism. Corporate Governance is viewed as ethics and a moral duty of firms. A variety of Corporate Governance frameworks have been developed and adopted in different parts of the world. Robert (2014), argues that the governance of early U.S. corporations, of which over 20,000 existed by the Civil War of 1861-1865, was superior to that of corporations in the late 19th and early 20th centuries because early corporations governed themselves like "republics", replete with numerous "checks and balances" against fraud and against usurpation of power by managers or by large shareholders.

In Africa, the prevalence of family ownership, government interference, relationship-based transactions and generally weak legal systems and law enforcement result in agency problems such as large deviations between control and cash flow rights and low degree of minority rights protection. Conventional corporate governance mechanisms such as takeovers and boards of directors are not
strong enough to relieve agency problems. The group business and cross-holding structure further
complicate agency problems. These agency problems and weak corporate governance, not only lead
to poor firm performance and risky financing patterns, but are also conducive to macroeconomic
crises (Claessens et al. 2002) Therefore, agency problems and corporate governance in Africa
warrant urgent attention.

Corporate Governance has become a topical issue because of its immense contribution to the
economic growth and development of nations. The absence of good Corporate Governance is a
major cause of failure of many well performing organizations. The economic well-being of a nation
is the reflection of the performance of its organizations. Thus the low level of development of
developing nations is attributed to the low level of good Corporate Governance practices. Hence the
emphasis placed on good Corporate Governance in the existing literature as the most important
problem facing the development of countries, such as Kenya.

corporate governance in public companies based on recommendations and reports from the
Organization for Economic Cooperation and Development (OECD), the Commonwealth
Association for Corporate Governance and the Private Sector Corporate Governance Trust, Kenya.
The measures recommended include; the separation of CEO and Chairman position , board of
directors of not more than 14 and not less than 5 members in number, board composition that
include at least one third independent and non-executive directors of diverse skills and expertise
with gender and racial balance being taken into consideration, establishment of an audit committee
of at least three independent and non-executive directors who shall report to the board,
establishment of an internal auditor function which should be independent of the activities they
audit and should be impartial and proficient in their operations, board to meet at least quarterly
though the frequency can be increased as per the needs of the company and the meeting dates in a
calendar year agreed in advance (CMA Act, 2002).
According to the Corporate Governance Index, fraud at Imperial Bank and Chase Bank, and a drop in the share price of Kenya Airways, Mumias Sugar, Trans Century, Uchumi, National Bank and CMC can be attributed to the corporate governance issues they have faced (Oduor, M. (2016, May) Cytonn Investments). It is in response to curb poor governance that the government of Kenya has deliberately taken parastatal reforms to ensure more effective utilization of public resources in the face of rising societal needs. These reforms are targeted at achieving improvements in public service delivery as part of the wider public reforms. To address the challenges of governance in State Corporations, the Government developed Mwongozo as a critical building block in entrenching principles and values of public service and best practices in corporate governance (Mwongozo, 2015).

Mwongozo addresses matters of effectiveness of Boards, transparency and disclosure, accountability, risk management, internal controls, ethical leadership and good corporate citizenship. These practices are at the core of the values and principles of Public Service as enshrined under Article 232 of the Constitution of Kenya, 2010. Mwongozo further provides a platform for addressing shareholder rights and obligations and ensuring more effective engagement with stakeholders. More importantly, Mwongozo is set to ensure that sustainability, performance and excellence become the hallmark of management of State Corporations.

1.1.2 Influence of Ethics on performance

Ethics is termed as crucial value that helps in driving and providing parameters that the organization will use to achieve its goals and objectives (Pearson, Sabin & Emmanuel, 2003). Organizations are sometime compared to people in that an organization functions as moral agent that can be held accountable for its actions; however, corporate governance ethics “focuses on the choices the individual and the organization” (Boyle et al., 2001). It is a well-known fact that management plays a vital role in shaping the future of any organization as the optimum utilization of all resources hinges upon the efficacy of the management.
The core of a successful management lies in its Clarity of Vision, Plan of Action and more importantly Execution of the Plan of Action – the real gamut of operations as it were, and it is here that the importance of Corporate Governance and Ethics comes into being. Organizations are managed by Policies, Guidelines and Systems. These are dynamic instruments, and therefore need to be reviewed from time to time to gauge their efficacy to the said organization. This review is all the more necessary when a lapse or an untoward incident takes place. It could happen that the review undertaken reveals that the said policy is very much sound and in place, however over a period of time wrong practices have come into being, and which are the reasons for the problems that have occurred, therefore corrective steps need to be taken forthwith.

A review could also reveal that the problems have occurred in spite of the policy in place, and which means that the policies would need to be modified or amended as the case may be in the best interest of the organization. Ethics in performance are practical and so captures the norms of the organization that drives the organization on both short term and long term policies. Where such drivers are eliminated then the same influence works negatively towards the organization meaning an opposing force which brings unethical values in the organization. In most cases the unethical values destroys the approaches the organization uses in achieving the best practices of corporate governance.

1.1.3 Performance

Performance of organizations may be better determined essential indicators as customer satisfaction, employee satisfaction, prudence of financial management, quality services, and corruption index and on time service delivery. These are discussed in detail as follows:

1.1.4 Customer satisfaction

It is paramount for a company to ensure continuous customer satisfaction for a sustained business. Direct contact with customers informs the organization on what the organization is doing right or where it is going wrong. Such informal feedback is valuable in any company but hard to formalize
and control in anything much larger than a corner shop. For this reason, surveys are necessary to measure and track customer satisfaction (Johnston et al, 2005). Developing a customer satisfaction programme is not just about carrying out a customer service survey. Surveys provide the reading that shows where attention is required but in many respects, this is the easy part. Very often, major long lasting improvements need a fundamental transformation in the company, probably involving training of the staff, possibly involving cultural change. The result should be financially beneficial with less customer Complaints, premium prices, stronger brands and reputation, and happier staff.

However, there is a price to pay for these improvements. Costs will be incurred in the market research survey. Time will be spent working out an action plan. Training may well be required to improve the customer service. The implications of customer satisfaction surveys go far beyond the survey itself and will only be successful if fully supported by the echelons of senior management.

1.1.5 Employee satisfaction

The employee satisfaction is “an index of preference for the experienced job against outside opportunities conditional on information available at time” Levy-Garboua and Montmarquette,(2004). This means therefore that employee satisfaction entails a comparison between the real experience of job in the past and the mental experience of outside opportunities until then. It also contains the comparison between future expectations of own job and outside opportunities in the future. It is also seen as the general emotional evaluation of service providers of their job situation and experiences.

Operationally, job satisfaction consists of several facets, including satisfaction with the supervisor, work, pay, advancement opportunities, co-workers, and customers. The workers respond best and most effectively not when they are controlled by management, placed in narrowly defined jobs and rated as unwelcome necessity, but instead when they are given broader responsibilities, encouraged to contribute and helped to achieve satisfaction in their work; Armstrong,(2003). It is not job satisfaction that produces high performance but high performance that produces job satisfaction.
People are motivated to achieve certain goals and will be satisfied if they achieve these goals through improved performance. They may even be more satisfied if they are rewarded by extrinsic recognition or an intrinsic sense of achievement Armstrong, (2003). This suggests that giving people the opportunity to perform and rewarding them by financial or non-financial means when they perform can achieve improvement of job satisfaction.

1.1.6 Financial management prudence

There is a lack of understanding of financial systems and the complexity of financial services and products. This has been evidenced by reports of historically low savings rates, high consumer debt, and rising bankruptcy rates, further indicating personal financial difficulties. It is becoming increasingly important for individuals to take personal responsibility for their financial affairs, for instance, in accessing education, health care and meeting basic needs. Financial systems are developing rapidly becoming more sophisticated and complex (Hilgert and Hogath, 2003). The social as well as the economic environment in which people make financial decisions have and continue to change significantly. Effective and efficient financial management calls for skills that can be obtained through financial literacy.

The ability to understand financial choices would involve ability to compare offers before accessing credit, having a current and a savings account, planning for the future, for instance, saving or investing for long term goals such as education or a home plan, or monitoring ones finances through a book keeping system. Lack of knowledge on various financial concepts can be linked to basic standard financial behaviours and practices such as lack of planning for retirement, lack of participation in the stock market, and bad borrowing behaviour (Basu, 2005).

1.1.7 Quality services

Quality in an organization is defined by Reeves and Bednar (1994) in terms of quality as excellence, quality as value, quality as conformity to specifications, and quality as meeting customer expectations. Information systems (IS) quality can be understood using Reeves and Bednar’s framework of quality (Swanson, 1997). Excellence in IS quality involves using state-of-
the-art technology, following industry “best practice” software standards, and delivering “error-free” performance. The value of IS can be realized by improving profit margins for the firm, providing easy-to-use and useful applications, and designing easily maintainable software. IS quality as conformance denotes designing systems that conform to the end users’ information requirements and adhere to industry standards. Meeting customer expectations of IS quality is accomplished by offering appealing, user-friendly interfaces, entertaining user requests for changes, and satisfying the stakeholders of the IS. Quality service in general needs that proper structures be included to encompass all the needs and the practices as stated in the objectives.

Total Quality Management (TQM) influences organizational performance as quality of products and services has been found to be the most important factor determining businesses’ long-term success (Anderson and Zeithaml, 1984). TQM is also applied to IS quality management because of its emphasis on the organizational and socio-behavioral aspects of quality improvement. Process improvement, a technically oriented TQM technique in the IS context, has not been integrated with other TQM concepts such as providing customer focus (Ravichandran and Rai, 2000).

TQM techniques have been selectively applied in the past to software quality assurance research (Rai et al., 1998), system design and construction accuracy, and the system development process (Diaz and Sligo, 1997). Nevertheless, application of IS quality management techniques such as the Capability Maturity Model (CMM) has resulted in improved system development productivity (Diaz and Sligo, 1997).

1.1.8 Corruption index

Corruption is efforts to secure wealth or power through illegal means for private gain at public expense; or a misuse of public power for private benefit (Lipset & Lenz, 2000). Each year Transparency International score countries on how corrupt their public sectors are seen to be. Corruption Perceptions Index sends a powerful message and governments have been forced to take notice and act. Behind these numbers is the daily reality for people living in these countries. The index cannot capture the individual frustration of this reality, but it does capture the informed views
of analysts, businesspeople and experts in countries around the world. Public sector corruption isn’t simply about taxpayer money going missing (Transparency International, 2015). Broken institutions and corrupt officials fuel inequality and exploitation - keeping wealth in the hands of an elite few and trapping many more in poverty. Corruption index is the ranking of performance of how the nations are doing in the area of corruption.

Kenya has once again been ranked among the most corrupt countries in the world, with the newest Transparency International (TI) report ranking it at position 139 out of 168 countries. Kenya retained the same score, 25 points of a possible 100, it had in 2014 (Transparency International, 2015) Corruption Perception Index. Transparency International blamed Kenya’s continued dismal performance on the incompetence and ineffectiveness of anti-corruption agencies, saying that the failure to punish individuals implicated in graft has been a major stumbling block.

1.1.9 On-Time Service Delivery

Service design is the activity of planning and organizing people, infrastructure, communication and material components of a service in order to improve its quality and the interaction between service provider and customers. Service design comprises both the “what” is to be done for the customer and the “how” it is to be achieved (Edvardsson and Olsson, 1996).

Service design is an important strategic issue since it allows a company to transpose its strategy to the operational level (Roth & Menor, 2003) and that the effectiveness of operations strategy is contingent upon making the right design choices (Heskett, 1987). Service design methodologies help in designing according to the needs of customers or participants, so that the service is user-friendly, competitive and relevant to the customers. The purpose of service design is to have processes that consistently deliver high quality services to drive customer satisfaction and customer retention, whilst maintaining process efficiency (Johnston and Clark, 2005). Thus, good design gives service businesses leverage to gain a competitive edge in the marketplace (Shostack, 1984; Verma, et al. 2002).
The design activity should focus on ensuring high standards of both technical service quality (TSQ), the right service outcome, and functional service quality (FSQ), doing things appropriately in the process of delivery, so that the service is perceived as being of good quality (Mohr and Bitner, 1995) and generates customer satisfaction (Dabholkar and Overby, 2005). Service delivery design practices to be discussed will include; service delivery design to customer needs, service delivery design to service concept, service delivery design to service encounters, service delivery design for service delivery systems and service delivery design for direct manipulation of satisfaction.

1.2 Statement of the Problem

A country’s capacity to achieve sustainable prosperity, that is progressive economic growth and social development over a prolonged period of time, depends on the decisions of allocation, utilization and investment of resources. Strategic decisions about the allocation and utilization of corporate resources are the foundations of investments in productive capacities that can make innovation and economic development possible, Private Sector Initiative for Corporate Governance (1999).

Joher (2005) examined the structure of corporate governance and its impact on the firm’s performance in Kuala Lumpur, Malaysia and concluded that there was a partial relationship. The presence of independent non-executive directors, managerial ownership and institutional ownership did not have any significant impact on firm’s performance however; the firm size appeared to have significant impact on corporate governance. Bauer et al (2003) conducted a study on the effect of corporate governance on stock returns, firm value and performance in Europe and found no evidence of a relationship between governance and firm valuation in UK. This implied that the UK market was still adjusting. On the other hand there was a stronger relationship between governance and firm value for the European Monetary Union which implied that corporate governance standards had to a large extent been incorporated in stock prices.

Gitari (2008a) while carrying out a case of County government, has not been an exception too. Such governance has been replicated and seen same stain of bad governance exists. I sought to find out if
there is any relationship between Corporate Governance and the Performance of counties most especially Nairobi County. This study addressed the research question, what is the effect of Corporate Governance on Performance of Nairobi County in Kenya?

Gitari (2008b) while carrying out a case study of new KCC sought to find out if there is any relationship between Corporate Governance and the Financial Performance of state corporations. The study established that the Board of New Kenya Cooperative Creameries adopted practices of good corporate governance which were reviewed and improved over time and had yielded improved financial performance.

This study further sought to enrich the body of knowledge in corporate governance practices and its impact on performance at County level using the variables used in this study. It is therefore on the basis of the previous research gaps and plans on devolution that this study sought to analyze the effect of corporate governance practices on organizational performance in Nairobi City County.

1.3 Objectives of the Study

The general objective of the study was to analyze the effect of corporate governance practices on organizational performance in Nairobi City County.

1.3.1 The specific objectives

The specific objectives of the study are:

i. To determine the effect of Corporate Governance practices on organizational performance of Nairobi City County.

ii. To find out the relationship between corporate governance practices and performance of the county government.

iii. To examine the challenges of corporate governance practices in the county.
1.4 Research questions

i. What is the effect of Corporate Governance practices on organizational performance of Nairobi City County?

ii. What is the relationship between corporate governance practices and performance of the county government?

iii. What are the challenges of corporate governance practices in the county?

1.5 Assumptions of the study

i. The study assumed that Corporate Governance practices have a significant effect on organizations performance

ii. There is a strong relationship between Corporate Governance practices and performance of the county Government.

iii. There are challenges encountered by counties in their effort to practice Good Governance

1.6 Justification and Significance of the study

The Government would get an insight to the effect of Corporate Governance on performance of county governments since the government is spending 15% of all its revenues in funding the counties for provision of services to the public. This study by determining the effect of corporate governance practices on organizational performance sets a benchmark for better service delivery at the county.

This study is key since little study has been carried out in this area therefore the study findings would also add to the academic field by laying a foundation for further research and understanding of the relationship between corporate governance and performance of County government as a basis of policy decisions. Devolution in Kenya is such a unique system in the country and therefore this study helps in strengthening the implementation and structures of the system.
With a population of five million people (Census, 2009), Nairobi City County receives the highest revenue allocation from the central treasury and contributes over 50% of our GDP given that it is the hub of both employment and business. Besides, Kenya is the only third world country that hosts UN mission in Nairobi (UNON). These factors presents Nairobi City County an excellent center of interest and hence the study.

1.7 Limitations and Delimitation of the Study

Like all empirical studies, this research study also has its own limitations due to the methodology that was be employed. Use of questionnaire to collect data always has also its own limitations, since responses could be biased because of the common method used for the collection of all data. This was addressed by ensuring that extensive care is taken when designing the questionnaire and the pilot study to refine the questions, still the criticism of the survey method can never be completely ignored and should be taken into account.

From generalization of the results point of view, measuring research questions based on the opinion of the respondents would limit our generalization of the findings. As a result of this, the study may not investigate other corporate governance characteristics due to data constraints. Therefore important factors such as insider ownership, remuneration committee, nomination committee, CEOs remuneration, capital structure, disclosure and frequency of board meetings among others would not be included. Furthermore, the performance of an organization is influenced by other factors than just good corporate governance.

The social, legal, economic and the political environment are equally important. It is therefore suggested that future research should consider some of these factors in exploring the effect of corporate governance on organizational performance. However, the above mentioned constraint did not invalidate the findings of the study but rather pave way for future research on the concept and any related topic.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the available literature on corporate governance that has been reviewed for the study. Specific areas covered include the main corporate governance theories, empirical literature on the relationship between corporate governance practices and firm performance and determinants of performance of organizations in Kenya.

2.2 Empirical Review

The Board of New Kenya Cooperative Creameries adopted practices of good corporate governance which were reviewed and improved over time and had yielded improved financial performance Gitari (2008). Some of the corporate governance principles that were identified include appointment and leadership of the Board, structure of the organization, purpose and values, balance of power in the Board, corporate communication, assessment of the performance of the Board, responsibility to stakeholders and social and environment responsibility Though some practices of good corporate governance were found and have yielded improved financial performance, it was found out that there is need for more structured mechanisms of handling various issues that arise. This study concluded that the relationship between the Board and the management needs to be continuously monitored to ensure that the corporation remains cordial to realize the mission and objectives set out.

Miring’u and Muoria (2011) while studying on the effect of Corporate Governance on Performance of Commercial State Corporations in Kenya sought to examine how Corporate Governance affects performance in commercial state corporations in Kenya. The objective of the study was to identify the relationship between financial performance, board composition and size. The study used descriptive survey design. The target population for this study was 41 commercial SCs in Kenya as presented by Inspectorate of SCs. Respondents were 30 human resource officers. Data was analyzed
through descriptive statistics and multilinker regression technique. The findings were that the board size mean for the sample was found to be ten while a minimum of three outside directors is required on the board. The study thus concluded that there is a positive relationship between RoE and board size and board compositions of all SCs.

Ong’wen (2010), while studying on Corporate Governance and Financial Performance of Companies quoted in the Nairobi stock exchange, sought to establish whether listed firms which adopted corporate governance provisions which exceeded the minimum provisions significantly outperformed those which stuck to the minimum.

Data was obtained from 43 companies and analyzed on a multiple linear regression model using SPSS version 17.0. The data analyzed showed that there was a positive relationship between corporate governance attributes which exceeded the minimum level prescribed by law and common practice, and firm performance. It was therefore concluded that it would be beneficial for a firm to institute corporate governance practices that exceed the minimum levels.

Otieno (2010), while studying on Corporate Governance and Firm Performance of Financial Institutions listed in Nairobi Stock Exchange examined whether the performance of Financial Institutions listed in Nairobi Stock Exchange is affected by the corporate governance practices put in place. The analysis was done by constructing a Governance Index as per Globe & Mail rankings using Data from the Financial Institutions and performance measure from annual reports. The findings of the study established that there is a positive relationship between firm performance and Board composition, Shareholding and Compensation, Shareholder Rights, Board Governance Disclosure issues.

Miniga (2013), while carrying out a study on the relationship between Corporate Governance practices and Performance of Regulatory State Corporations in Kenya sought to determine the relationship between corporate governance practices and financial performance in regulatory state corporations in Kenya. The corporate governance practices included board of director’s
composition and size, independence of board committees, role of internal audit function, frequency of board meetings, CEO duality and board diversity. The researcher used a descriptive correlation research design to determine the relationship between corporate governance practices and financial performance. The sample comprised of 18 regulatory state corporations in Kenya.

The data set comprised of both secondary and primary data. Primary data on corporate governance practices was collected through questionnaires while Secondary data was obtained from the financial reports filled at the auditor general’s office. A multiple regression model of financial performance and corporate governance practices characteristics was applied to examine the relationship between the variables. The study established that financial performance of regulatory state corporations in Kenya is influenced by corporate governance practices. The findings concur with previous evidence from empirical studies on corporate governance, indicating that adoption of the various corporate governance practices by regulatory state corporations plays a part in the improvement of their financial performance.

2.3 Theoretical Review

The main theories reviewed in this section include the agency theory, stakeholder’s theory, stewardship theory, and the resource dependence theory.

2.3.1 The Agency Theory

Agency theory having its roots in economic theory was exposited by Alchian and Demsetz (1972) and further developed by Jensen and Meckling (1976). This theory holds that managers will not act to maximize returns to shareholders unless appropriate governance structures are implemented in the large corporation to safeguard the interest of the shareholders. According to Jensen and Meckling (1976), the relationship between the owners and the management is defined as the principals engage the agents to perform services on their behalf. As applied to corporate governance, the theory suggests a fundamental problem for absent or distant owners/shareholders who employ professional executives to act on their behalf. The root assumption informing this
theory is that the agent is likely to be self-interested and opportunistic. This raises the prospect that the executive, as agent, will serve their own interests rather than those of the owner (principal). To counter such problems the principal will have to incur 'agency costs'; costs that arise from the necessity of creating incentives that align the interests of the executive with those of the shareholder and costs incurred by the necessity of monitoring executive conduct to prevent the abuse of owner interests.

It is important to note that agency theory is deductive in its methodology. Its assumptions have been the subject of extensive empirical research but this has typically relied on the testing of various propositions in relation to large data sets (Davidson, Bouresli & Singh, 2006). The agency theorists have dealt more with exploring the effectiveness of the various mechanisms designed to make executive self-interest serve shareholder interests. To date such studies have proved entirely equivocal in terms of the relationship between good governance and firm performance. Agency theory assumptions have nevertheless been highly influential in shaping the reform of corporate governance systems. Here it is essential to distinguish between external, market-based governance mechanisms and board-based mechanisms.

In relation to market governance then clearly the openness and integrity of financial disclosures is vital to the operation of the stock market in determining a company's share-price and its underlying market valuation. Market governance relies for its effectiveness on the remote visibility such financial information creates, and, as importantly, on the effects on the executive mind of the knowledge of such visibility. Agency theorists point to the important disciplinary effects of two further market mechanisms (Eisenhardt, 1989).

The first is the 'market for corporate control', the potential for takeovers to discipline executives by providing a mechanism whereby ineffective executive teams can be displaced by more effective executive teams. The second - 'the managerial labour market' - operates at an individual level; poor executive performance will threaten an individual's future employment potential whilst good performance will have positive reputational and hence career-enhancing effects.
To these external 'market' mechanisms must be added to the disciplinary effects on company and executive performance of external monitoring, both direct and indirect. Formally, it is the Annual General Meeting that provides an opportunity for directors to report face-to-face to their shareholders. In practice, however, the formal accountability of the AGM has been augmented and diverted by a variety of other mechanisms. At the time of results announcements, companies will typically conduct presentations for sell-side analysts who then serve as key intermediaries between companies and their investors (Fama, 1980). These general briefings are then supplemented by a large number of (typically annual) private face-to-face meetings between executives and their key investors.

In addition to these external market and monitoring mechanisms, agency theory has also informed the internal reform of boards of directors. One of its most significant direct contributions came in the form of the widespread adoption of executive share-option schemes. Such schemes follow directly from the agency assumption that the exercise of executive self-interest must be aligned with the interests of shareholders.

The 'independence' of the non-executives directors who must now constitute 50 per cent of the board, their lead role on audit, nominations and remuneration committees where conflicts of interest between executive and shareholder are potentially most acute, along with progressively more stringent provisions around the separation of the roles of chairman and chief executive, are all consonant with agency theory's assumption that the interests of the owner/shareholder are potentially at risk from executive self-interest, in the absence of close monitoring by independent non-executives (Fama, 1980).

2.3.2 Stewardship Theory

Stewardship theory by Donaldson and Kay (1976) makes a related set of observations about the motives of senior executives. Contrary to agency theory's pessimistic assumptions about the self-interested and self-serving motives of executives, stewardship theory suggests the potential for what it calls the 'pro-organizational' motives of directors. What drives performance here is not the aligned
greed of an executive but their personal identification with the aims and purposes of the organization. Stewardship theory refutes the assumption that executive aims and motives are opposed to those of the shareholder; both have an interest in maximizing the long-term stewardship of a company and are therefore already well aligned (Van Slyke, 2006).

From this stewardship theory suggests the potentially negative impact of a division of responsibilities between a chairman and chief executive. The roles, it suggests, should remain combined in order to protect a key aspect of high performance; the strength and authority of executive leadership (Donaldson & Davis, 1991). Arguably the key contribution of stewardship theory lies in its questioning of agency theory's pessimistic assumptions about human nature. Like Douglas MacGregor's contrast between theory X and theory Y managers, it suggests that the problem of governance may lie not in the self-interest of the executive but rather in the assumptions that distant others - notably investors and regulators – make as to their self-interested motives. The danger it highlights is that negative investor assumptions may inadvertently distort or weaken the leadership of a company (Hambrick, 2005).

2.4 Determinants of Performance of organizations

Analysis of the determinants of organizations performance is essential for all the stakeholders, but especially for investors. The Anglo-Saxon corporate governance focuses on maximizing shareholder value. This principle provides a conceptual and operational framework for evaluating business performance.

The size of the company can have a positive effect on performance because larger firms can use this advantage to get some financial benefits in business relations. Large companies have easier access to the most important factors of production, including human resources. Also, large organizations often get cheaper funding. All of these are major factors influencing the market value of a company.
2.4.1 Corporate Governance

Corporate governance is a combination of corporate policies and best practices adopted by the corporate bodies to achieve their objectives in relation to their stakeholders (Mallin, 2007). It has been increasingly recognized in public organizations that appropriate corporate governance arrangements are a key element incorporate success (Meredith & Robyn, 2005). They form the basis of a robust, credible and responsive framework necessary to deliver the required accountability and bottom line performance consistent with an organization’s objectives.

Corporate governance in Kenya has been an important topic because of corporate scandals such as the recent complaints on the composition of the board members in the state corporations against the tribal lines basis. Mismanagement, bureaucracy, wastage, pilferage, incompetence and irresponsibility by directors and employees are pointed out in the sessional paper 4 of Government of Kenya as the main problems that have made SCs fail to achieve their objectives (Reuters, 2004). Kenya’s entities have had a history of poor governance system with about 70% of the scandals attributed to weak corporate governance practices, lack of internal controls, and weaknesses in regulatory and supervisory systems as well as conflict of interest.

2.4.2 Size of Corporation

The size of a firm affects performance in many ways. Key features of a large firm are its diverse capabilities, the abilities to exploit economies of scale and scope and the formalization of procedures. These characteristics, by making the implementation of operations more effective, allow larger firms to generate superior performance relative to smaller firms (Penrose, 1959). Alternative points of view suggest that size is correlated with market power (s, 1986), and along with market power x-inefficiencies are developed, leading to relatively inferior performance (Leibenstein, 1976). Theory, therefore, is equivocal on the precise relationship between size and performance.
2.5 Corporate Governance practices and Performance

In today’s global economy, the success of the national economy depends on the crucial role of organizations’ competitiveness, transparency and governance structure which operate within her territory, since organizations are the entities that create economic value (ICAN, 2009). Indeed, the need for trust and transparency in the governance of corporate organizations has been one of concern for standard setters all over the world. This need has obviously spurred renewed interest in the corporate governance practices of modern corporations, particularly in relation to accountability and economic performance.

The position above could not be separated from prior submission where Nwachukwu (2007) emphasize the growing consensus that good corporate governance has positive link to national economic growth and development. The degree of trust accorded to the managers of companies by its owners is strengthened through corporate governance. Directors without corporate governance mechanism may paint misleading pictures of financial and economic performance of their company to lure unsuspecting investors. Such window dressed accounts raised concern in the U.S.A. with the collapse of the energy corporation ENRON in 2001 which filed for bankruptcy after adjusting its accounts (Demaki, 2011). National Bank, Chase Bank and Imperial Bank are among the organizations in Kenya with similar problem. The increasing incidence of corporate fraud relating to exaggerated and fleeting reports have reinforced the renewed global emphasis on the need for effective corporate governance. CBN (2006) reported that despite the significance of good corporate governance to national economic development and growth, corporate governance was still at rudimentary stage as only 40% of publicly quoted companies, including banks had recognized corporate governance in place.

The separation of ownership from the management of business organizations’ spurs a divergence of interest amongst the parties. The divergence of the interests of the management and its owners has undermined investors’ confidence in the Board. Hence, investors are interested about the level of accountability displayed by the Board of directors. The outcry of investors and other stakeholders as
a result of mismanagement and inadequate financial disclosures given by the management has deemed it necessary for the institution of sound corporate governance procedures.
2.6 Conceptual framework

Independent variable (IV)
The Corporate Governance Practices Adopted by the Nairobi City County

Accountability – Presence and Composition of the Board of Directors
A guideline to ensure Emphasis on integrity and Ethical dealing
Reporting Disclosure
Timeliness in reporting disclosure
Consistency of Reporting
Engagement of an effective Risk management
Risk Identification Risk Appraisal
Risk Mitigation Risk Monitoring

Dependent Variable (DV)
Organizational Performance

Improved Service Delivery
Customer Satisfaction
Trend of new business registered Rate of Innovation & Use of ICT Quality Service
On Time Service Delivery Corruption Index
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research design

According to Polit and Hungler (2004) methodology refers to the way of obtaining, organizing and analyzing data. A methodology decision depends on the nature of the research questions. Bryman and Bell (2007) described research design as a general plan that provides a framework for the choice of data collection techniques and data analysis procedures. The study employs a descriptive survey study design because it gives a good description and understanding of phenomenon under study. The study analyzed responses of the sampled managers at Nairobi City County. Given the number of managers at the Nairobi City County, a stratified sampling technique was used to provide an in-depth analysis on the impact of corporate governance practices on organizational performance in Nairobi City County.

3.2 Site of the Study

The study was carried out at the office of the Governor, Nairobi County, Kenya.

3.3 Target Population

The target populations are the street level bureaucrats in the office of the governor. These included; The 10 County Executive Committee Members (CECM), County Director Revenue Management, 4 Sub County Revenue officers, CEC In-charge ICT, CEC Trade and Community affairs, Director trade and industrialization and the Staff from the Finance and planning Department. The staffs in the finance and planning department were further categorized as the senior, middle and low level staffs who were directly dealing with the day to day management of the department since they were the ones that have great determinant on the performance of the county. The population characteristic of the finance and planning department is as summarized in the table below.
Table 3.1: Target Population

<table>
<thead>
<tr>
<th>Sections Population</th>
<th>Population (Frequency)</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior finance staff</td>
<td>10</td>
<td>20</td>
</tr>
<tr>
<td>Middle level finance staff</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Low level finance staff</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: NCC- HR

3.4 Sampling Technique and Sample Size

Statistically, in order for generalization to take place, a sample of at least 30 elements must exist (Cooper and Schindler, 2003). Moreover, larger sample minimize errors. Kothari (2000) argues that if well chosen, samples of about 10% of a population can often give good reliability. Mugenda and Mugenda (2003) argue that a sample of 30 elements can be taken as a representative sample of the population of the study. From the above population of fifty, a sample of 60% from within each group in proportions that each group bore to the population as a whole was taken using stratified random sampling. Stratified random sampling technique is used when population of interest is not homogeneous and can be subdivided into groups or strata to obtain a representative sample. The selection was as follows.

Table 3.2: Sample Size for Administration of Questionnaires

<table>
<thead>
<tr>
<th>Sections</th>
<th>Population (Frequency)</th>
<th>Sample Ratio</th>
<th>Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior finance staff</td>
<td>10</td>
<td>0.6</td>
<td>6</td>
</tr>
<tr>
<td>Middle level finance staff</td>
<td>15</td>
<td>0.6</td>
<td>9</td>
</tr>
<tr>
<td>Low level finance staff</td>
<td>25</td>
<td>0.6</td>
<td>15</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
<td>0.6</td>
<td>30</td>
</tr>
</tbody>
</table>

Source: Researcher, 2016
3.5 Research Instrument

Questionnaire was used as the main research instrument in the study. The questionnaire was administered to all respondents except the key informants who are the personnel in-charge of the sampled offices. Interview guide was used to obtain information from the key informants.

3.6 Validity and Reliability

3.6.1 Validity

To ascertain the validity of questionnaire, a pilot test was conducted by administering the questionnaire onto the pilot group. The content validity of the research instrument was later evaluated through the actual administration of the pilot group. In validating the instruments, 20 staff was selected. Furthermore, to enhance the validity of the instruments, the supervising lecturer who is an expert in the area of financial management appraised the instruments.

3.6.2 Reliability

Reliability of the questionnaire was too evaluated through administration of the said instrument to the pilot group. Reliability was measured through Cronbach’s Alpha which measures the internal consistency. The alpha value ranges between 0 and 1 with reliability increasing with the increase in value which was indicated at 0.9. Nunnally (1978) stated that reliability of a research instrument can be indicated at a minimal Alpha value of 0.6.

3.7 Data Collection Procedure

This study used questionnaires for primary data collection. The questionnaires were used because they are held to be straightforward and less time consuming for both the researcher and the participants (Owens, 2002). The Questionnaires had a number of sub sections that were sub-divided based on the major research questions except the first sub section (section that is meant to capture the background information of the participants. Other sections cover the main areas of the study. Questionnaires are appropriate for studies since they collect information that is not directly observable as they inquire about feelings, motivations, attitudes,
accomplishments as well as experiences of individuals Demba, (2013). The questionnaires were administered through drop and pick later method to the sampled population. The Questionnaires were used to collect data from the staff in the finance department.

3.8 Data Analysis Procedures

The independent variable which is corporate governance was measured in terms of Accountability of offices which was measured by Presence of Board of Directors, A guideline to ensure Emphasis on integrity and ethical dealing which was measured in terms of Reporting Disclosure, Timeliness in Reporting disclosure and Consistency of Reporting. Corporate governance was also measured in terms of Engagement of an effective risk management by gauging Risk Identification, Risk Appraisal, Risk Mitigation and Risk Monitoring influence on performance. Organizational performance as dependent variable was measured in terms of improved service delivery which was in turn measured in terms the Trend of new registered businesses, Rate of new service development, customer satisfaction, rate of new revenue collection, rate of innovation and use of ICT and finally Corruption Index.

Data analysis was carried out by use of narrative analysis strategy, by gauging the extent to which given information provides insights about the issues of corporate governance and its effect on organizational performance of the Nairobi City County. Excel was the statistical software that was used in analysis of quantitative data. The results were presented in tables and narrative statements.
3.9 Data Management and Ethical Considerations

3.9.1 Data type and source

Both primary and secondary data were used. Primary data was obtained through questionnaires and the secondary data was obtained from the staff working in various departments and the beneficiaries of the county services. Qualitative methods were used to complement the quantitative data. The data was collected from 15th May, 2017 to 30th May, 2017.

3.9.2 Ethical Considerations

Ethical clearance to carry out the research was obtained from Kenyatta University. Authorization to conduct the study at the three sub counties was given by the county Secretary. Confidentiality was observed during the study by withholding the identity of the respondents and to ensure this, codes were used to identify the respondents.
CHAPTER FOUR:
RESEARCH FINDINGS AND DISCUSSIONS

4.0. Introduction
This chapter presents the data analysis and presentation of the study. The data was analyzed and presented through tables. The following has been discussed; General information, Corporate governance practices and Performance of Nairobi city county.

4.1. Response Rate
The survey was conducted on 30 staff working in the office of the governor by way of questionnaire administration. All the 30 questionnaires were returned by respondents. This represented 100% of the response rate. Mugenda and Mugenda, (2003) recommends that: 50% response rate is adequate, 60% good and any other response rate above 70% very good. Based on these recommendations, the response rate of 100% was rated very good. Therefore the data collected was capable of enabling the researchers arrive at a satisfactory conclusion about the study.

4.2 General information

4.2.1 Gender
The researcher sought to establish the gender of the respondents. The response was that 22 (73.3%) were male and 8 (26.7%) were female. Hence the This Study revealed that the male workforce still dominates the female workforce within the departments.

Table 4.1 Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>22</td>
<td>73.3</td>
</tr>
<tr>
<td>Female</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>
4.2.2 Age
In the study, the researcher sought to know the age bracket of the respondents. According to the response, 3 (10%) were between 18-25 years, 10 (33.3%) were between 26-36 years, 6 (20%) were between 36-45 years, 2 (6.7%) were between 46-55 years and 9 (30%) were over

<table>
<thead>
<tr>
<th>Age (yrs)</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>26-36</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>36-45</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>46-55</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>over 56</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.2 Age (Yrs)
The figures indicate that the county workforce comprises with majority being a youthful age and elderly ages. The findings are in line with (Wanzala, 2014) who posits that the Kenya comprises of a workforce with majority being in the middle and upper ages which raises questions about succession planning and issues like managing pension scheme.

4.2.3 Level of Education
The research also wanted to know the level of education of the respondent. The response was that 2 (6.7%) had PhD, 3 (10%) had Masters, 7 (23.3%) had first Degree while 18 (60%) had diploma qualifications.

<table>
<thead>
<tr>
<th>Level Of Education</th>
<th>Frequency</th>
<th>% Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>PhD</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Masters</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>First Degree</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Diploma</td>
<td>18</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 4.3 Level of Education
The figures indicate that the county workforce is skilled with them having at least a diploma level of education.
4.2.4 Experience of the Respondents

The researcher sought to establish the work experience of the respondents. The response was that 6 (20%) were below 2 years, 8 (26.7%) were between 2 - 5 Years, 9 (30%) were 6 - 7 years, 7 (23.3%) were over 8 years.

<table>
<thead>
<tr>
<th>Work experience (years)</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>below 2</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>2-5</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>6-7</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>over 8</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

The Nairobi City County workforce majority comprises an experienced personnel with at least 2 years and above of working.

4.3 Corporate Governance Practices

The researcher sought to know the level of extent that the respondents think corporate governance practices has influenced the performance of the Nairobi City County. According to the response, 8 (26.7%) agreed to very great extent, 6 (20%) agreed to great extent, 3 (10%) agreed to moderate extent, 4 (13.3%) agreed little extent, while 9 (30%) agreed to no extent.

<table>
<thead>
<tr>
<th>Corporate Governance Practices</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Great extent</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Moderate</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Little extent</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>No extent</td>
<td>9</td>
<td>30</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>
The figures indicate that corporate governance practices influence performance of Nairobi City County. This is line with various studies where Corporate governance is taken to be a combination of corporate policies and best practices adopted by the corporate bodies to achieve their objectives in relation to their stakeholders (Mallin, 2007). It has been increasingly recognized in public organizations that appropriate corporate governance arrangements are a key element incorporate success (Meredith & Robyn, 2005). They form the basis of a robust, credible and responsive framework necessary to deliver the required accountability and bottom line performance consistent with an organization’s objectives.

4.3.1 Reporting disclosure

The researcher sought to know whether reporting disclosure influence the performance of the Nairobi City County. The response was that 4 (13.3%) agreed to a very low extent, 6 (20%) to a very great extent, 10 (33.3%) to a moderate extent, 5 (16.7%) to a great extent while 5 (16.7%) agreed to a low extent.

<table>
<thead>
<tr>
<th>Reporting Disclosure</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Great extent</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Moderate</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Little extent</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>No extent</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The figures indicate that reporting disclosure as a corporate governance practice influences performance at the Nairobi City County.

4.3.2 Accountability

The researcher sought to establish whether Accountability influences the performance of the Nairobi City County. The response was that 6 (20%) agreed to a very low extent, 2 (6.7%) to a very great extent, 6 (20%) to a moderate extent, 8 (26.7%) to a great extent while 8 (26.7%)
agreed to a low extent. This study followed the observations of the rising impunity by those in public service who are expected to safeguard the public resources and provide services with utmost humility, accountability and integrity has eroded public confidence Kerrow (2016). 

Table 4.7 Accountability

<table>
<thead>
<tr>
<th>Accountability</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Great extent</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Moderate</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Little extent</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>No extent</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

The figures indicate that Accountability as a corporate governance practice influences performance of Nairobi City County. This corresponds to Meredith & Robyn (2005) who posits that there has been increasingly recognized in public organizations that appropriate corporate governance arrangements are a key element incorporate success, which further form the basis of a robust, credible and responsive framework necessary to deliver the required accountability and bottom line performance consistent with an organization’s objectives.

4.3.3 Timeliness of Reported Data

The researcher wanted to know if timeliness of reported data influences the performance of the Nairobi City County. The response was that 2 (6.7%) agreed to a very low extent, 15 (50%) to a very great extent, 8 (26.7%) to a moderate extent, 3 (10%) to a great extent while 2 (6.7%) agreed to a low extent.

Implication

The study therefore shows that timeliness of reported data as a corporate governance practice influences performance at the Nairobi City County as is agreed by majority of the
respondents. This leads to holding the action officers accountable of the results against the expected service deliverables.

4.3.4 Consistency of Reporting

In the study, the researcher wanted to establish if consistency/frequency of reporting influences the performance of the Nairobi City County. The response was that 4 (13.3%) agreed to a very low extent, 6 (20%) to a very great extent, 10 (33.3%) to a moderate extent, 5 (16.7%) to a great extent while 5 (16.7%) agreed to a low extent.

Implication

The study therefore shows that consistency and frequency of reporting as a corporate governance practice influence performances as agreed by majority of the respondents. Consistency of reporting demands for improvement in performance in line with the organizational service charter.

4.3.5 Risk Management

Risk management is an essential component of strategic management of an organization’s performance. It is an ongoing process of risk assessment through different tools and methods which identify all possible risks, determine which risks are critical to solve as soon as possible and then execute strategies to deal with these risks Channar et al (2015). An efficient and effective risk management is the need of each and every organization and is one of the key responsibilities of county governments. Besides, effective risk management boosts the performance of an organization.

The researcher hence sought to examine the extent of influence of risk management on the performance of the Nairobi County. The response was 8 (26.7%) agreed to a very low extent, 6 (20%) to a very great extent, 7 (23.3%) to a moderate extent, 2 (6.7%) to a great extent while 7 (23.3%) agreed to a low extent.
Table 4.10 Risk management

<table>
<thead>
<tr>
<th>Risk management</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Great extent</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Moderate</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Little extent</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>No extent</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Implication**

The study therefore shows that Risk Management as a corporate governance practice influences performance of Nairobi City County as the organization can determine the risks that are critical to solve as soon as possible. This is in line with Channar et al (2015) who louds that effective risk management prompts execution of strategies to deal with these risks in good time for improved organizational performance.

**4.3.6 Risk Appraisal**

The researcher sought to know whether risk appraisal/assessment influence the performance of the Nairobi City County. The response was that 4 (13.3%) agreed to a very low extent, 6 (20%) to a very great extent, 10 (33.3%) to a moderate extent, 5 (16.7%) to a great extent while 5 (16.7%) agreed to a low extent.

![Figure 1: Risk Appraisal Response](image-url)
**Implication**

The study therefore shows that Risk appraisal as an aspect of Risk Management influences performance at the Nairobi City County. Most devolved government units are having their own risks and loss factors involved and hence to control such damages, they have to use strategies to control those risk and loss factors related an organization for improved performance. For county governments there are many risk and loss facets as well as complicated relations, which will affect their performance. The complicated relations include direct, indirect, implicit or unpredictable. What is more is that the various risk factors will cause different severity on the organizational performance. If one doesn’t consider these various risk factors or ignore the major risk management aspects, they will result to performance damages because of decision-making errors. Quality targets, time targets and cost targets are the three objectives of organizational performance if one is to take the project management approach.

**4.3.7 Risk Mitigation**

In the study, the researcher wanted to find out whether risk mitigation influences performance of the Nairobi City County. The response was that 2 (6.7%) agreed to a very low extent, 15 (50%) to a very great extent, 8 (26.7%) to a moderate extent, 3 (10%) to a great extent while 2 (6.7%) agreed to a low extent.

**Table 4.14 Risk mitigation**

<table>
<thead>
<tr>
<th>Risk mitigation</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Great extent</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>Moderate</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Little extent</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>No extent</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
Implication

The study therefore shows that risk mitigation as an aspect of risk management influences performance of Nairobi City County. Hence risk mitigation steps which include development of mitigation plan designed to manage, eliminate, or reduce risk to an acceptable level are key for better organizational performance.

4.3.8 Risk Monitoring

The researcher sought to find out whether risk monitoring influence the performance of the Nairobi City County. The response was that 4 (13.3%) agreed to a very low extent, 6 (20%) to a very great extent, 10 (33.3%) to a moderate extent, 5 (16.7%) to a great extent while 5 (16.7%) agreed to a low extent.

Table 4.15 Risk Monitoring

<table>
<thead>
<tr>
<th>Risk Monitoring</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very great extent</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Great extent</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Moderate</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Little extent</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>No extent</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Total</td>
<td>30</td>
<td>100</td>
</tr>
</tbody>
</table>

Implication

The study therefore shows that risk monitoring as an aspect of risk management influences performance of Nairobi City County. It is paramount that once mitigation plans are implemented, they are continually monitored to assess their efficacy with the intent of revising the course-of-action if needed.

4.4 Performance of Nairobi City County

At the County Government level, performance management is legally prescribed through various sections of the County Government Act, 2012 (CGA) and the Public Finance Management Act, 2012 (PFM). The researcher sought to know the trend of Service delivery in Nairobi City County. From the response, 4 (13.3%) agreed to have greatly improved, 6
(20%) to have improved, 10 (33.3%) to have a constant level, 5 (16.7%) to have a decreasing level and 5 (16.7%) to have greatly decreased.

**Table 4.16 Service delivery**

<table>
<thead>
<tr>
<th>Service delivery</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly improved</td>
<td>4</td>
<td>13.3</td>
</tr>
<tr>
<td>Improved</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Constant</td>
<td>10</td>
<td>33.3</td>
</tr>
<tr>
<td>Decreasing level</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td>Greatly decreasing level</td>
<td>5</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Implication**

The study therefore shows that service delivery has been on an upward trend at the Nairobi City County. County governments now bare the sole responsibility of delivering services to the community. This is just one of the major reforms contextualized within the new constitution promulgated in 2010 and took shape after the 2013 elections. This has translated the expectations of Kenyans into meaningful results by bringing public services like education, health, water and infrastructure closer to the people.

**4.4.1 Trend of New Registered Business**

In the study, the researcher wanted to establish the trend of number of registered businesses in Nairobi City County. According to the response, 8 (26.7%) agreed to have greatly improved, 6 (20%) to have improved, 7 (23.3%) to have a constant level, 2 (6.7%) to have a decreasing level and 7 (23.3%) to have greatly decreased.
Table 4.17 Registered businesses

<table>
<thead>
<tr>
<th>Registered businesses</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly improved</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Improved</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Constant</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Decreasing level</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Greatly decreasing level</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Implication**

The study therefore shows that new registered businesses have been on an upward trend at the Nairobi City County. This is an indication that new job opportunities are cropping up in the county.

4.4.2 Rate of new service development

The researcher wanted to establish the rate of new service development in Nairobi County. According to the response, 8 (26.7%) agreed to have greatly improved, 6 (20%) to have improved, 7 (23.3%) to have a constant level, 2 (6.7%) to have a decreasing level and 7 (23.3%) to have greatly decreased.

Table 4.18 New service development

<table>
<thead>
<tr>
<th>New Service Development</th>
<th>Frequency</th>
<th>% frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly improved</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Improved</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Constant</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td>Decreasing level</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Greatly decreasing level</td>
<td>7</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Implication**

The study therefore shows that the rate of new service development has improved at the Nairobi City County. An indication of creativity and learning abilities among the employees of the county service.
4.4.3 Corruption Level

In the study, the researcher wanted to establish the rate of corruption level in Nairobi County. From the response, 2 (6.7%) agreed to have greatly improved, 15 (50%) to have improved, 8 (26.7%) to have a constant level, 3 (10%) to have a decreasing level and 2 (6.7%) to have greatly decreased.

<table>
<thead>
<tr>
<th>Corruption Level</th>
<th>Frequency</th>
<th>% Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greatly Improved</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td>Improved</td>
<td>15</td>
<td>50</td>
</tr>
<tr>
<td>Constant</td>
<td>8</td>
<td>26.7</td>
</tr>
<tr>
<td>Decreasing Level</td>
<td>3</td>
<td>10.0</td>
</tr>
<tr>
<td>Greatly Decreasing Level</td>
<td>2</td>
<td>6.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Implication

The study therefore shows that Corruption level has been on a decreasing trend at the Nairobi City County. This indicates that good corporate governance practices are being practiced hence reducing on the cost of conducting business within the county and maximizing on the efficiency of service delivery to the public.

Customer Satisfaction

The researcher wanted to know the rate of Customer satisfaction in Nairobi County. According to the response, 8 (26.7%) agreed to have greatly improved, 6 (20%) to have improved, 7 (23.3%) to have a constant level, 2 (6.7%) to have a decreasing level and 7 (23.3%) to have greatly decreased.
Implication
The study indicates that Customer satisfaction has been on an upward trend at the Nairobi City County. As indicated by the majority, the Nairobi City County community are now getting value for their money as far as public service delivery is concerned.

4.4.4 Rate of Innovation and Use of ICT

In the study, the researcher wanted to establish the rate of Innovation and use of ICT level in Nairobi County. According to the response, 6 (20%) agreed to have greatly improved, 6 (20%) to have improved, 8 (26.7%) to have a constant level, 5 (16.7%) to have a decreasing level and 5 (16.7%) to have greatly decreased.
Implication
The study therefore shows that the rate of innovation and use of ICT has been on an upward trend at the Nairobi City County. As a result, applications such as payment of packing fees via mobile phone have greatly helped in revenue collection. There is great improvement in communication and learning too has been eased among the employees.

4.4.5 Rate of New Revenue Collection
The researcher wanted to establish the rate of new Revenue collection in Nairobi County. In the study, the researcher wanted to establish the rate of HR practice and staff retention in Nairobi County. According to the response, 8 (26.7%) agreed to have greatly improved, 6 (20%) to have improved, 7 (23.3%) to have a constant level, 2 (6.7%) to have a decreasing level and 7 (23.3%) to have greatly decreased.

Fig.4: Rate of New Revenue Collection Responses

Implication
This study therefore shows there has been an increase in revenue collection as a result of doubled parking revenue, cashless transaction that has made transactions non-cumbersome reduced corruption due to cashless transactions.
CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction
This chapter presents summary of the findings, conclusion and recommendations of the study.

5.1 Summary of the finding
The following is the summary of the findings:

5.1.1 General information
The questionnaires used were 30 in number having reliable information. Majority of the respondents were male (73.3%) as the age group of 26-36 years dominated the group (33.3%). The level of education that has majority is diploma which is represented by 60%. The least work experience of the respondents is below 2 years as majorities have between 6-7 years.

5.1.2 Corporate governance practices
Corporate government practices, Timeliness of reported data, Risk management, and Risk mitigation has so far influenced performance. This is observed by response of 46.7%, 56.7%, 46%, and 56.7%. However, reporting disclosure, accountability, Quantity of information, Consistency/frequency, Risk identification, Risk appraisal/assessment and Risk Monitoring, of reporting has been seen to have less influence on performance. This is reflected using response of 33.4%, 53.4%, 33.4%, 33.4%, 33.4% and 33.4% respectively.
5.1.3 Performance of Nairobi City County

Registered businesses, new service development, Corruption level, Customer satisfaction, Innovation and use of ICT, New Revenue collection has been seen to improve as represented by 46.7%, 46.7%, 56.7%, 46.7%, 40% and 46.7% respectively. However, Service delivery has been seen to decline in the county administration which is represented by 33.4%.

5.2 Conclusion

This study sought to analyze the effect of corporate governance practices on organizational performance in Nairobi City County to achieve this, specific objectives and matching research questions stated. The relationship was conceptualized and schematized in a conceptual framework. Primary and secondary data was collected, cleaned, sorted, edited and analyzed. They have been compared to theoretical propositions, conceptual and empirical studies. In this regard the study has drawn several conclusions. Overall, there is a significant relationship between corporate governance and performance. Capabilities have no independent statistical significant influence on performance. This could be attributed to weak manifestations of capabilities in Kenyan county government.

It further concludes that although a positive relationship existed between corporate governance and performance, the explanatory power of these models were weak. It is highly likely that there are other factors other than those conceptualized in this study which influence performance. From the outset, although governance structures manifested themselves to a low and moderate extent, it was established that performance of Kenyan state corporations was very good.
5.3 Recommendations

The following are the recommendations;

For Nairobi City County to have Improved Organizational performance on service delivery they should embrace best practices of corporate governance which will ensure that service delivery to the public is catered for in the best way possible, that adequate risk management measures are put in place and that standards are not only in writing but that they are practiced on a day to day basis.

The findings provide the public with information that they have an important role to force the county government management to implement good corporate governance. In order to control the managers to implement good corporate governance, they should establish certain control mechanisms that ensure accountability. The study informs the central government that it has to be concerned with good corporate governance practices devolved units since they are unique and close to the people for service delivery.

I recommend that the county formally adopt and implement the OECD Principles of Corporate Governance within their policies and procedures, and report on their compliance in their annual reports.

The county should develop corporate governance policies for the appointment of independent board members, establish and maintain better relations with their stakeholders, and establish the unitary model of board system, in accordance with existing legal provisions.

The county should develop training programs for their managerial personnel, as well as for board members, aiming at improving and advancing their corporate governance practices in the light of OECD principles. The Institute of Certified Public Secretaries of Kenya should come up with awards for counties that practice best practices of good corporate governance to encourage counties enhance their corporate governance.
5.3.1 Implications for Managerial Practice

The findings of this have several managerial practice implications. The study established that Kenyan county government possessed organizational resources to a moderately high extent. The study further found out that overall organizational resources possessed had a significant influence on performance of Kenyan counties. Specific resources had varied impacts on performance.

Practitioners would benefit from these findings by mapping which resources had higher impact on performance than others. As resource scarcity lingers on, there is need for prudent allocation of resources for higher performance. Managerial practitioners may consider strengthening resource integration, renewal as well as recombination for stellar performance. This is because the study established that aspects related to these issues sored low mean. Resource-capability co-alignment is an area of future focus. Measurement of performance in Kenyan county government is measured along balanced score card.

5.3.2 Contribution of Study to New Knowledge

Perhaps the biggest implication of this study was its attempt to enhance an empirical and conceptual discourse on the relationship between theories that inform corporate governance structures and those that inform resource possession as well as resource utilization. It is hoped that the findings of this study will promote not only a deeper conceptual but rather theoretical debate on how to link the two divides Resource based theory and dynamic capabilities theory are about possession and utilization of resources for better performance. These theories assume full discretion on access, utilization and disposal of resources for stellar performance. Conversely, Agency, Transaction Cost Economics and Stakeholder are about control, monitoring and oversight. Lack of oversight and monitoring may lead to a hold-up problem thus limiting resources available for use in organizations. The results have shown that some corporate governance manifestations have a positive while others have negative influence the relationship between resources and performance. This is a debate that should continue beyond this study.
5.3.3 Further studies

The researcher recommends as follows; corporate governance played the moderating role in this study. Future study may consider establishing their independent influence on performance of Kenyan state corporations. Additionally, it would be interesting to introduce corporate governance practices and structures to such a study and indeed replicate the same study in different contexts.
REFERENCES


APPENDICES

Appendix I: Transmittal Letter

Masoo Mwati
Kenyatta University
P.O. BOX 43844 - 00100
Nairobi, KENYA.

Dear Respondent,

RE: DATA COLLECTION

I am a student at the Kenyatta University pursuing a Degree of Master of Public Policy and Administration. I am currently conducting a Research study on Corporate Governance Practices and their effect on Organization Performance

You have been selected to participate in this study and I would highly appreciate if you assisted me by responding to all questions as completely, correctly and honestly as possible.

Your response will be treated with utmost confidentiality and will be used only for research purposes of this study only.

Thank you in advance for your co-operation.

Yours Faithfully,

Samuel Masoo Mwati
Appendix II: Research Questionnaire

This questionnaire is to collect data for purely academic purposes. The study seeks to investigate the **Corporate Governance Practices and their effect on Organization Performance** the case of Nairobi City County. All information will be treated with strict confidence. Do not put any name or identification on this questionnaire.

*Answer all questions as indicated by either filling in the blank or ticking the option that applies.*

**PART A: GENERAL INFORMATION**

1) What is your sex
   - Male
   - Female

2) What is your age bracket
   - 18-25 years
   - 26-36 years
   - 36-45 years
   - 46-55 years
   - over 56 years

3) Academic Qualifications
   - PhD
   - Masters
   - First Degree
   - Diploma

4) For how long have you worked at Nairobi City County?
   - Below 2 years
   - 2-5 Years
   - 6-7 Years
   - over 8 years

**PART B: Corporate Governance Practices**

5) To what extent do you think corporate governance practices influence the performance of the Nairobi City County?
   - Very great extent
   - Great extent
   - Moderate extent
   - Little extent
   - No extent

6) Please indicate the extent that the following aspects of corporate governance practices influence the performance of the Nairobi City County

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Very Great Extent</th>
<th>Great Extent</th>
<th>Moderate Extent</th>
<th>Low Extent</th>
<th>No Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition and size of management staff</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>CEO Duality</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence of offices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Frequency of Management meetings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity of management staff</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Accountability and transparency of the Management</td>
<td></td>
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</tr>
</tbody>
</table>

7) In your opinion how does reporting disclosure influence the performance of the Nairobi City County?

........................................................................................................................................
........................................................................................................................................

8) To what extent does reporting disclosure influence the performance of the Nairobi City County?

9) What is your level of agreement with the following aspects of reporting disclosure influence the performance of the Nairobi City County?

<table>
<thead>
<tr>
<th></th>
<th>Very great extent</th>
<th>Great extent</th>
<th>Moderate extent</th>
<th>Low extent</th>
<th>Very low extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quantity of information</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(specific and quantifiable)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Timeliness of reported data</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Consistency/frequency of reporting</td>
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</tr>
</tbody>
</table>

10) In your opinion how does reporting disclosure influence the performance of the Nairobi City County?

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..................................................................................................................................................
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..................................................................................................................................................

11) To what extent does risk management influence the performance of the Nairobi City County?

<table>
<thead>
<tr>
<th></th>
<th>Very great extent</th>
<th>Moderate extent</th>
<th>Very low extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Very great extent</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Great extent</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>e. Low extent</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
12) What is your level of agreement with how the following aspects of risk management influence the performance of the Nairobi City County?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Very great extent</th>
<th>Great extent</th>
<th>Moderate extent</th>
<th>Low extent</th>
<th>Very low extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk identification</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Risk appraisal/assessment</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Risk Mitigation</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk monitoring</td>
<td></td>
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</tr>
</tbody>
</table>

13) In your opinion how does reporting disclosure influence the performance of the Nairobi City County?

...........................................................

...........................................................

Performance of Nairobi City County

14) What has been the trend of the following aspects of performance at Nairobi City County for the last five years?

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Greatly improved</th>
<th>Improved</th>
<th>Constant</th>
<th>Decreasing</th>
<th>Greatly decreased</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service delivery</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Businesses registered</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rate of new service development</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
15) How can the governance of Nairobi City County be improved to improve on the performance of the entity?

........................................................................................................................................
........................................................................................................................................
........................................................................................................................................

THANK YOU