

**CORPORATE GOVERNANCE AND EMPLOYEE SATISFACTION IN  
KENYA IMMIGRATION DEPARTMENT**

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## DECLARATION

This research project is my original work and has not been presented for examination in any other university.

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This research project has been submitted for examination with my approval as the University Supervisor.

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## **DEDICATION**

*To my loving mother Angela Mwikali Siva and my late father Mr. Andrew Siva*

*Whose love for education is beyond reach,*

*Who believes so much in education and spend their life educating their family and others in  
society*

*And*

*To the rest of my family*

*And in particular my beloved daughter Angela Mkandoe*

*Who constantly encouraged and gave me reason to finish this research project*

## ABSTRACT

In Kenya, various studies have been undertaken on corporate governance. For instance, Mwangi (2001) did a survey of corporate governance practices among insurance companies in Kenya. He found out that most companies appeared to have addressed governance issues fairly well. He however noted that, weaknesses arose in the areas of review of internal controls, provision of training to directors and provisions of access to independent advice and to services of the company secretary. He also found out that jointly owned companies had an edge over their locally owned counterparts in governance practices. He concluded that there is a relationship between the level of governance and ownership in as far as companies are categorized into locally or jointly owned. The aim of this study was to establish the relationship between the corporate governance and employee satisfaction in Kenya immigration department. This research was conducted through a case study where the target population of study was 150 Kenya Immigration department staff of different designation in Nairobi region. Stratified sampling method was used because it helped the researcher to draw 55 respondents from group population subjects with similar characteristics on the strata. Both qualitative and quantitative primary data was used for the study. Data collected was both quantitative and qualitative and was thoroughly checked and edited to ensure completeness, consistency, accuracy and uniformity through data editing, data coding and data tabulation. Presentation was then done through pie charts, bar graphs as well as tables. Based on the findings the researcher concludes that most workers acknowledge that there is separation of the post of the director and the chairman in an effort of enhancing good corporate image. On management of the department most respondents are very confident when talking about the department. Most workers in various teams were willing to improve the way they did work also objectives and team meeting were used to enhance team work and cooperation. To enhance corporate governance, there must be an all inclusive approach to governance that recognizes and protects the rights of members and all stakeholders – internal and external, in addition the institution must be governed and managed in accordance with the mandate granted to it and lastly the institutional governance framework should provide an enabling environment within which its human resources can contribute and bring to bear their full creative powers towards finding innovative solutions to shared problems

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## **LIST OF ABBREVIATIONS AND ACRONYMS**

<b>ADIS</b>	<b>Assistant Director Immigration Services</b>
<b>BOD</b>	<b>Board of Directors</b>
<b>CACG</b>	<b>Commonwealth Association for Corporate Governance</b>
<b>CEO</b>	<b>Chief Executive Officer</b>
<b>CG</b>	<b>Corporate Governance</b>
<b>CIO</b>	<b>Chief Immigration Officer</b>
<b>CMA</b>	<b>Capital Markets Authority</b>
<b>DDIS</b>	<b>Deputy Director Immigration Services</b>
<b>DIS</b>	<b>Director Immigration Services</b>
<b>GGF</b>	<b>Global Governance Forum</b>
<b>GOK</b>	<b>Government of Kenya</b>
<b>ICGN</b>	<b>International Corporate Governance Network</b>
<b>I.O</b>	<b>Immigration Officer</b>
<b>J.K.I.A</b>	<b>Jomo Kenyatta International Airport</b>
<b>SADIS</b>	<b>Senior Assistant Director of Immigration Services</b>
<b>S.I.O</b>	<b>Senior Immigration Officer</b>
<b>P.I.O</b>	<b>Principal Immigration Officer</b>
<b>OECD</b>	<b>Organization for Economic Co-operation and Development</b>

# **CHAPTER ONE:**

## **INTRODUCTION**

### **1.1 Background**

Long before the reform movements of the 1980's, it was expected that government functions varied in the extent to which they required independence and insulation from hands-on, day-to-day control by the executive. That principle underlay, for example, many of the governmental reforms (Wainaina, 2002). Those parts of government providing goods and services typical came to be run as commissions or statutory corporation under a supervisory board, the members of which were appointed by and accountable to the executive government, but empowered to exercise independent managerial discretion. This supposedly gave both the requisite autonomy required for management to pursue long-term objectives, while also enabling management to be monitored on their performance of those functions for which they were directly responsible.

#### **1.1.1 Corporate Governance**

Corporate governance has come to the centre of the international development agenda and has attracted polite interest because of its apparent importance to the economic health of corporations and the society of late. The problem of increasing corporate failures, stagnations, fraud and competition among top management, and reduced competitiveness has been worrying the society. Governance as described by Cover (2001) involves the direction and control of organization. According to the committee on Corporate Governance in Singapore (CCGS, 2001) corporate governance is the process and structure by which the business and affairs of the company are directed and managed in order to enhance long-term shareholder values through enhancing corporate performance and accountability, whilst taking into account the interest of other shareholders. The Cadbury Report (1992) defines corporate governance as the system by which companies are directed and controlled. From the above definitions, the study will adopt the definition of corporate governance as the direction, control and management of an organization in order to enhance transparency, accountability and improved performance.

Corporate governance is concerned with the processes and structures through which members interested in the overall well being of the firm take measures to protect the interests of the stakeholders. Good corporate governance is centred on the principles of accountability, transparency, fairness and responsibility in the management of the firm. The institution of corporate governance in a firm is an attempt to ensure the separation of ownership and control, and this often results in principal-agent problems (Jensen and Meckling, 1976; Byrnes et al., 2003).

“The political and social systems are undergoing a profound transition. Systems of government are being questioned. The accepted ways of doing things are being challenged. Age-old values seem to be crumbling at the onslaught of liberalism. There is a growing impatience with the status quo. Even in the home, children can no longer be acquiesced with threats. Women are no longer satisfied with their humble roles. They rightly demand their share of the action. We Kenyans are no different and we have joined the rest of humankind in this bandwagon of change. There is growing clamour for change in the way things are done. Leaders are under constant scrutiny and we will see more of this in the years to come” (Kihumba, 1999).

Governance arrangements of private firms and public bureaucracies supplying essential services, infrastructure and utilities are of prime importance. These governance arrangements determine the extent to which these hierarchies are protected against rent-seeking and political opportunism, and reflect the commitment of the government, now and in the future, to the goals declared at the time of its reform program (Whincop, 2005).

### **1.1.2 Employee Satisfaction**

Employee satisfaction is defined as the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997). This definition suggests employees' satisfaction is a general or global affective reaction that individuals hold about their job. Schermerhorn (1997) refers to employee satisfaction as the degree to which individuals feel positively or negatively about their jobs. Job satisfaction is one of the job related attitudes. Many research studies have found limited relationship between satisfaction and work output and offer no comfort to those seeking to confirm that a satisfied worker is a productive worker. Labour turnover and

absenteeism are commonly associated with dissatisfaction but there are many other possible factors affecting the same. There appears to be no universal generalizations about employee dissatisfaction that offer easy management solution to problems of turnover, stress and absenteeism (Spector, 1997).

Employee satisfaction is a measure of how happy workers are with their job and working environment. Keeping morale high among workers can be of tremendous benefit to any company, as happy workers will be more likely to produce more, take fewer days off, and stay loyal to the company. There are many factors in improving or maintaining high employee satisfaction, which wise employers would do well to implement. The backbone of employee satisfaction is respect for workers and the job they perform. In every interaction with management, employees should be treated with courtesy and interest. An easy avenue for employees to discuss problems with upper management should be maintained and carefully monitored. Even if management cannot meet all the demands of employees, showing workers that they are being heard and putting honest dedication into compromising will often help to improve morale (Nuti, 2005).

The desire to have satisfied employees is pervasive among human resource managers. The belief that satisfied employees are also productive employees is naturally appealing. Managers and workers alike pursue job satisfaction in the often naive belief that it leads directly and surely to that other workplace ideal high performance. The fact is however that, sometimes satisfied employees perform better, and sometimes do not (Mullins, 1992).

Mullins (2000), states that employee satisfaction is more of an attitude, an internal state. It could for example, be associated with a personal feeling of achievement, either quantitative or qualitative. Lloyd (2003) also views employee satisfaction as an employee's general attitude towards a job.

### **1.1.3 Corporate Governance and Employee Satisfaction**

The importance of governance lies in the power that is given to the people running the affairs of the organization. In recent period, this power has not always been used in the best interest of shareholders, employees or the society in general. Keeping morale high among workers can be

tremendous benefit to any organization, as happy workers will be more likely to produce more, and stay loyal to the organization. Therefore involving employees in the corporate governance of an organization/institution enables them to be more efficient and effective (OECD, 2005).

A major moral criticism of the prevailing system of corporate governance is that it places control of publicly held corporations in the hands of shareholders. By law, shareholders have an exclusive right to make certain corporate decisions, and this arrangement is generally justified by the shareholders role as the owner of the firm. However, many thoughtful observers hold that such a privileged position for shareholders is morally, objectionable, in part because it neglects the important role played by employees who should also have a voice in corporate decision making and perhaps be owners themselves (Charny, 1999).

Corporate governance therefore is about corporate democracy and just like in any democracy; it has various stakeholders who comprise of shareholders, employees, government, management and the Board of Directors. They all have an interest in the prosperity of the institution or organization. If there is no good corporate governance, then stakeholders can demand for a change. It is important to realize that corporate organization exist to provide specific services (satisfaction) to their stakeholders. Success in the provision of these services is interpreted as good corporate governance (Wachter et al., 2001).

Much of the advocacy of communitarian approaches to corporate governance implicitly predicates on labour interests. In some respects, however, the specific agenda of these scholars has been rather overtaken by the realities of many modern corporations. As Rajan and Zingales (2000) points out, the balance of power in the modern corporation has switched from the owners of capital to those employees capable of creating value through their investments of human capital in match with the other assets of the firm. However, this has been achieved independently of specific representation at the level of the Board of Directors, since it arises instead from the power associated with the ownership of their human capital.

Employee's values are important in these contexts, since much of the self-regulatory system will be directed at them, and social values are most likely to be internalized when they resonate with those of the employees. It is clear that self-regulatory systems may sometimes be used as a means for the imposition of the values of the management (Whincop, 2005).

Parker (2002) shows the potential for, and instances of the realization of, more inclusive self-regulatory systems. Unlike the matter of employee representation on the Board, it is impossible to oppose or criticize more inclusive internationalization of employee values in self-regulatory processes. It is however also impossible to be uniformly positive in one's own assessment of their welfare implications.

#### **1.1.4 Public Institutions in Kenya**

The public sector provides goods and services on behalf of the government and is primarily service based and nonprofit seeking. Kenya's public sector is characterized by bureaucracy, hierarchical decision making processes, political influence, low acceptance rate of performance contracts, and mismatch between resource allocation and need. (Mutiga, 2006).

Public services is a term usually used to mean services provided by government to its citizens, either directly (through the public sector) or by financing private provision of services. The term is associated with a social consensus (usually expressed through democratic elections) that certain services should be available to all, regardless of income. Even where public services are neither publicly provided nor publicly financed, for social and political reasons they are usually subject to regulation going beyond that applying to most economic sectors. A public service may sometimes have the characteristics of a public good (being non-rivalrous and non-excludable, but most are merit goods, that is, services which may (according to prevailing social norms) be under-provided by the market.

Public offices in Kenya include Office of the president, Office of the vice-president, Office of the prime minister, Office of deputy prime minister & ministry for local government , Office of deputy prime minister & ministry for finance government ministries such as Ministry of Agriculture, Ministry of Co-operatives Development, Ministry of Development of Northern Kenya & other Arid Land , Ministry of East African Community, Ministry of Education, Ministry of Energy, Ministry of Environment and Mineral Resources, Ministry of Fisheries Development, Ministry of Foreign Affairs, Ministry of Forestry and Wildlife, Ministry of Gender and Children Affairs, Ministry of Higher Education, Science Technology, Ministry of Housing, Ministry of Industrialization, Ministry of Information and Communication, Ministry of Justice,

National Cohesion and Constitutional Affairs, Ministry of Labour, Ministry of Lands, Ministry of Livestock Development, Ministry of Medical Services, Ministry of Nairobi Metropolitan Development, Ministry of Public Health and Sanitation, Ministry of Public Works, Ministry of Regional Development Authorities, Ministry of Roads, Ministry of Special Programmes, Ministry of Tourism, Ministry of Trade, Ministry of Transport, Ministry of Water and Irrigation, Ministry of Youth and Sports, Ministry of State for Immigration and Registration of Persons, Ministry of State for National Heritage and Culture, Ministry of Home Affairs, Ministry of State for Defence, Ministry of State for Provincial Administration and Internal Security. Others include The Public Service Commission, Electoral commission, Exchequer and Audit department, National Assembly, State law office and The Judiciary.

### **1.1.5 Immigration Department in Kenya**

The department of Immigration falls under the Kenya Immigration department and Registration of persons. It is a security arm of the government as well as service industry, in that it offers services to the general public on matters related to immigration. The department plays a crucial role in management of migration thereby fostering economic growth and protecting national interest.

The vision of the department is “to be among the best immigration services in the world” and its mission is to contribute to safety and socio-economic development of the country by facilitating international travel and regulating entry, exit, residency and citizenship.

The department of Immigration has seen a historical development over the years. The control of entry and residence of foreigners into this country dates back to the introduction of what was called the Immigration Registration Ordinance of 1906. This Ordinance restricted the influx of foreigners especially Indians, coming to the then Kenya colony and Protectorate upon completion of the Kenya-Uganda Railway (KUR) or the Iron Snake. These foreigners known as ‘coolies’ from the sub continent of India had decided to remain in Kenya to start businesses and became known as ‘dukawalas’. This Ordinance and others in 1940, 1944, 1948 and 1956 imposed restrictions on persons who wished to travel to Kenya for permanent settlement. The Immigration Ordinance of 1<sup>st</sup> August 1948 formed the basis of the present day Immigration

Department, which was carved from the Police Department in 1950. The Immigration Ordinance was revised in 1962 and 1964, when the later was renamed the Immigration Act. The Immigration Act of 1964 was revised and a new Immigration Act of 1967, Cap.172 Laws of Kenya, the current operational Act of the Department, came into force on 1<sup>st</sup> Dec. 1967.

At independence, the department was placed in the Ministry of Home Affairs and was later transferred to the office of the president, then ministry of constitutional affairs in the early eighties and later back to the Office of the President. In the year 2003, the department was moved to the ministry of Home Affairs. In the year 2005, the department reverted to office of the president and was placed in the new Kenya Immigration department and Registration of Persons.

The department of immigration operates under the Kenya Citizenship Act Cap.170, the Immigration Act Cap.172, the Aliens Restriction Act Cap.173 respectively and visa regulations. In performing its functions the department is also guided by international conventions. The department comprises of the following administrative regions Nairobi, Coast, Western, North Rift and North Eastern. It is a member of the East Africa Community Air transport Facilitation Committee, the East Africa Community Committee for the Facilitation of Movement of Persons, Immigration, Labour/employment and Refugee Management, the East African Community National Interstate Security Committee and the National Focal Point on the Proliferation of Illicit Small Arms and Light Weapons.

In Kenya the core functions of the immigration department are: to control and regulate entry and exit of all persons at our airports, seaports and land border posts, to control and regulate residency through issuance and renewal of entry/work permits and other passes as provided for by the Immigration Act, Issuance of Kenya passports and other travel documents, to consider and grant Kenya Citizenship to qualified foreigners under the Kenya Constitution and the Citizen Act, Issuance of entry visas provided for under the Kenya visa regulations, to register all non-citizens resident in Kenya under the Aliens Restriction Act and others, declaration and removal of prohibited immigrants, to offer quasi-Consular functions on behalf of a number of commonwealth countries who are not represented in Kenya and who have requested the Kenya government to do so, to provide consular services to our nationals and foreigners at the mission abroad, to investigate and prosecute persons who contravene the Immigration laws and

regulations and to enforce the Citizenship Act, the Immigration Act, the Aliens Restriction Act and the visa regulations.

## **1.2 The Research Problem**

In Kenya, various studies have been undertaken on corporate governance. For instance, Mwangi (2001) did a survey of corporate governance practices among insurance companies in Kenya. He found out that most companies appeared to have addressed governance issues fairly well. He however noted that, weaknesses arose in the areas of review of internal controls, provision of training to directors and provisions of access to independent advice and to services of the company secretary. He also found out that jointly owned companies had an edge over their locally owned counterparts in governance practices. He concluded that there is a relationship between the level of governance and ownership in as far as companies are categorized into locally or jointly owned. Mucuvi (2002) carried out a survey on corporate governance practices in the motor vehicle industry in Kenya. He found out that most firms in the motor industry in Kenya are faced with many governance issues and they seem to have addresses these issues fairly well. The challenges arise on implementation of these governance practices which emanate from both within and outside the organizations. The rules on corporate governance seem more entrenched in those companies that are foreign owned and this is because their headquarters are based in countries where corporate governance seems a key issue in management of organizations.

Tokei (2007) carried out a case study on corporate governance as a post liberalization strategy by selected SACCOs in Nairobi. He found out that, corporate governance though a new phenomenon was adopted by many SACCOs as a way of guiding them to efficient and effective management practices. Corporate governance has led to enhanced efficiency, productivity, reduced costs of production, faster decision making process and increased wealth creation. Wambua (2009), in his research on corporate governance practices in the banking sub-sector in Kenya noted that, accountability requires some agent to monitor management performance because of the significant weaknesses noted among board of directors. He also points out that private and individual investors lack clout to make significant impact on corporate governance because of certain fundamental weaknesses in these groups of shareholders. Previous studies on corporate governance mostly focus on corporate governance practices in various industries or

sectors. To the best of knowledge of this researcher, no studies have been done in Kenya to explore the relationship between corporate governance and employee satisfaction in Public Institutions.

The Immigration department has seen a change in the leadership structure with the appointment of a Director in the year 2002 and thus changing from Principal Immigration Officer which was previously the highest position in office. These structural changes lead to creation of other offices such as the Deputy Director, Senior Assistant Director and Assistant Director. The study is unique in that it seeks to understand corporate governance in a government department. The study adopts the definition of corporate governance as the direction, control and management of an organization in order to enhance the principles of accountability transparency, fairness and responsibility in the management of the firm to improve performance. With the current changes in management in the public sector, and thus the Immigration department, the role of corporate governance and employee satisfaction forms the basis of the study.

This study is designed to determine whether there exists any relationship between the corporate governance practices and employee satisfaction in services delivery for public institution. Therefore, the research questions being addressed are: what are the corporate governance practices at the Kenya Immigration department? And is there a relationship between the corporate governance practices and employee satisfaction in the Immigration department?

### **1.3 Objectives of the Study**

- i. To establish corporate governance practices at the Kenya Immigration Department.
- ii. To determine the relationship between corporate governance practices and employee satisfaction at the Kenya Immigration Department.

### **1.4 Significance of the study**

- i. This study will benefit Public sector policy makers and stakeholders. Decision makers at the various levels of management will gain value added information on the corporate governance practices as a key enabler of developing economic perspective. For instance, the managers responsible for strategies may use the findings to formulate effective

monitoring and control systems to mitigate challenges for corporate governance practices in relation to employees' satisfaction. This study will assist the entire immigration department in improving on its corporate governance geared towards employee satisfaction in service delivery.

- ii. The Immigration Department as it engages various stakeholders in the process of developing and implementing its policy, this study will boost the quest for a motivated and engaged staff.
- iii. This study will also benefit academics and business researchers as they will be able to borrow from the findings of this research to support literary citations as well as develop themes for further research. Specifically, the study hopes to make theoretical, practical and methodological contributions. The findings will contribute to professional extension of existing knowledge in corporate governance practices in relation to employee satisfaction, by helping to understand the current challenges for adopting these strategies or practices and their effects on service business performance.
- iv. The study will provide an insight to government institutions by highlighting the current corporate governance practices in public institutions. The study will be of specific importance to the Kenya government in formulating future policies and regulations regarding corporate governance in relation to employee satisfaction in public sector.

## **1.5 Scope of the study**

The study will be on corporate governance and employees' satisfaction at the Kenya immigration department. Whereas the Department of Immigration has offices in the country and in various Missions abroad, this study will make concentration on Nairobi region to represent public institutions. Nairobi region defines the geographical Nairobi region for the Immigration Department that includes: Nyayo House, JKIA, Wilson, Lokichoggio, Namanga and Loitoktok. The research is to be carried out in a period of three months.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 Concept of Corporate Governance

Corporate governance refers to the standards or behaviour and codes of conduct, which govern the relationship between various participants in determining the direction and performance of corporations. The central concern of governance is to add value to as many organizational stakeholders as is practicable that by having appropriate standards of governance, the long term performance is raised and total shareholder return is enhanced. Corporate governance has evolved as a result of this need, to impose restraint and demand accountability by society that gives mandate to the existence of these commercial enterprises, since society has often suffered serious misfortunes because of irresponsible corporate behaviour. Society therefore seeks to contain such irresponsibility through various governance channels, (Stiles, 1993).

In the eyes of the Organization for Economic Co-operation and Development (OECD) and other international organizations, governance is inclusive of risk management and the controls required managing risk and achieving objectives. The OECD defined corporate governance as involving “a set of relationships between a company’s management, its board, its shareholders, and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined (Marks, 2009).

The subject of corporate governance which is well defined in the concept of agency theory as expounded by Jensen and Meckling (1976) ensures that management does not act in their own selfish interest. It also endeavours to ensure maximization of the shareholders value. The authors applied the logic of agency theory to issue of minimizing the inter-corporate conflicts, while at the same time taking cognizance of the role the political process plays in resolving potential complications, by focusing on the important concept of exploiting self-interest in the attainment of corporate goals.

The focus of corporate governance is on the system by which companies are directed and controlled. Mucuvi (2002) points out that corporate governance is at the heart of corporate success and can have a significant influence on the economic development of a country. "Effective corporate governance ensures long term strategic objectives and plans are established, and that proper management and management structures are in place to achieve these objectives, while at the same time making sure that the structure functions to maintain the company's integrity, reputation and accountability to its relevant constituents. The right system of checks and balances should be the basis of merit for any corporate governance system.

There are several tenets of good Corporate Governance that are used as guidelines to enhance good corporate governance. Advocacy of good corporate governance has become a regular campaign with the participation of an increasing number of parties, namely, academic, media, regulatory authorities, corporations, institutional investors, international organizations and shareholders rights watchdogs. Regulators such as Capital Markets Authority (CMA), Central Bank, and Nairobi Stock Exchange have issued guidelines to enhance corporate governance practice. For example, CMA has issued new listing and disclosure rules, qualifications for board of directorship and code of governance. International organizations are also very keen on governance issues. The International Monetary Fund (IMF) has included governance improvements in its debt relief program. In 1998, the OECD issued a document intended to assist members and non member countries in evaluating and improving the legal, institutional and regulatory framework for better corporate governance (OECD, 2005).

Corporate governance comprises of rules, practices, and procedures by which managers are held accountable to those who have a legitimate stake in the enterprise. Major issues of corporate governance include the duties of directors, methods of financing the corporation, managerial compensation, acquisitions, and divestments, and the monitoring of decision making at the strategic and operating levels. These issues are of enormous importance, not only to corporations themselves, but to millions of people – shareholders, employees, customers, suppliers, and communities, who are affected by management decisions (Jacob, 2001).

Corporate governance practices differ widely across the world. In a highly dispersed shareholding system normally it is the board of directors who are granted the responsibility of

monitoring executives. Corporate governance therefore affects the interests of a larger cross-section of stakeholders, also has implications for financial stability and is one of the key factors that determine the health of the system and its ability to survive economic shocks. (Gopinath, 2004).

Pervin (1968) explains that when a match exists between individual characteristics and organization characteristics, performance and satisfaction tend to be high, and stress tends to be low. He described organizational characteristics as either interpersonal or non interpersonal, and stated that there was a 'best fit' or 'match' between these organizational or environmental characteristics and the personality of the individual. A lack of 'fit' result in decreased performance dissatisfaction, and stress in the system.

## **2.2 Importance of Corporate Governance**

Corporate governance can be defined in several ways, a convenient one being the means of decision-making and power allocation among shareholders, senior managers, and board of directors. A central goal for the governance system could be to make firms operate as well as they can (Roe, 1999).

Government plays a key role in corporate governance by defining the legal environment and sometimes by directly influencing managerial decisions (Berle and Means, 1932). Beyond defining the rules of the game, the government, at one extreme, owns the firm, so that the Government is charged with monitoring managerial decisions and limiting the ability of managing to maximize private benefits at the cost of society. Corporate Governance has succeeded in attracting a good deal of public interest because of its apparent importance for the economic health of corporations and society in general. Today, companies have become indispensable partners in development of the global economy. It is imperative therefore, that their behaviour is monitored to ensure that they are properly regulated and managed to harness their enormous collective resources and energy towards promoting the social and economic well being of societies, states, and the world at large (Drucker, 1974).

The multilateral and donor agencies insist on good corporate governance so as to avoid reputation risk, which is, avoiding being associated with companies with poor corporate

governance. Reputation risk is particularly serious where shareholders and equity investors stand to lose from governance abuses, such as banks and insurance companies (OECD, 2001). According to Aronson (2002) improving on corporate governance contributes to the development of the public and private markets. Poor governance contributes to fraud and the spread of corruption that lead to dramatic corporate failures, better governance contribute to the likelihood that, the enterprise will satisfy the legitimate claims of the stakeholders and fulfill its environmental and social responsibility.

According to Aronson (2002), improving on corporate governance contributes to the development of the public and private capital sectors. Poor governance contributes to fraud and the spread of corruption that lead to dramatic corporate failures. Better governance contribute to the likelihood that the enterprise will satisfy the legitimate claims of all stakeholders and fulfill its environmental and social responsibility.

Hellman and Kaufmann (2002) argue that the objective of corporate governance is to ensure that those to whom the shareholder entrust the direction and success of the organization act in the best interest of these stakeholders. It's about leadership, responsibility, accountability and transparency. Transparency refers to both the degree of openness of the organization and the extent of disclosure of the interaction that can influence the decision.

### **2.3 Corporate Governance Structure**

Corporate governance structure can be seen as a mechanism for making decisions that have not been specified in the initial contract. More precisely, corporate governance structure allocates residual rights of control over the firm's non human assets, that is, the right to decide how these assets should be used, given that a usage has not been specified in an initial contract. For example, one form of governance structure is individual ownership of the firm (Ikenberry and Lakonishok, 1993).

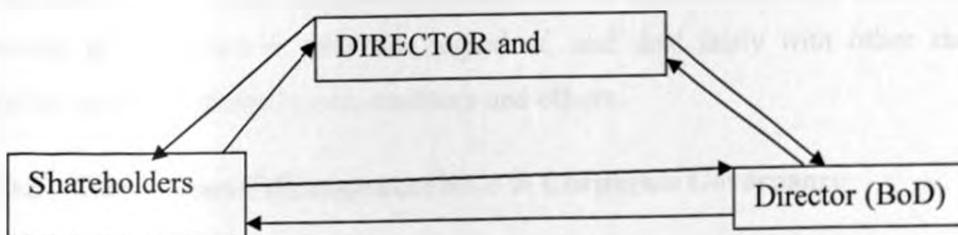
The corporate governance structure may need to accommodate the fact that the governance game is played 'outside the square' of the formal governance apparatus. In order to understand this, bear in mind that the relationship between the government and the Governance Corporation (GC) is multi-faceted. The government is the shareholder of the GC. However, it is also typically the

regulator of the GC, and it determines the parameters of the legal environment in which the GC exists and does business. Managerial decisions may be fixed by legislation as the form of management alone, in which the executive government will not take part. However, the incidence of power arising from relationship outside the formal governance apparatus enables the government to make credible threats to managers that enable it to influence or control government. For that reason, the governance structure may need reinforcement to protect managers from collateral forms of power in a way that is unthinkable in a Business Corporation BC (Whincop, 2005).

Since optimal principal-agent contracts are comprehensive, it is hard to find a role for governance structure (or asset ownership). The reason is that governance structure matters when some actions have to be decided in the future that have been specified in advance, that is, there are no 'residual decisions' (Colley et al; 2007).

Montgomery and Kaufman (2003) acknowledge that the corporate balance of power is delicate. The three principal actors in this power game are the shareholders, management and the board of directors. The interrelationship between them is key to effective governance. They depict this relationship as a triangular relationship.

**Figure 2.1: The Corporate Governance Triangle**



**Source;** Adapted from Montgomery and Kaufman. The Board missing Link

### 2.3.1 The Governance Role of Shareholders

The shareholders, especially institutional ones, have tended to be quite instrumental in corporate governance mainly due to the substantial proportion of shares that they hold in corporations,

which justify the need for their representation on the boards hence their ability to influence the top management (Marks, 2009).

Wambua (1999) observed that individual shareholder lack clout to make significant impact upon corporate governance. This is because they lack interest to directly influence company course and these results from two main reasons. One is that capital markets have produced a breed of investors who are more concerned with short-term benefits as opposed to long-term company cameras. Secondly, these hand-off attitudes have been attributed to the fact that shareholders are too diffuse to jointly pool weight and influence the management team.

### **2.3.2 The Governance Role of the Board Of Directors**

The corporate governance framework should ensure strategic guidance of the company, effective monitoring of management by the board and the board's accountability to the company and all shareholders. Together with guiding corporate strategy, the board is chiefly responsible for monitoring managerial performance and achieving an adequate return for the shareholders, while preventing conflicts of interest and balancing competing demands on the company (Jensen, 2001).

In order for boards to effectively fulfill their responsibilities, they ought to have some degree of independence from management. Another important board responsibility is to implement organizational systems designed to ensure that the corporation obeys applicable laws. In addition boards are expected to take due regard of, and deal fairly with other stakeholders' interest including those of employees, creditors and others.

### **2.3.3 Government/Management Role in Corporate Governance**

The government is interested in raising revenue through taxes, economic development as well as social improvements. This can be influenced through law, rules and regulations permits to do business and licences. It also has the power to allow or disallow industrial activity. Legislative codes contribute to corporate governance because they are tailored to contain company excesses and they also ensure responsible company behaviour. They are a common phenomenon in every society today and examples of such include rights of shareholders and various ways to seek

redress in courts of law. Employment conditions and toxic waste disposal, all which seek to prevent management from acting responsibly. Salmon (1995) however, points out that all these avenues of corporate governance have significant weaknesses because they depend on the judicial system and they also act from outside the company. They usually try to contain company malpractice when it has escalated to unmanageable levels. This is so because they often lack detailed information about the particular companies.

Professional managers now take the leading role in large corporations. The expanding scale and complexity of national and international businesses calls for management specialists to guide the affairs of most big corporations. Their source of power is a combination of their managerial expertise and the organizational responsibility given to them to carry out the needed work. A major challenge addressed by corporate governance is how to grant managers enormous discretionary power over the conduct of the business while holding them accountable for use of that power. They are responsible for the day-to-day running of the affairs of the business, economic survival of the firm and to balance the demands of all stakeholders in such a manner that the organization can achieve its objectives (Byrnes et al., 2003).

## **2.4 The Overview Development in Corporate Governance**

In Africa, the Africa capital markets forum has been undertaking a study on the state of corporate governance in Africa. The king's committee report and code for corporate governance in South Africa published in 1994, continues to stimulate corporate governance debate in Africa. The World bank and the organization for economic cooperation and development (OECD) established the Global Governance Forum which was mandated to build a consensus in favour of coming up with an appropriate policy on regulatory and corporate governance activities, provide corporate development and capacity building in the associated fields of corporate governance, and to train the various professionals, experts and other agent essential in bringing about a culture of compliance (Colley et al., 2007).

The corporate sector formally adopted a national code of best practices for corporate governance in October 1999, mainly to guide governance in Kenya. It also gave mandate to the private sector initiative to establish the corporate governance foundation and collaborate with the global

corporate governance forum, the relevant commonwealth association, the African capital markets forum and Uganda and Tanzania in promoting good corporate governance.

The International corporate governance network (ICGN) was also established to promote and coordinate research and development in corporate governance. Also established was the commonwealth association for corporate governance (CACG), which came up with the corporate governance guidelines within the commonwealth. The guidelines were adopted at the November 1999 Commonwealth Heads of government meeting in Durban South Africa as a guide for all common wealth countries to develop or enhance their own national corporate governance principles (Kihumba, 1999).

## **2.5 Corporate Governance Practice**

The focus of corporate governance is on the system by which companies are directed and controlled. Whincop (2005) points out that corporate governance is at the heart of corporate success and can have a significant influence on the economic development of a country. "Effective corporate governance ensures long-term strategic objectives and plans are established, and that proper management structures are in place to achieve these objectives, while at the same time making sure that the structure functions to maintain the company's integrity, reputation and accountability to its relevant constituents. The right system of checks and balances should be the basis of merit for any corporate governance system". This translates to the fact that management has a direct effect on the stakeholders, as each of them has a distinct interest in the company. The shareholder is interested in a future return on their risk capital, lenders and suppliers are concerned with timely repayment and an employee with employment, and good remuneration and job security while the state is interested in tax collection. Corporate governance is therefore the meeting of all the above needs for the stakeholder in a fair and transparent manner, failure of which the various laws of the country may be used to redress the wrongdoing.

The political and social systems are undergoing a profound transition. Systems of government are being questioned. Accepted ways of doing things are being challenged. Age-old values seem to be crumbling at the onslaught of liberalism. There is a growing impatience with the status quo. Even in the home, children can no longer be acquiesced with threats. Women are no longer

satisfied with their humble roles. They rightly demand their share of action by corporate governance practices (Kihumba, 1999).

Corporate governance therefore is about corporate Democracy and just like in any democracy, it has various stakeholders who comprise of shareholders, Employees, Government, Management and the Board of Directors. They all have an interest in the prosperity of the organization. If there's no good governance, then stakeholders can demand for a change. It is important to realize that corporate organizations exist to provide specific services (satisfaction) to their stakeholders. Success in the provision of these services is interpreted as good corporate governance (Hart, 1995).

### **2.5.1 Pillars of good corporate governance**

Good governance is framed against four main pillars. First, there must be effective body responsible for governance separate and independent of management to promote: Accountability where leaders must be ready to account, Efficiency and effectiveness hence leadership for results, Honesty and integrity for leadership that is honest, faithful and diligent and Transparent and open leadership with accurate and timely disclosure of information relating to economic and other activities of the corporation. Secondly, there must be an all inclusive approach to governance that recognizes and protects the rights of members and all stakeholders – internal and external. Thirdly, the institution must be governed and managed in accordance with the mandate granted to it and lastly the institutional governance framework should provide an enabling environment within which its human resources can contribute and bring to bear their full creative powers towards finding innovative solutions to shared problems (Colley et. al., 2007).

### **2.6 Employee Satisfaction**

Employee satisfaction is a measure of how happy workers are with their job and working environment. Keeping morale high among workers can be of tremendous benefit to any company, as happy workers will be more likely to produce more, take fewer days off, and stay loyal to the company. There are many factors in improving or maintaining high employee satisfaction, which wise employers would do well to implement. The backbone of employee

satisfaction is respect for workers and the job they perform. In every interaction with management, employees should be treated with courtesy and interest. An easy avenue for employees to discuss problems with upper management should be maintained and carefully monitored. Even if management cannot meet all the demands of employees, showing workers that they are being heard and putting honest dedication into compromising will often help to improve morale (Burnes, 2004).

An effective organization must be carefully structured and staffed with competent personnel who can be able to adapt to the changing environment because organizations operate in dynamic environments. In the public and other non-profit undertakings (Government ministries, agencies, like local authorities and non- governmental organizations) employee activities should show efforts in providing better services to the public and its members at reduced costs. Satisfaction of the management obligation or the 'goodness' of management practice, develops through carefully planned effort in sales, production, manpower and fiscal management, and through research and innovation in each area( Nzuve and Singh,1992).

## **2.7 Corporate Governance Practices and Employee Satisfaction**

Employees form the most important resource in any organization by providing their services and skills. They are interested in maintaining stable employment, receive fair pay for work and also work in a safe, comfortable environment. Management must realize their valuable input and take care of their needs as well as give them an opportunity to voice an opinion as regards the direction of the company (Armstrong 2003).

As with employees, self- regulatory systems present a way of embodying the values and concerns of consumers without conferring explicit governance representation. One way is through a corporate justice plan (Parker, 2002). A public document formed after a period of consulting consumers that confers a series of substantive and procedural rights, the service they are entitled to expect and the machinery for addressing complaints and wrongs.

Employees abroad sometimes have a more formal governance role. In Germany, corporations with more than 2,000 employees must have two-tier board, and half the seats on the upper tier, or supervisory board, must be filled by employee representatives. Works councils, which represent

employees' interest at the plant level, are also mandatory feature of German corporate governance. Japan relies more on norms than on formal law in its corporate governance structures, but major firms seem committed to lifetime employment for some employees and fill their corporate board seats with senior employees, thereby bringing employees' interest to the centre of decision making in corporate boardrooms (Colley et al., 2007).

Gordon and Pound (1993) discusses the means by which employees participate in governance or exercise partial control rights to help protect their interest, particularly through share ownership. Although Gordon recognizes the arguments against employee share ownership as a permanent arrangement, he postulates that employee stock ownership transactions might help solve at least problems associated with sharp economic changes.

### **2.7.1 Employee Share Ownership**

The implications of employee ownership have been grossly neglected, particularly in view of the inordinately massive literature devoted to employee self-management and value-added sharing from Ward (1958) and Vanek (1970) to date. Indeed, employee ownership lends itself to being confused, and often is, with self-management, which is fundamentally different.

Traditionally, the study of corporate governance has emphasized the separation between enterprise ownership and control, that is, the delegation of managerial functions to a professional executive (or group of executives treated as a single unit), professional managers always have some discretion, which they may use to pursue their own interests instead of simply maximizing the market valuation of the enterprise as a going concern in best interest of ownership. Thus managers will also be interested in other targets to which their earnings and other reward (status fulfillment, self-esteem) are frequently related- for instance, enterprise size (whether measured by employment, output, or capital or growth. A principal-agent arises possible limitations built into company statutes, on other defense mechanisms set up against potential challenges (Nutti, 2005).

Suppose that, despite these considerations employee ownership of a kind adverse to corporate governance prevails in a particular country. What then? There is a basic destitution instability in this kind of employee-controlled enterprise, which could be regarded literally as a transitional

form of ownership that is bound to disappear fairly quickly. Either less, than balanced shareholding employees cease to combine these prerogatives (that is, they leave the enterprise, and/or sell their shares to non employees) in numbers sufficient for residual shareholding employees to collectively lose a controlling interest; or the company loses all outside shareholders and so reverts to a form of cooperative; or the company shrinks for lack of new risk capital of unsecured loans. Thus, the employee owned enterprise, unless tamed, is bound to be literally a transitional form of enterprise, whether in transitional economies or in standard market economies (Charny, 1999).

### **2.7.2 Employees Empowerment in Corporate Governance**

The implications of employee ownership have been grossly neglected; particularly in view of the inordinately massive literature devoted to employee self management and value added sharing form ward (1958) and Vanek (1970) to date. Indeed, employee empowerment lends itself to being confused, and often is, with self management, which is fundamentally different.

Traditionally, the study of corporate governance has emphasized the separation between enterprise empowerment and control, that is, the delegation of managerial functions to a professional executive (or group of executives treated as a single unit), professional managers always have some discretion, which they may use to pursue their own interest instead of simply maximizing the market valuation of the enterprise as a going concern in best interest of empowerment of employees. Thus managers will also be interested in other targets to which their earnings and other reward (status fulfillment, self esteem) are frequently related – for instance, enterprise size (whether measured by employment, output, or capital or growth. A principal agent arises possible limitations built into company statutes, on other defense mechanisms set up against potential challenges (Nutti, 2005).

Granting employees' power to initiate change, thereby encouraging them to take charge of what they do. Employees must be encouraged to take control of their work tasks. Employees, in turn, must care about improving their work process and interpersonal work relationships. (Snell and Bohlander, 2007). Employee empowerment is a technique of involving employees in their work through the process of inclusion. Empowerment encourages employees to become innovators

and managers of their own work, and it involves them in their jobs in ways that give them more control and autonomous decision making capabilities.

Typically, employee ownership creates a problem for corporate governance when employees (on their own, not counting managers) have a controlling interest that is diluted among a greater share of employment than of capital. The Russian option 2, granting over 50% equity virtually all employees, was bound to create precisely this set-up, unless managerial holdings plus subsequent share transactions reduce the number of less-than-balanced shareholders to a level below that required to exercise a controlling interest. There is no need for prior collusion on the part of less-than-balanced shareholders, they only need to be active and to exercise their vote in their interest. For shareholding stakeholders other than employees, the possible conflict with other shareholders is expected to be resolved through the profitability of merging the company in question with a company providing or taking over the function of those stakeholders (Stiles, 1993).

The popular support for employee corporate governance stands in stark contrast to the absence of employee participation and employee ownership in developed free market economies. Virtually every discussion of the subject notes the rarity of durable forms of worker control in modern business enterprises, except when it is mandated by law, as in Germany, or when special market conditions prevail, which is the case in Japan and Spain. The major reason for a lack of employee governance appears to be the relative inefficiency of worker- managed and worker – owned forms. As a consequence, we face a critical question, should employee governance be given up as an impractical moral idea, or should we attempt to secure it by following the examples of Germany, Japan or Spain? (Charny, 1999).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Research Design**

This research was conducted through a case study. A case study was chosen because it enabled the researcher to have an in-depth understanding of the behaviour pattern of the corporate governance activities and employee satisfaction at the Immigration department. The importance of a case study is emphasized by Yin (1989) who acknowledges that a case study is a powerful form of qualitative and quantitative analysis that involves a careful and complete observation of a social unit, irrespective of what type of unit is under study, a view that is shared by Mugenda and Mugenda (2003).

#### **3.2 Population/Sampling Size**

The case study method chosen gathered information from the employees of Kenya Immigration department in Nairobi region to represent public institutions. The target population of study was 150 immigration department staff of different designation in Nairobi region. Sampling method was used.

#### **3.3 Sampling Design**

Stratified sampling method was used because it helped group population subjects with similar characteristics on the strata (Mugenda and Mugenda 2003). The target population was accessible to the researcher. The strata were based on staff designation and different work stations within Nairobi region. Random sampling was the method used for picking employees for the sample from the sample frame which were the Human Resource records on staffing. Since employees are the ones who feel the impact of the corporate governance activities, there was the need to get their perception on the efficiency and effectiveness of these practices in service delivery at the Immigration department. The sample was put into consideration different job groups, work sections and work stations within Nairobi region.

A proportionate stratified random sample of 34% of the target population was considered for the study. The sample included members of the entire staff category to ensure representation based on job levels and region. This is as indicated in the table below:

**Table 3.1: Sample population**

Designation	Region						Population size	Sample size
	Nyayo House	Namungu	JKIA	Loitoktok	Lokichuglo	Wilson		
DIS	1	0	0	0	0	0	1	0
DDIS	1	0	0	0	0	0	1	0
SADDIS	1	0	0	0	0	0	1	1
ADIS	1	0	0	0	0	0	1	1
PIO	3	1	1	1	1	1	8	2
I.O.II	40	5	10	1	0	5	61	23
I.O.I	30	5	10	1	2	2	50	17
S.I.O	14	1	5	0	0	0	20	8
C.I.O	5	1	1	0	0	0	7	3
<b>TOTAL</b>							<b>150</b>	<b>55</b>

Source: Author (2009)

### 3.4 Data collection

Both qualitative and quantitative primary data was used for the study. A combination of both methods was used to source for information from the selected sample. Data was collected by means of a questionnaire, which consisted of open-ended and closed-ended questions. The structured questionnaire consisted of three parts and was self administered through a drop and pick latter method. An unstructured interview guide was used to address the general issues on corporate governance and thus provide qualitative data and for those who did not manage to complete the structured questionnaire. Literature review on corporate governance practices in relation to employee satisfaction form secondary sources such as published literature in Journals (both print and electronic), books abstracts, previous surveys and studies on corporate governance practices alongside the questionnaire.

A total of 55 questionnaires consisting of three sections were distributed to target. The researcher anticipated 50 questionnaires to be completed and returned. This gave an overall sample size of 55 and a response rate of 91 per cent. The questionnaire was piloted in Nyayo House Permits section before being used with the sections in the research project. A multi-respondent case-study approach was adopted. This was to partly address some of the methodological challenges, and partly to avoid the potential pitfalls and biases of single-rater studies.

### **3.5 Data Analysis Technique**

Data collected was both quantitative and qualitative. On receiving the questionnaires, the data collected were thoroughly checked and edited to ensure completeness, consistency, accuracy and uniformity through data editing, data coding and data tabulation. Data analysis was conducted using descriptive statistics, which included measures of central tendency, measures of variability and measures of frequency among others. Mugenda and Mugenda (2003) descriptive statistics enable meaningful description of a distribution of scores or measurements using a few indices or statistics. Measures of central tendency give us the expected score or measure from a group of scores in a study. Measures of variability, such as standard deviation, inform the analyst about the distribution of scores around the mean of the distribution. Frequency distribution shows a record of the number of times a score or record appears. The Statistical Package for Social Scientists (SPSS) program was used to analyze the data.

The data was also analyzed and coded using Corporate Governance practice and employees satisfaction areas as categories. Emergent categories will also be noted, such as 'new technology' providing there will be a sufficient density of response across all interviews.

At all times the codes also noted the job grade of the interviewee. Qualitative data from in depth interview were analyzed in a systematic way in order to come to some useful conclusions and recommendation. The data analysis explored the descriptive statistics comparing responses to the questionnaire over the three time periods, observing significant differences through the use of cross-tabulations and Chi-square tests on the non-parametric data.

The researcher, from the detailed information obtained from the study tried to establish patterns, trends and relationships from the information gathered. The researcher used frequencies to enable arranging of data from the lowest to the highest. Percentages measures of central tendency were also used as the data analysis techniques. The analysis results were presented in frequency tables, pie charts and descriptive analysis. Percentages were used to present the data in a clear and a more understandable way.

The project described the public institution context and detailed the changes that have taken place at the Kenya Immigration Department. Details of, Corporate Governance practices and employee satisfaction have been highlighted.

## CHAPTER FOUR

### ANALYSIS AND INTERPRETATION

#### 4.1 Introduction

This chapter discusses the data analysis, findings, interpretation and presentation. The objective of the study was to investigate corporate governance and employee satisfaction in Kenya immigration department. Where the data was analyzed using an analytical tool, presented by tables, pie charts and bar graphs and interpreted with frequencies and percentages. Likert-type findings were further processed to yield meaning interpretation using mean and the standard deviation. The target population of study will be 150 immigration department staff of different designation in Nairobi region. Sampling method will be used.

The chapter is organized into three sections where the first section is presentation of the demographic outlook of the respondents while the second one discusses the main objectives. The last section gives the conclusion of the objective findings in brevity.

#### 4.2 Demographic information

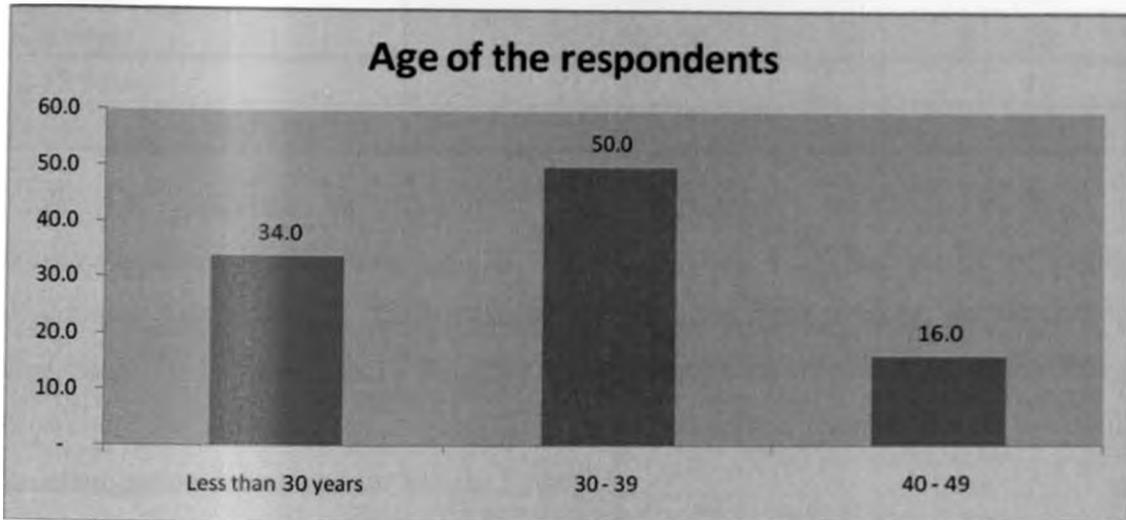
The demographic outlook of the target respondents was based on Gender of the Respondents Age of the respondents, Level of education, and the length of time respondents has been working in the organization/department

**Table 4.1: Gender of the Respondents**

Gender of the Respondents		
	Frequency	Percent
Male	27	54.0
Female	23	46.0
<b>Total</b>	<b>50</b>	<b>100.0</b>

Table 4.1 illustrates the gender of the respondents where majority (54 percent) were male and 46 percent were female employees. This indicates that most of the respondents are men.

**Figure 4.1: Age of the respondents**



Regarding the age of respondents majority (50 percent) of the employees were between 30 to 39 years and only 34 percent were below 30 years. This indicates that most of the respondents were over 30 years of age.

**Table 4.2: Level of education**

Level of education	Frequency	Percent
Bachelor degree	34	68.0
Masters Degree	16	32.0
<b>Total</b>	<b>50</b>	<b>100.0</b>

The researcher was interested to know the level of education of the employees from the immigration department where majority (68 percent) were holding bachelors degrees and 32 percent were masters' degree. This indicates that most employees were undergraduates.

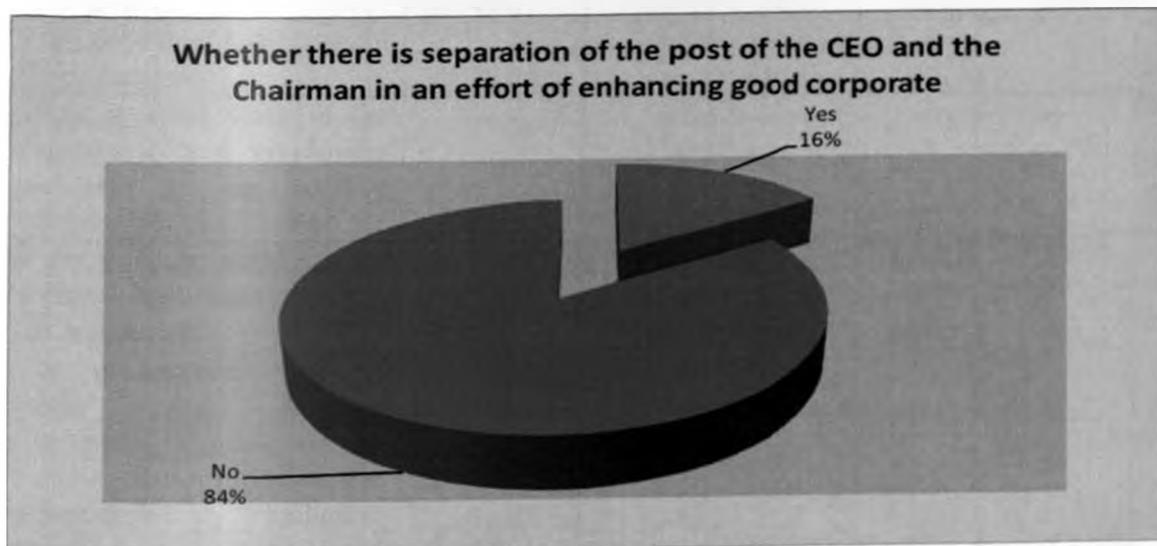
**Table 4.3: Length of time respondents has been working in the department**

<b>Length of time respondents has been working in the organization/department</b>		
	<b>Frequency</b>	<b>Percent</b>
1 - 5 years	32	64
5-10 years	10	20
10-15 years	8	16
<b>Total</b>	<b>50</b>	<b>100</b>

Table 4.3 illustrates the length of time respondents has been working in the organization/department where majority (64 percent) have been working in the immigration department for between 1 to 5 years, 20 percent have been working in the immigration department for between 5 to 10 years, while 16 percent have been working in the immigration department for between 10 to 15 years. This shows that most of the respondents have worked in the immigration department for less the 5 years.

### **4.3 Objectives of the study**

**Figure 4.1: Whether there is separation of the post of the DIRECTOR and the Chairman in an effort of enhancing good corporate**



The researcher wanted to know whether there is separation of the post of the DIRECTOR and the chairman in an effort of enhancing good corporate. Majority 84 percent disagreed that there is

separation of the post of the Director and the Minister in an effort of enhancing good corporate while 16 percent agreed. This indicates that most employees feel that there is no separation of the post of the Director and the Minister in and effort of enhancing good corporate.

**Table 4.4: The extent to which you agree to the following statements regarding the management of the department of immigration**

State the extent to which you agree to the following statements regarding the management of the department of immigrant							
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std.d ev
The employees rights are protected by the organization	-	44.0	-	30.0	26.0	2.6	1.3
The employees obtain relevant material information on the organization on a timely basis	64.0	-		36.0	-	3.9	1.4
Employees participate and vote in general employees meeting	-	16.0	64.0	20.0	-	3.0	0.6
Employees elect and remove the Director	-	-	-	70.0	30.0	4.3	0.5
The department exercises fairness in treatment of the employees irrespective of their diversity	44.0	-	30.0	6.0	20.0	3.4	1.6
I feel confident talking about the department	74.0	-	26.0	-	-	4.5	0.9
There is team work in the department and employees are able to tap positive energies from each other.	28.0	56.0	-	16.0	-	4.0	1.0
I enjoy high standards of security and safety within the department	50.0	18.0	4.0	28.0	-	3.9	1.3
The management ensures timely and accurate disclosure is made on all material matter regarding the department including financial position and performance.	30.0	16.0	6.0	48.0	-	3.3	1.3
The management ensures strategic guidance of the	46.0	34.0	-	-	20.0	3.9	1.5

department, the effective monitoring of management by the Board and the Boards accountability to the department and the employees						
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Table 4.4 illustrates the extent to which you agree to the following statements regarding the management of the department of immigration. There were five levels where strongly agree had five points, agree had 4 points, neutral had 3 points, disagree had 2 points, while strongly disagree had 1 point. Majority of the respondents strongly agreed that they felt confident talking about the department with mean of 4.5. While employees agreed that employees elect and remove members of the Board, team work in the department and employees are able to tap positive energies from each other, employees obtain relevant material information on the organization on a timely basis, employees enjoy high standards of security and safety within the department, the management ensures strategic guidance of the department, while effective monitoring of management by the Board and the Boards accountability to the department and the employees with mean of 4.3, 4.0, 3.9, 3.9, 3.9 respectively.

In addition the employees were neutral that, department exercises fairness in treatment of the employees irrespective of their diversity, management ensures timely and accurate disclosure is made on all material matter regarding the department including financial position and performance, employees participation and vote in general employees meeting, while employees rights are protected by the organization with mean of 3.4, 3.3, 3.0, 2.6 respectively. This shows that most respondents are very confident when talking about the department.

**Table 4.5: Team work and cooperation**

Team work and cooperation							
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std. dev
In my sections team meeting/briefing are conducted on a regular basis	74.0	-	20.0	6.0	-	4.4	1.0
The team and I are willing to improve the way we do things/work	74.0	26.0	-	-	-	4.7	0.4
My teams objectives are consistent with those of the department of immigration	64.0	36.0	-	-	-	4.6	0.5
In my section team meetings are generally useful and informative	64.0	36.0	-	-	-	4.6	0.5
In this department disagreements are openly discussed to resolve differences in opinion	20.0	-	44.0	36.0	-	3.0	1.1

Regarding employees satisfaction, the researcher was interested to know team work and cooperation where majority of the employees strongly agreed that the team and individuals were willing to improve the way things/work are done, teams objectives were consistent with those of the department of immigration, section team meetings were generally useful and informative with mean of 4.7, 4.6, 4.6 respectively, while employees agreed that sections team meeting /meeting/briefing were conducted on a regular basis with mean of 4.4. In addition employees were neutral that department disagreements were openly discussed to resolve differences in opinion with mean of 3.0. This shows most employees in various teams were willing to improve the way they did work also objectives and team meeting were used to enhance team work and cooperation.

**Table 4.6: Communication**

Communication							
	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Mean	Std.dev
Senior managers communicate effectively with their subordinate staff	-	74.0	20.0	6.0	-	3.7	0.6
There is good communication within my team/ working group	28.0	6.0	30.0	20.0	16.0	3.1	1.4
I learn more about the department through rumours than through official communication	-	36.0	-	30.0	34.0	2.4	1.3
I feel able to communicate directly with people in other sections	34.0	46.0	20.0	-	-	4.1	0.7
I am given sufficient notice and explanation of changes in policy practices and procedures	-	50.0	50.0	-	-	3.5	0.5
Where I work I feel I can freely express my views	28.0	22.0	-	20.0	30.0	3.0	1.7

In addition the researcher was interested to know how communication affected employee's satisfaction. Majority of the employees agreed that they feel able to communicate directly with people in other sections, senior managers communicate effectively with their subordinate staff, and that employees are given sufficient notice and explanation of changes in policy practices and procedures with mean of 4.1, 3.7, 3.5 respectively, while employees were neutral that there is good communication within my team/ working group, worker can freely express their feelings, employees learn more about the department through rumors than through official communication with mean of 3.1, 3.0, 2.4 respectively. This shows most employees are able to communicate directly with people in other sections, senior managers communicate effectively with their

ordinate staff, and that employees are given sufficient notice and explanation of changes in  
 by practices and procedures

Table 4.7: Rating the immediate senior (manager/supervisor) on the following aspects

Rating the immediate senior (manager/supervisor) on the following aspects							
	Very Good	Good	Average	Poor	Very poor	Mean	Std.dev
Being accessible to you	58.0	26.0	16.0	-	-	4.4	0.8
Keeping you informed	78.0	22.0	-	-	-	4.8	0.4
Listening to your ideas and opinions	48.0	22.0	30.0	-	-	4.2	0.9
Dealing fairly with everyone	28.0	42.0	-	30.0	-	3.7	1.2
Being flexible when you have a personal or family matter to attend to	28.0	42.0	-	30.0	-	3.7	1.2
Inducting you to responsibilities	28.0	42.0	-	-	30.0	3.4	1.6
Recognizing you when you do good work	28.0	42.0	30.0	-	-	4.0	0.8
Providing you with clear and regular performance feedback	-	34.0	36.0	-	30.0	2.7	1.2
Appraising performance	-	50.0	20.0	30.0	-	3.2	0.9
Setting clear targets	-	42.0	28.0	-	30.0	2.8	1.3
Practices good delegation	28.0	6.0	46.0	20.0	-	3.4	1.1

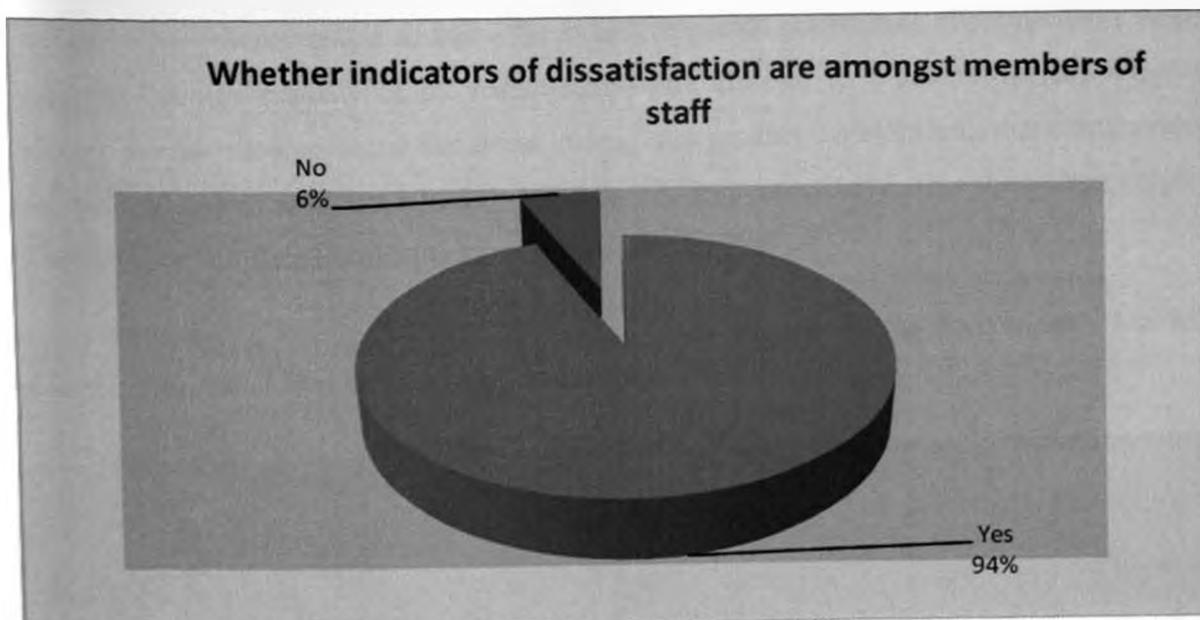
The researcher was interested to know rating the immediate senior (manager/supervisor). From the findings majority of the respondents said their manager was very good in keeping employees informed with mean of 4.8. while employees rated their managers as good in accessibility, listening to employees ideas and opinions, recognizing good work, dealing fairly with everyone, and being flexible when employees have personal or family matter to attend to with mean of 4.4, 4.2, 4.0, 3.7, 3.7 respectively. In addition managers were averagely good conducting induction to responsibilities, Practices good delegation, Appraising performance, setting clear targets, providing you with clear and regular performance feedback, with mean of 3.4, 3.4, 3.2, 2.8, 2.7 respectively. This shows that managers were very good in keeping employees informed, while they are good in accessibility, listening to employees' ideas and opinions, recognizing good work, dealing fairly with everyone, and being flexible when employees have personal or family matter to attend to.

**Table 4.8: Whether the respondents has experience any form of harassment and discrimination at the work place**

Whether the respondents has experienced any form of harassment and discrimination at the work place		
	Frequency	Percent
No	50	100

Table 4.8 illustrates whether the employees have experience on any form of harassment and discrimination at the work place. From the findings all respondents had not experienced any form of harassment and discrimination at the work place. This shows there is no harassment or discrimination in the work place.

**Figure 4.2: Whether there are indicators of dissatisfaction are amongst members of staff**



The researcher was interested to know, whether there are indicators of dissatisfaction amongst members of staff. From the findings majority (94 percent) agreed that there are indicators of dissatisfaction amongst members of staff while 6 percent disagreed. This indicates that most members of staff are not dissatisfied.

**Table 4.9: To what extent does corporate governance affect decision making in the following areas**

To what extent does corporate governance affect decision making in the following areas						
	Very great extent	Great extent	Moderate extent	Negative	Mean	Std. dev
Marketing Strategy	28.0	66.0	6.0	-	3.2	0.5
Financial Outsourcing	-	94.0	6.0	-	2.9	0.2
New Product Development	36.0	58.0	6.0	-	3.3	0.6
Human Resource Hiring and Down sizing	58.0	16.0	26.0	-	3.3	0.9
Expansion Strategy	48.0	46.0	6.0	-	3.4	0.6

The researcher was interested to know the extent corporate governance affect decision making. From the findings majority of the respondents were affected to a great extent by expansion strategy, human resource hiring and down sizing, new product development, marketing strategy, and financial option with mean of 3.4, 3.3, 3.3, 3.2, 2.9 respectively. This shows that corporate governance affect decision making to a great extent.

**Table 4.10: Whether introduction of corporate governance in the department, has made changes in terms of how the organization is run**

Whether introduction of corporate governance in the department, has there been a change in terms of how the organization is run		
	Frequency	Percent
Yes	50	100.0

In addition the researcher was interested to know whether introduction of corporate governance in the department, has made changes in terms of how the organization is run, from the findings all employees agreed that introduction of corporate governance in the department, made change in terms of how the organization is run. This shows that organization corporate governance has greatly contributed to changes in how the immigration department is run.

**Figure 4.3: Whether the changes led to improvement or decline on how the department is managed**

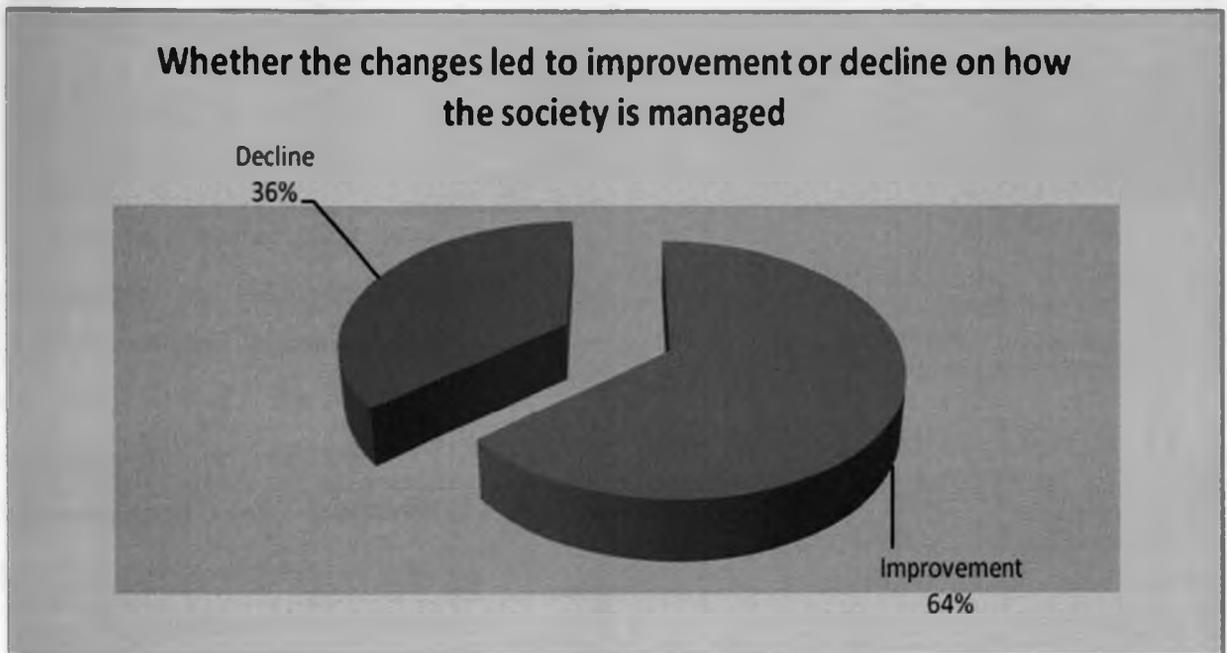


Figure 4.3 illustrates whether the changes led to improvement or decline on how the department is managed. From the findings majority (64 percent) of the employees agreed that changes improved how department is managed while 36 percent declined. This shows that changes changed how department is managed.

**Table 4.11: If your answer was decline, indicate the extent to which the decline can be attributed to the following**

If your answer was decline, indicate the extent to which the decline can be attributed to the following						
	To no extent	Small extent	Large extent	Very large extent	Mean	Std. Dev
The Board and management have concentrated on achieving the goals of corporate governance at the expense of the normal management of the department.	-	6.0	-	30.0	1.3	1.8
Implementation of corporate governance consumes a lot of time	-	30.0	6.0	-	0.8	0.9
Corporate governance has brought a lot of bureaucracy in management	-	6.0	30.0	-	1.0	0.6
Corporate Management has changed employee performance at the department	-	6.0	-	30.0	1.3	1.8

In addition the researcher was interested to know the extent to which decline can be attributed to the following factors. From the findings majority of respondents attributed to a small extent that implementation of corporate governance consumes a lot of time, corporate governance has brought a lot of bureaucracy in management, corporate management has changed employee performance at the department, board and management have concentrated on achieving the goals of corporate governance at the expense of the normal management of the department with mean of 0.8, 1.0, 1.3, 1.3 respectively. This shows that decline in managed of department is not attributed to time taken on implementation, bureaucracy in management, employee performance at the department, concentration on achieving the goals of corporate governance at the expense of the normal management of the department.

**Table 4.12: Participation in corporate governance decision making in the following areas**

Participation in corporate governance decision making in the following areas						
	Very great extent	Great extent	Moderate extent	Not at All	Mean	Std.dev
Determining the direction and performance of the department by offering strategic guidance	30.0	-	48.0	22.0	2.4	1.1
Ensuring long term strategic objectives and plans are established	30.0	-	20.0	50.0	2.1	1.3
Effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability	-	20.0	58.0	22.0	2.0	0.6
Putting in place the right system of checks and balances based on merit to reduce fraud and corruption	-	20.0	30.0	50.0	1.7	0.8
Designing methods of financing the department	-	30.0	20.0	50.0	1.8	0.9
Effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability	-	50.0	-	50.0	2.0	1.0
Taking cognizance of the role the political process plays in resolving potential complications to attain the departments goal	-		50.0	50.0	1.5	0.5
Setting rules practices and procedures by which managers are held accountability	30.0	20.0	-	50.0	2.3	1.3
Maintaining the economic health of the department and employees in general	30.0		20.0	50.0	2.1	1.3
Take due regard of and dealing fairly with employees interests	-	30.0	-	70.0	1.6	0.9

The researcher was interested to know participation in corporate governance in decision making. From the findings employees agreed that corporate governance participates in decision making, to a moderate extent in the following areas, determining the direction and performance of the department by offering strategic guidance, Setting rules practices and procedures by which

managers are held accountability, ensuring long term strategic objectives and plans are established, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability, with mean of 2.4, 2.3, 2.1, 2.1, 2.0, 2.0 respectively. In addition corporate governance participates in decision making to moderate in designing methods of financing the department, putting in place the right system of checks and balances based on merit to reduce fraud and corruption, take due regard of and dealing fairly with employees interests, taking cognizance of the role the political process plays in resolving potential complications to attain the departments goal, with mean of 1.8, 1.7, 1.6, 1.5 respectively.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary and Findings

This study sought to identify the relationship between corporate governance and employee satisfaction at the Kenya Immigration department. This study will benefit Public sector policy makers and stakeholders. Decision makers at the various levels of management will gain value added information on the corporate governance practices as a key enabler of developing economic perspective. Majority (54 percent) of respondent was male and 46 percent were female employees. Majority (50 percent) of the employees was between 30 to 39 years of age and only 34 percent were below 30 years of age. Majority (68 percent) was holding bachelor degrees and 32 percent were masters' degree. Majority (64 percent) has been working in the immigration department between 1 to 5 years, 20 percent has been working in the immigration department between 5 to 10 years. Majority 84 percent agreed that there is separation of the post of the director and the minister in an effort of enhancing good corporate.

Majority of the respondents strongly agreed that they felt confident talking about the department with mean of 4.5. While employees agreed that employees elect and remove members of the Board, team work in the department and employees are able to tap positive energies from each other, employees obtain relevant material information on the organization on a timely basis, employees enjoy high standards of security and safety within the department, the management ensures strategic guidance of the department, while effective monitoring of management by the Board and the Boards accountability to the department and the employees with mean of 4.3, 4.0, 3.9, 3.9, 3.9 respectively. Majority of the employees strongly agreed that the team and individuals were willing to improve the way things/work are done, teams objectives were consistent with those of the department of immigration, section team meetings were generally useful and informative with mean of 4.7, 4.6, 4.6 respectively.

Majority of the employees agreed that they feel able to communicate directly with people in other sections, senior managers communicate effectively with their subordinate staff, and that employees are given sufficient notice and explanation of changes in policy practices and procedures with mean of 4.1, 3.7, 3.5 respectively. Majority of the respondents said their manager was very good in keeping employees informed with mean of 4.8. From the findings all respondents had not experienced any form of harassment and discrimination at the work place. Majority (94 percent) agreed that there are indicators of dissatisfaction amongst members of staff while 6 percent disagreed. Majority of the respondents were affected to a great extent by expansion strategy, human resource hiring and down sizing, new product development, marketing strategy, and financial option with mean of 3.4, 3.3, 3.3, 3.2, 2.9 respectively.

All employees agreed that introduction of corporate governance in the department, made change in terms of how the organization is run. Majority (64 percent) of the employees agreed that changes improved how department is managed while 36 percent declined. Majority of respondents attributed to a small extent that implementation of corporate governance consumes a lot of time, corporate governance has brought a lot of bureaucracy in management, corporate management has changed employee performance at the department, board and management have concentrated on achieving the goals of corporate governance at the expense of the normal management of the department with mean of 0.8, 1.0, 1.3, 1.3 respectively. employees agreed that corporate governance participates in decision making, to a moderate extent in the following areas, determining the direction and performance of the department by offering strategic guidance, Setting rules practices and procedures by which managers are held accountability, ensuring long term strategic objectives and plans are established, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity reputation and accountability, with mean of 2.4, 2.3, 2.1, 2.1, 2.0, 2.0 respectively.

## **5.2 Conclusion**

Based on the findings the researcher concludes that there is a relationship between corporate governance practices and employee satisfaction and that satisfied employee's perform better at their place of employment. With regard to management of the department most respondents are very confident when talking about the department and most employees in various teams were willing to improve the way they did work also objectives and team meeting were used to enhance team work and cooperation. Most of the employees in the Kenya Immigration department can communicate directly with people in other sections, senior managers communicate effectively with their subordinate staff, and that employees are given sufficient notice and explanation of changes in policy practices and procedures. Managers were very good in keeping employees informed, while they are good in accessibility, listening to employee's ideas and opinions, recognizing good work, dealing fairly with everyone, and being flexible when employees have personal or family matter to attend to.

On decision making, corporate governance practices affect decision making to a great extent. The departments corporate governance has greatly contributed to changes in how the immigration department is run to achieve the goals of the department. The department director and management are keen to apply good corporate governance practices in decision making, setting rules practices and procedures by which managers are held accountable, ensuring long term strategic objectives and plans are established, effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity, reputation and accountability.

## **5.3 Recommendations**

Corporate governance refers to the standards or behavior and codes of conduct, which govern the relationship between various participants in determining the direction and performance of corporations. Employee satisfaction is a measure of how happy employees are with their job and working environment. Keeping morale high among employees can be of tremendous benefit to any company, as happy employees will be more likely to produce more, take fewer days off, and stay loyal to the company.

With this in mind immigration department must set up effective body responsible for governance separate and independent of management so as to promote: Accountability where leaders must be ready to account, Efficiency and effectiveness hence leadership for results, Honesty and integrity for leadership that is honest, faithful and diligent and Transparent and open leadership with accurate and timely disclosure of information relating to economic and other activities of the corporation.

There must be an all inclusive approach to governance that recognizes and protects the rights of members and all stakeholders – internal and external, in addition the institution must be governed and managed in accordance with the mandate granted to it and lastly the institutional governance framework should provide an enabling environment within which its human resources can contribute and bring to bear their full creative powers towards finding innovative solutions to shared problems

Managers should respect employees and the job they perform. The employees should be treated with courtesy and interest. An easy avenue for employees to discuss problems with upper management should be maintained and carefully monitored.

#### **5.4 Suggestions for further studies**

The study also suggested areas for further study:

- i. There is need to carry the same study in other Immigration department regions to find out whether the same results will be obtained.
- ii. A study research should be carried out on how effective corporate governance in eliminating or controlling government bureaucracy.
- iii. A study research should be carried out on other government departments to find out the roles played by corporate governance on employee's satisfaction.

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## **APPENDIX I: Letter of Introduction**

**UNIVERSITY OF NAIROBI  
SCHOOL OF BUSINESS  
DEPARTMENT OF BUSINESS ADMINISTRATION  
MBA PROGRAMME-LOWER KABETE CAMPUS  
P.O. BOX 30197 NAIROBI, KENYA**

10<sup>th</sup> February, 2010

Dear sir/Madam

### **TO WHOM IT MAY CONCERN**

The bearer of this letter, **Jane Kavene Andrew**, Registration No. D61/70045/2008 is a Masters of Business Administration student at the University of Nairobi. She is conducting a research project on corporate Governance and employee satisfaction in public institutions: a case of immigration department. This information is purely for academic purposes and a copy of the findings will be availed to you upon request. Any information received will be treated with strict confidentiality and at no point will your name or that of your organization be mentioned in the final report.

Therefore, this is to request for cooperation in filling up this questionnaire in the best way possible to make the exercise a success. You will be required to either tick or write down where it is appropriate. The information given will be treated confidentiality.

Your cooperation will be highly appreciated. Thank You

Yours faithfully

**Dr. Martin Ogutu**

**Supervisor**

## APPENDIX II: Questionnaire on Corporate Governance and Employees Satisfaction

### SECTION A: DEMOGRAPHIC INFORMATION

1) Name (Optional) .....

2) Designation of the employee

DIS	[ ]	DDIS	[ ]	SADIS	[ ]
ADIS	[ ]	PIO	[ ]	CIO	[ ]
SIO	[ ]	IOI	[ ]	IOII	[ ]

3) Station.....

4) Gender                      Male                      [ ]                      Female                      [ ]

5) Age in years

Less than 30 years	[ ]	50 – 59	[ ]
30 – 39	[ ]	60 years and above	[ ]
40 – 49	[ ]		

6) Level of education

Secondary certificate	[ ]	Bachelors Degree	[ ]
College certificate/diploma	[ ]	Masters Degree	[ ]
Any other (Kindly indicate) .....			

7) How long have you been working in the organization/department?

1 – 5 years [ ]      5 – 10 years [ ]      10-15 Years [ ]      16 years and above [ ]

## SECTION B: CORPORATE GOVERNANCE PRACTICES

8) Do you think there is enough separation of the post of the Director and the Minister in an effort of enhancing good corporate governance?

Yes [ ] No [ ]

9) State the extent to which you agree to the following statements regarding the management of the department of immigrant.

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Not sure
a) The employees rights are protected by the department and have effective redress for violation of their rights						
b) There is encouragement of professionalism, integrity and excellence in the Department.						
c) The employees obtain relevant material information on the department on a timely basis						
d) Employees are transparent and accountable in the Department						
e) The Department exercises fairness in treatment of the employees irrespective of their diversity.						
f) I feel confident talking about the Department.						
g) There is team work in the Department and employees are able to tap positive energies from each other.						
h) I enjoy high standards of security and safety within the Department.						
i) The management ensures timely and accurate disclosure is made on all material matter regarding the department including financial position and performance.						
j) The management ensures strategic guidance of the department, the effective monitoring of management by the Director and accountability to the department and the employees						

## SECTION C: EMPLOYEES SATISFACTION

### a. Team work and cooperation

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Not sure
(a) In my section team meetings/briefing are conducted on a regular basis						
(b) The team and I are willing to improve the way we do things/work						
(c) My teams objectives are consistent with those of the Department of Immigration						
(d) In my section team meetings are generally useful and informative						
(e) In this department disagreements are openly discussed to resolve differences in opinion						

### b. Communication

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Not sure
(a) Senior managers communicate effectively with their subordinate staff						
(b) There is good communication within my team/working group						
(c) I learn more about the Department through rumours than through official communication						
(d) I feel able to communicate directly with people in other sections						
(e) I am given sufficient notice and explanation of changes in policy, practices and procedures.						
(f) Where I work I feel I can freely express my views.						

**c. Rating the immediate senior (manager/supervisor) on the following aspects**

	Very good	Good	Average	Poor	Very poor	Not sure
a) Being accessible to you						
b) Keeping you informed						
c) Listening to your ideas and opinions						
d) Dealing fairly with everyone						
e) Being flexible when you have a personal or family matter to attend to						
f) Inducting you to responsibilities						
g) Recognizing you when you do good work						
h) Providing you with clear and regular performance feedback.						
i) Appraising performance						
j) Setting clear targets						
k) Practices good delegation						

10. (a) Do you experience any form of harassment and discrimination at your workplace?

- Yes  No.

(b) If yes, what kind of harassment?

- Sexual harassment  Bullying
- Disability  Age
- Racial/ Tribe

11. ( a) In your opinion, are there indicators of dissatisfaction amongst members of staff?

- Yes  No.

(b) If yes, what kind?

.....

.....

.....

( c ) In your opinion, what governance practices would address the dissatisfaction amongst members of staff?

.....

.....

**SECTION D: CORPORATE GOVERNANCE PRACTICES AND EMPLOYEE SATISFACTION**

10) Have systems in the department favoured corporate governance in the Department? Explain

.....

.....

.....

.....

11) To what extent does corporate governance affect decision making in the following areas.

	<b>Very great extent</b>	<b>Great extent</b>	<b>Moderate extent</b>	<b>Negatively</b>	<b>Not at All</b>
Marketing Strategy					
Financial Outsourcing					
New Product Development					
Human Resource Hiring and Down sizing					
Expansion Strategy					

12) With the introduction of corporate governance and changing from P.I.O. to Director as head of the Department in your organization, has there been a change in terms of how the organization is run?

Yes  No

b) If yes, has the changes led to improvement or decline on how the department is managed?

Improvement  Decline

13) If your answer was decline, indicate the extent to which the decline can be attributed to the following?

	To no extent	Small extent	Large extent	Very large extent
	1	2	3	4
The Director and management have concentrated on achieving the goals of corporate governance at the expense of the normal management of the department.				
Implementation of corporate governance consumes a lot of time.				
Corporate governance has brought a lot of bureaucracy in management				
Corporate Management has changed employee performance at the department.				

14) To what extent do you participate in corporate governance decision making in the following areas.

	Very great extent	Great extent	Moderate extent	Not at All
Determining the direction and performance of the department by offering strategic guidance				
Ensuring long-term strategic objectives and plans are established				
Effective monitoring and ensuring proper management structures are in place to achieve the set objectives while maintaining integrity, reputation and accountability				
Putting in place the right system of checks and balances based on merit to reduce fraud and corruption.				
Adding value to department stakeholders by having appropriate standards of governance and avoiding selfish interest				
Designing methods of financing the department				
Risk management and controls to achieve set goals				
Taking cognizance of the role the political process plays in resolving potential complications to attain the departments goal				
Setting rules, practices and procedures by which managers are held accountable				
Maintaining the economic health of the department and employees in general.				
Take due regard of and dealing fairly with employees interests				

15) Any other comment? Kindly explain .....