

**INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON  
MANAGEMENT OF PUBLIC TECHNICAL TRAINING INSTITUTES IN  
NAIROBI CITY COUNTY, KENYA**

**Mulwa Rose Ndanu**

**A Research Project Submitted in Partial Fulfillment of the Requirements for  
the Award of Degree of Master of Education in Corporate Governance**

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## **DECLARATION**

The research project is my original work and has not been submitted for a degree in any other university.

.....  
Mulwa Rose Ndanu  
E55/73907/2014

This research project has been submitted for examination with our approval as university supervisors.

.....  
Mr. Edward Kanori  
Lecturer  
Department of Educational Administration and Planning  
University of Nairobi

.....  
Dr. Lucy Wangui Njagi  
Lecturer  
Department of Educational Administration and Planning  
University of Nairobi

## **DEDICATION**

This project is dedicated to my husband Mr. Wilson Mulwa and my sons Jimmy, Moses and Paul who understood, encouraged and supported me in the process of conducting this study. Your enormous contribution has been invaluable and timeless. I love you all and may God's blessings be showered upon you all.

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## **ABBREVIATIONS AND ACRONYMS**

<b>BOMs</b>	Board of Managements
<b>IFMIS</b>	Integrated Financial Management System
<b>LEA</b>	Local Education Authority
<b>MOEST</b>	Ministry of Education, Science and Technology
<b>MOU</b>	Memorandum of Understanding
<b>NACOSTI</b>	National Commission for Science, Technology and Innovation
<b>OECD</b>	Organization for Economic Co-operation and Development
<b>TTIs</b>	Technical Training Institutes
<b>TVET</b>	Technical and Vocational Education and Training
<b>UK</b>	United Kingdom
<b>USA</b>	United States of America

## **ABSTRACT**

The purpose of this study was to investigate the influence of corporate governance practices on the management of public Technical Training Institutes in Nairobi City County. The study objectives were; to determine the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes, to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes, to determine the extent to which timely public reporting by Board of Management influence management of public Technical Training and to determine the extent to which round table meetings by Board of Management influence the management of public Technical Training Institutes. The study employed descriptive research design. The study target population was 3 Technical Training Institutes in Nairobi City County. Since the population size for principals and bursars was small, census technique was adopted to select a sample of 3 principals and 3 bursars. Simple random sampling technique was used to select a sample size of 51 Board of Management members. Primary data were collected through the use of semi-structured questionnaires and interview guides. The results of the study indicated that the Technical Training Institutes where Board of Management selection criteria was effective managed schools better than those whose selection criteria were not effective. Further, Technical Training Institutes where financial record keeping was poor was characterized by poor management than those institutes that had a good financial record keeping. Technical Training Institutes where public reporting was untimely was characterized by poor management of Technical Training Institutes than those institutes that practiced timely reporting. Finally, Technical Training Institutes that conducted round table meetings was characterized by good management of Technical Training Institutes. Based on research finding it can be concluded that Board of Management selection criterion, financial record keeping, public reporting and round table meetings influence management of Technical Training Institutes. It is recommended that the management of the Technical Training Institutes selects competent and qualified Board of Management. It is also recommended that Technical Training Institutes adopt an Integrated Financial Management System (IFMIS) to detect financial frauds.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the study**

Corporate governance is a combination of policies, laws and instructions influencing the way an institution is managed and controlled, it consists of a framework of rules to grant transparency and fairness in the relationship between the institution and the management. Corporate governance promotes efficient, management of learning institutions; responsive and accountable managements; legitimate institutions that are managed with integrity and transparency (Omondi & Nyenyi, 2016). In the education sector, corporate governance is important in the management of financial resources of the school (Arimoto, 2004).

The criteria for selecting Board of Management is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education (Wainaina, 2015). Corporate governance practices are guided by principles that include requirements needed to be selected to the board, assessing financial reports and reporting timely and balanced public reports (Corporate Governance Council, 2007). Critique of past studies indicates that when the above aspects of corporate governance are integrated and holistically managed, an organization tends to deliver (OECD, 2006).

A learning institution should evolve strategies regarding financial records management and cash management. Growth and development of educational

sector is dependent on how well finances are managed (Saunders & Cornett, 2014). Financial management is concerned with organization's decisions on how to source for funds, how to control financial resources through financial controls, prudent allocation of financial resources and accountability measures. It is fundamental for the success of any entity (Munge, Kimani & Ngugi, 2016).

The aspect of public reporting defines the intercommunication between management of technical institutions and the Ministry of Education. Public reporting is a necessary ingredient of good public governance (Daglio, Gerson & Kitchen, 2014). By adhering to corporate governance practices, the management of Technical Training Institutes is able to achieve accountability and integrity, improve operations, and instill confidence to the public and stakeholders (OECD, 2012).

At each round table committee meeting, the Board of Management is expected to meet and evaluate the overall management of the institution. The Board governs through meetings and delegation. The Kenyan Education Act (2013) stipulates that there should be a meeting after every four months. The Board conducts frequent meetings to discuss strategies of improving the management of the training institution.

Effective management is the co-ordination of all the resources of an organization through the process of planning, organizing, and directing to the places in order to attain organizational objectives (Akinnubi, 2010). As related to the school system, the board performs the same management functions of rational organization and



efficient utilization and control of institute's resource to maximally achieve school goals at different stages and in different circumstances. Effective and efficient management of the school is indispensable (Akinnubi, Gbadeyan, Fashiku & Kayode, 2012).

In USA, Technical Training Institutes (TTIs) are actively involved in training students for the future workforce required for the huge economy. This includes partnership formed through an agreement and signed memorandum of understanding (MOU) where TTI, employers, industry associates, education entities and community stakeholders all contribute to the training of the emerging and incumbent work force (Shackleton,1995). This training can take place in various places; in classrooms, in the field through on the job training, or through employers company (Heti, 2013).

In Britain, educational reforms were initiated to promote technical training for young people. Low levels of productivity were linked to low levels of technical skill among workforce in England. Local Education Authorities (LEA) of England was mandated to expand technical and vocational training (Leney *et al.*, 2004).

Brazil runs an educational system aimed at training students both technical skills and general education curricula. The first degree education is supplemented with technical training. The country's National Service for Industrial Apprenticeship selects students for technical training (NSIA) (Akor et al., 2016).

In Africa, a study on the condition of corporate governance is very important. The key Board Report and code of practice for corporate governance of 1994 in South Africa keeps on invigorating corporate governance in Africa. Nations like Zimbabwe, Ghana, Uganda and South Africa set up national institutional components to advance great corporate governance (Miringa, 2015) as cited by (Vickey, 2001). In Ghana, learning institutions are required to enhance access to education by building schools capacity through proper corporate governance in financial management (Dasmani, 2011). This ensures that schools are able to provide both affordable education and better services in their facilities.

In Kenya, education is one of the pillar of Kenya Vision 2030 and requirements of the constitution. In that regard, prudent corporate governance practices of accountability is needed in developing educational sector in Kenya (GoK, 2012). The development of technical skills through technical and vocational training is necessary for the growing economy (Technical and Vocational Training Education Act, 2013). Technical Training Institutes are meant to prepare students for technical jobs (Mwaniki, 2015). Effective corporate governance system is necessary for proper management of Technical Training Institutions.

## **1.2 Statement of the problem**

Technical Training Institutes prepare learners for jobs that require technical skills. There is need to transform TTIs in order to build greener societies, generate more workforce and tackle global unemployment. The Technical Training Institutes in Nairobi City County attract many youths and students completing secondary

education. Nairobi City County hosts lots of technical job opportunities that require technical skills (Omwenga, 2010). However, according to a report released by African Development Fund Kenya (2015), performance of Technical Training Institutes in Kenya remains a big problem in the modern competitive business environment. The problems facing technical training education in Kenya indicate the need for reforms in the management of these institutions. Most Technical Training institutes(TTIs) suffer problems of resource embezzlement and integrity issues which result from poor management practices (Nyerere, 2009).

According to Education Sector Governance and Accountability Action Plan 2007 some of the problems faced by most of the Training Institutes in Nairobi City County include mismanagement of resources and frauds. Effective management of Technical Training institutes determines the achievement of set goals for the institution. Dasmani (2011) observed that considering the expensive nature of TTIs as a form of education, it is logical that the training system would be effective if resources are well managed. The outlined problems are a clear pointer that there exists a problem of governance in TTIs. It is for these reasons that this study aims to establish the influence of corporate governance practices on the management of public Technical Training Institutes in Nairobi City County.

### **1.3 Purpose of the study**

The purpose of this study was to establish the influence of corporate governance practices on the management of public Technical Training Institutes in Nairobi City County.

### **1.4 Objectives of the study**

The following specific objectives guided the study.

- i. To determine the influence of selection criteria of BOM members on management of public Technical Training Institutes in Nairobi City County
- ii. To establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County
- iii. To determine the extent to which timely public reporting by Board of Management influence management of public Technical Training Institutes in Nairobi City County
- iv. To determine the extent to which round table meetings by Board of Management influence the management of public Technical Training Institutes in Nairobi City County

### **1.5 Research questions**

- i. To what extent do selection criteria of BOM members influence management of public Technical Training Institutes in Nairobi City County?
- ii. To what extent does proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County?
- iii. To what extent does timely public reporting by Board of Management influence management of public Technical Training Institutes in Nairobi City County?
- iv. To what extent do round table meetings by Board of Management influence the management of public Technical Training Institutes in Nairobi City County?

### **1.6 Significance of the study**

The study will be of interest to Boards of Management, principals and tutors on the need to adopt acceptable corporate governance practices in the management of Technical Training Institutions to ensure proper management of school resources. Secondly, the findings of this study may assist the government to develop proper policies that guide TTIs administrators' in the management of Technical Training Institutions by ensuring that corporate governance ethical standards are upheld. The study will help identify gaps within the systems of corporate governance

practices in Technical Training Institutions in Kenya and therefore identify measures to address them. Finally, the study will be a reference point by other scholars who may want to establish other factors that influences the management of Technical Training Institutes apart from corporate governance practices.

### **1.7 Limitations of the study**

Some of the respondents were unwilling to answer the questions due to fear of victimization from those in authority. The researcher assured them of the confidentiality of their identity. Further, the research relied much on respondents' perceptions which could be influenced by their characteristics and bias which could affect the validity of the study. However the researcher asked the respondents to be truthful.

### **1.8. Delimitations of the study**

The study was delimited to public Technical Training Institutes (TTIs). Other technical institutions categorized under TVET were excluded from the study. This is because Technical Training Institutes was the focus of the study in investigating the influence of corporate governance practices on their management. The study also delimited itself to only TTIs in Nairobi City County. The study delimited itself to the Board of Management members and the principals. This is because they are involved directly in the management of Technical Training Institutes in Kenya.

## **1.9 Assumptions of the study**

The assumptions of the study were;

- i. That all the BOMs, principals and bursars answered all survey questions honestly and to the best of their abilities.
- ii. That corporate governance practices are the only factors influencing management of Technical Training Institutions. Other factors are held constant.

## **1.10 Definition of significant terms**

This section outlines the definition of key terms of the study.

**Board of Management** refers to a group of individuals who are appointed as representatives to the Ministry of Education to undertake corporate management responsibilities and to make critical decisions for the TTIs.

**Corporate governance practices** refer to a processes implemented by the Board of Management in order to plan, organize and manage Technical Training Institution. The practices include keeping financial records, public reporting, and board selection process.

**Keeping financial records** refers to formal documents representing the transactions made by an institution. It entails keeping updated, planned and organized records of resource allocation to ensure that financial mismanagement is minimized.

**Management** refers to the process administrating and decentralizing decision making authority on financial resources; enhancing the culture of democracy and accountability in learning institutions.

**Public reporting** refers to the way information regarding management of TTIs is shared, presented and communicated to the public.

**Round table meetings** refer to gathering organized by Board of Management to discuss issues, strategies and implement policies within the TTIs.

**Technical Training Institutions** refers to tertiary learning institutions mandated to offer technical courses and vocational training.

### **1.11 Organization of the study**

This study is organized into five chapters. Chapter one comprises background of the study, statement of the problem, purpose of the study, research objectives, research questions, significance of the study, limitations of the study, delimitations of the study, assumptions of the study and definition of significant terms. Chapter two consists of overview of corporate governance, empirical literature ,related literature, and conceptual framework. Chapter three consists of research design, target population, sample size and sampling procedure, research instruments, validity and reliability of research instruments, data collection procedures, data analysis techniques and ethical considerations. Chapter four focuses on data analysis, presentation of results and discussions of the findings.



Finally, chapter five presented a summary of the study, conclusions, recommendations and suggestions for further studies.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presented an overview of corporate governance and practices. Corporate governance practices include criteria for selecting BOMs, keeping financial records, public reporting by Board of Management and round table meetings to discuss way forward for the institution. Summary of the literature, theoretical review and conceptual framework are also covered in this section.

#### **2.2 Overview of corporate governance**

Corporate governance is a set of rules for managing an institution (Ching, Tan & Chi Ching, 2006). Organisation for Economic Co-operation and Development (OECD) in 2008 defined corporate governance as the system by which business corporations are directed and controlled. The corporate governance structure outlined rules and procedures for making decisions on corporate affairs. In doing so, an institution is able to attain its goals (Tricker, 2008).

Corporate governance implies the practice of accountability, transparency and efficiency in management of public institutions. For this case, the management of technical training institutions requires Board of Management that is transparent and accountable. This ensures that the funds from the Ministry of Education through TVET are properly used.

According to the Technical and Vocational Education and Training Act, 2013 Board of Management is mandated to encourage co-operation among all key participants in order to promote effective governance and management of the institution. It is also coined with the responsibility of enhancing accountability, and transparency in the management of the institutions (Technical and Vocational Education and Training Act, 2013). These corporate governance practices outline prudent management of a learning institution.

### **2.3 Selection criteria of Board of Members and management of TTIs**

Boards of Management carry with them the success or failure of the training institutions. The selection of the board is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education (Wainaina, 2015). Effective school Boards may contribute to the success of their schools. The criteria for selecting Board members matter. This is to ensure that only competent Board members are selected. Ministry of Education provides guidelines for improved selection

processes by ensuring that characteristics of transparency and competency are achieved (Beatriz, Deborah & Hunter, 2008).

In England, the National College for School Leadership developed school guidelines that define qualities of a competent Board member (Wylie, 2007). In Australia, selection panel is given detailed guidelines outlining the most important criteria of selection Board members (Beatriz et al., 2008). One of the significant roles of Technical Training Institutes is to select Boards that meet the requirements specified by the Ministry of Education.

#### **2.4 Keeping financial records and management of TTIs**

School financial management practices comprise aspects of planning and implementing financial plan, accounting and reporting (Bryce & Herrington 2000). The Technical and Vocational Education and Training Act 2013 requires the Board to keep all proper books and records of accounts of the income, expenditure, assets and liabilities of the board. Proper financial records management ensures that the institution do not loose funds as a result of misappropriation. Effective management of TTIs entails cooperation and collaboration among all stakeholders, decentralized decision making authority on financial resources, enhancing the culture of democracy, accountability and transparency in the governance and management of education (Roper & Millar, 1999).

Proper financial record management enforces accountability. The ability to establish who did what, when, why and how is important in deterring individuals

from engaging in fraud. Authentic and reliable records are part and parcel of managing organizations (Drexler, Fischer & Schoar, 2014).

Junge, Bosire and Kamau (2014) analyzed the effect of budgetary practices on performance of public secondary schools. The study adopted a cross-sectional survey research design. The study noted that budget practices such as budget control and allocation positively influenced performance of the schools by ensuring that financial resources are allocated appropriately according to needs of the institution. In the study, it was also noted that budget allocation and annual budget planning were important aspects that improved financial management in organizations in the public sector.

The study focused on Nairobi City County. Descriptive survey design was used in the study. A census of 120 CDF members was obtained. The study found that governance enhances proper management of funds. It was further noted that budget, internal controls and financial reporting enhance financial management of the CDF funds in Nairobi City County. It was recommended that CDF ought to improve the budgeting practices in order to further improve financial management.

Coleman and Anderson (2000) examined decentralization and education service delivery in North Shewa region of Ethiopia. The authors noted that the school heads and finance committee ought to pay attention to basic accounting skills and more so internal and external controls and safety mechanisms that safeguard data from alterations and loss in line with the finance policy. Hemsing and Baker

(2013) analyzed the effects of tight budgetary control on managerial behavior in the Swedish public sector. The study targeted managers from different municipalities and universities throughout Sweden. The study noted that managers in the municipalities and universities experienced tight budgetary controls.

Mugo (2009) conducted a study to find out the effects of internal controls in managing financial information for Technical Training Institutions in Kenya. The study established that the management of the institutions should observe corporate ethics of transparency and accountability. Miriti and Wangui (2014) looked into financial management in the context of training needs of public secondary school principals in Machakos County. The study intended to suggest areas for development of effective training programs for principals in order to enhance prudent financial management of resources. It was noted that financial management remained a challenge for most ineffective of the surveyed schools.

## **2.5 Public reporting and management of TTIs**

The school has to report on its work and action to the management and Ministry of Education. The annual report is the school's act. It is the annual presentation of achievements of school management (Horvat, 2007). They ought to report on effectiveness and efficiency of the organization. The reporting process is closely linked to the planning process, the definition of objectives and measuring. Reports have to explain the established facts, especially non-fulfilled objectives and tasks.

Effective corporate governance requires regular and transparent reporting by agents. This reporting should occur not just to principals, but within the organization itself that includes accountability of managers to committees or sub-committees (Bushman & Smith 2001). While this criterion appears relatively straightforward, meaningful reporting involves a number of aspects: regularity, transparency, content stipulations, links to performance management systems, and approvals. Reported periodic data needs to include time frames for clarity (Burns & Scapens, 2000).

Maronga, Weda and Kengere (2013) coined that accountability of schools in Kenya can be achieved by ensuring that every school does periodic reporting to the Ministry of Education to ensure accountability. This is done through financial auditing, financial reporting, credit management policy and inventory management policy. This is possible through practice of acceptable corporate governance practices.

## **2.6 Board of Management round table meetings and management of TTIs**

Day to day tasks for Board members include meeting with stakeholders and parents in discussing issues relating to the management of the institution (Ford, 2013). An effective school board view round table meetings as an event to discuss and agree on way forward to run a learning institution (Gabris, & Davis, 2006). Round table meeting for boards provides strategic direction for running Technical Training Institutions.

Maeroff (2010) conducted a study to establish main tasks for School Boards in America. The study found that board annual meetings are sole necessary engagement where the school management challenges are reported, discussed and solutions suggested. Moya and Akodo (2011) conducted a research on the influence of corporate governance in corporate performance of public tertiary institutions in Uganda. The results showed that board size, had a negative effect on corporate performance. The results also showed that Board of management was mandated in formulating policies and decision making.

### **2.7 Summary of the literature review**

Wainaina (2015) acknowledged that selection of the board is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education. One way of ensuring transparency when selecting Board members is to ensure that moral guidelines and ethical standards are observed during selection process. Mwanza's (2013) study revealed that proper governance enhances effective management of funds. Coleman and Anderson (2000) noted that the school heads and finance committee ought to pay attention to basic accounting skills to detect frauds.

Maronga, Weda and Kengere (2013) coined that accountability of schools in Kenya can be achieved by ensuring that every school does periodic reporting to the Ministry of Education to ensure accountability. This is done through financial auditing, financial reporting, credit management policy and inventory management policy. Maeroff (2010) established that attending board meetings

and committee meetings are sole necessary engagement where the school management challenges are reported, discussed and solutions suggested. From the above empirical studies, it is clear that none of the study has addressed the influence of corporate governance on management of TTIs. To fill this gap this study therefore will seek to investigate the influence of corporate governance on management of TTIs in Kenya.

## **2.8 Theoretical framework**

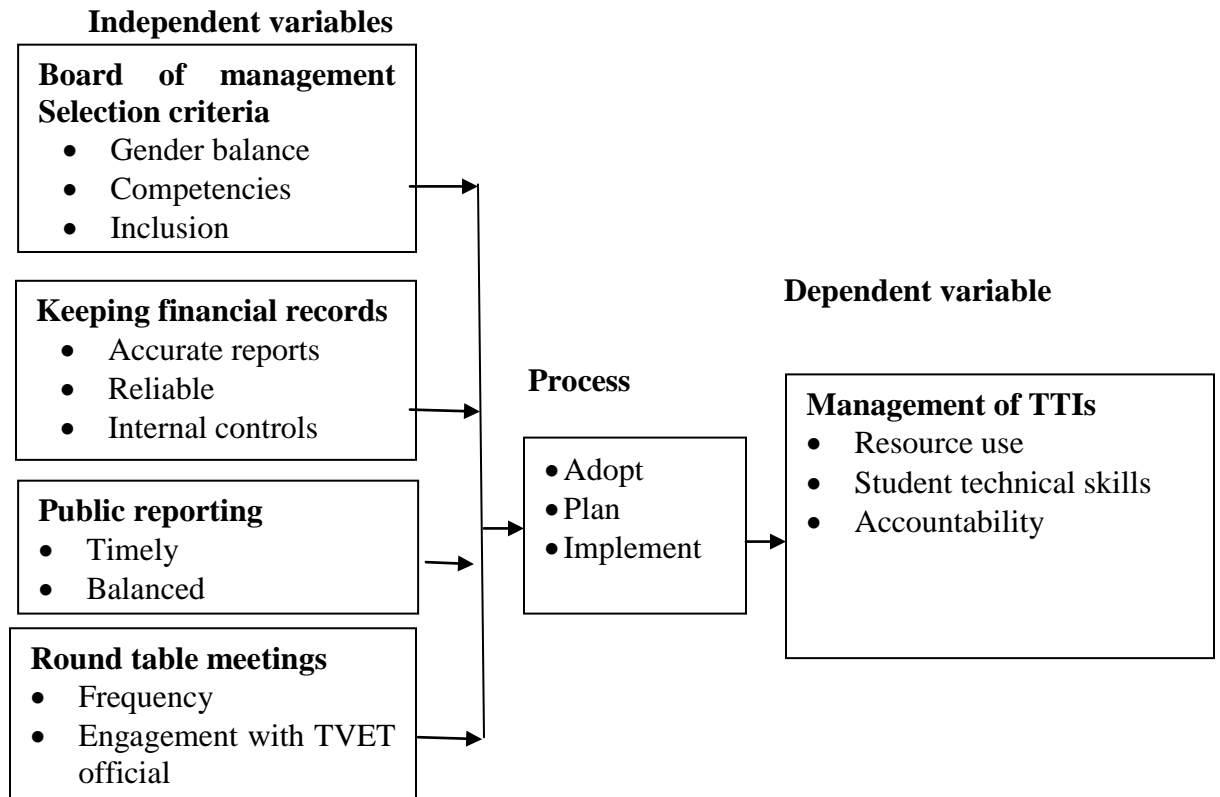
This study is guided by Stakeholder Theory. Stakeholder Theory which was developed by Freeman in 1984 is embedded in the management discipline. It incorporates corporate accountability, institutional ethics and institutional management to a broad range of stakeholders. Stakeholders' theory focuses on managerial decision making, prudent financial reporting and communication to the stakeholders. According to this theory, business entities are dependent on stakeholders for successful management and achievement of goals.

Stakeholder Theory is currently more discussed in business ethics (Carroll & Buchholtz, 2006). Since Stakeholder theory is an ethics theory, the selection panel can ensure that those persons selected to the board are transparent, competent and poses administrative skills. This will ensure that the school is managed prudently minimizing cases of fund misappropriation.



## 2.9 Conceptual framework

According to Robson, (2011), a conceptual framework is graphical representation of concepts or to be studied as shown below.



**Figure 2.1 Corporate governance practices and management of TTIs**

The conceptual frame work in Figure 2.1 presents the variables and how they interacted with each other. The independent variables (inputs) are the corporate governance practices. The dependent variable (output) is management of TTIs. From Figure 2.1, the middle box shows that corporate governance process includes planning, organizing, adoption and implementation of the practices by

the Board of Management. The overall outcome of the model will be prudent management of Technical Training Institutes (TTIs). Effective management of TTIs entails sufficient resource allocation and decentralized decision making through virtues of accountability and transparency.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1. Introduction**

This chapter outlines the research design to be adopted. Target population, sample size and the sampling procedure are also outlined. Finally, this chapter highlights the research instruments to be used, validity of instrument, reliability of the instrument, data collection procedures, data analysis techniques and ethical considerations.

#### **3.2. Research design**

Research design is an outline of fulfilling the research objectives and answering questions (Cooper & Schindler, 2011). The study employed a descriptive research design to determine corporate governance practices influencing management of public technical training institutes in Nairobi City County. This design was chosen because it entails survey and fact finding inquiry. It has considerable ability to generate answers to questions like what, who, where and how. This research design is important when describing the state of affairs by relating TTIs

with better corporate governance practices against those that do not have. This design is also important in trying to gain detail and in-depth information and a rich understanding of the phenomenon being studied.

### **3.3. Target population**

The study targeted Board of Management members, principals and bursars in three public technical training institutes in Nairobi City County. These are Nairobi TTI, Kabete TTI and PC Kinyanjui Technical Training Institute. These are the only three Technical Training Institutes in Nairobi City County. Further, the technical institutions in Nairobi City County attract many youths and students completing secondary education. This is because; Nairobi City County is home to many technical job opportunities that require technical skills. Each of the three technical training institutions has 18 Board of Management members, one principal in charge and a bursar. Therefore, the study targeted 54 BOMs, 3 bursars and 3 principals.

### **3.4. Sample size and sampling techniques**

A sample is a sub-set of a population. It is a representative of the study population. The sample size is shown in Table 3.1

**Table 3.1: Sample size**

<b>Target</b>	<b>Population size</b>	<b>Sample size</b>
Principals	3	3
BOMs	54	51
Bursar	3	3
<b>Total</b>	<b>60</b>	<b>57</b>

Since the population size for principals and bursars is small, census technique was adopted to select a sample of 3 principals and 3 bursars. Simple random sampling technique was used to select a sample size of 51 Board of Management members.

### **3.5. Data collection instruments**

Questionnaires and interview guide were used during data collection. Both data collection instruments were developed by the researcher. Questionnaires were issued to Board of Management members. Interview guides were issued to principals and bursars. Interview guide collected qualitative data in line with the study objectives. Questionnaires were used to collect quantitative data in line with the study objectives. The questionnaire was sub-divided into six sections with the first section gathering information on respondents' personal background. The rest of the questionnaire was used to gather quantitative data in line with the study objectives. The use of questionnaires was preferred because they are less costly and appropriate in summarizing the results. Interview guide was used to supplement the questionnaires by collecting qualitative data from the institutions' principals and bursars through face to face interviews.

### **3.6 Validity of instruments**

To ensure content validity, the questionnaires were evaluated by three randomly selected principals and BOMs from the three neighboring Technical Training

Institutes in Kiambu and Machakos Counties. They were asked to assess the items in the questionnaire for content validity. After validity tests, the instrument was adjusted appropriately before subjecting it to the final data collection exercise. Their suggestions were used to enhance content validity of the research instruments.

### **3.7 Reliability of instruments**

Reliability of the research instrument was tested on 5 duly completed questionnaires. Five questionnaires were issued to BOMs from neighboring Technical training Institutes in Kiambu and Machakos Counties. They were not included in the final study. Further, interview guides for principals and bursars were subjected to content validity by one principal and one bursar from the neighboring TTIs to enhance its reliability. A coefficient of 0.7 is recommended for a newly developed questionnaire (Sekaran, 2006). The formula for a standardized Cronbach's alpha is illustrated below:

$$\alpha = \frac{N \cdot \bar{c}}{\bar{v} + (N - 1) \cdot \bar{c}}$$

Here N represents total number of observations, c-bar is the average inter-item covariance among the observations and v-bar equals the average variance. From the formula, as the number of observations increase, the Cronbach's alpha increases.

**Table 3.2: Pilot results**

Variable	Cronbach coefficient	Comment
Board selection criteria	0.78	Reliable
Keeping financial records	0.81	Reliable
Public reporting	0.73	Reliable
Round table meetings	0.86	Reliable
Management of TTIs	0.71	Reliable

From the results of the pilot tests, it is evident that the research instruments were reliable.

### **3.8 Data collection procedures**

A letter of permission to conduct the study was requested from National Commission for Science, Technology and Innovation (NACOSTI) and the University of Nairobi before going to the field. Courtesy visit was paid to the Nairobi City County Education Commissioner and the Sub County Education officer, Nairobi City County. Further, courtesy visit was also made to the three technical training institutions to book convenient dates to conduct the study. The visit was for rapport and familiarizing with the area. On agreed dates, questionnaires were distributed in person and collected immediately they are filled out in order to increase the return rate. Interview guides was issued to principals and bursars to supplement the questionnaires by collecting qualitative data.

### **3.9 Data analysis techniques**

Quantitative data collected were prepared for analysis by editing, coding, categorizing and keying into SPSS version 20.0 for analysis. The statistics generated were descriptive statistics which include means and standard deviations. The chi square coefficient was used to check on the relationship between the variables. The chi square test is meant to compare the management indicators between the schools with effective corporate governance practices and those that do not have effective corporate governance practices. Qualitative data gathered by use of interview guide was analyzed through content analysis.

### **3.10 Ethical considerations**

Basit (2013) highlights ethical standards to be observed before and during research. Consent to conduct the study was sought from all respondents before handing over the questionnaires. The identity of respondents was kept confidential. The purpose of the study was explained to the respondents and assured that the data collected will not be used for other purpose other than academic research.

## CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND INTERPRETATION

#### 4.1 Introduction

This chapter comprises data analysis, presentation and interpretation of the findings. The chapter starts by presenting the response rate for the research instrument and description of respondents by demographic characteristics. An analysis of descriptive statistics and chi square tests are conducted and the results presented in form of tables.

#### 4.2 Instruments' response rate

The response rate illustrates the number of respondents who participated in the study. The respondents of the study were Board of Management members, bursars and principals. Response rate for the study is shown in Table 4.1.

**Table 4.1: Response rate**

<b>Respondents category</b>	<b>Administered</b>	<b>Returned</b>	<b>Unreturned</b>	<b>Percentage returned</b>
BOMs	51	48	3	94.1
Principals	3	3	-	100.0
Bursar	3	3	-	100.0



The response rate for BoM members was 94.1 percent; the participation rate for principals was 100 percent while that for bursars was also 100 percent. According Kothari (2004) a response rate of above 50 percent is adequate for a descriptive study. Based on Kothari (2004), return rate of 94.1 percent for Board of Management and a participation rate of 100 percent for principals and bursars were very good for the study.

#### **4.3 Distribution of respondents by demographic characteristics**

The study investigated the demographic information of the respondents by describing their age, gender, level education and period of service of the respondents. It was important to describe the background information of the respondents in order to establish whether there exists any relationship among respondents' demographic characteristics and management of Technical Training Institutes.

##### **4.3.1 Distribution of respondents by gender**

The study described the gender characteristics of board members. It was important to describe the gender of the respondents so as to establish whether there was any significant relationship between gender composition of Board of Management governance practices and management of Technical Training Institutes. According to Carter, Simkins and Simpson (2003), Board gender variation is a significant aspect of corporate governance.

**Table 4.2: Distribution of BoM by gender**

	<b>Frequency</b>	<b>Percent (%)</b>
Male	32	62.7
Female	19	37.3
<b>Total</b>	<b>51</b>	<b>100</b>

Results in Table 4.2 show that there are more male board members than female board members among the Technical Training Institutes in Nairobi City County. Acker (2006) observed that gender balance is a very important trait, in governance. Gender equality promotes teamwork among individuals irrespective of their sex. A gender sensitive institution provides a favourable environment where one employee interacts with other colleagues of the opposite without any discrimination whatsoever. According to Maitland (2009), having a gender balanced board is better than that a board dominated by one sex. It is important to investigate the gender of the respondents in order to know how the distribution by gender influences management of Technical Training Institutes.

#### **4.3.2 Distribution of respondents by age**

The study investigated distribution of the respondents by age. Oshagbeni (2004) asserted that age influences management and administrative aspects of the managers. The age of the respondents was important in establishing whether age

of BOM members influence their abilities in the management of Technical Training Institutes.

**Table 4.3: Age of the BOM members**

<b>Age</b>	<b>Frequency</b>	<b>Percent</b>
30-39 years	10	19.6
40-49years	25	49.0
50 years and above	16	31.4
<b>Total</b>	<b>51</b>	<b>100.0</b>

Table 4.3 indicates that majority of the Board of Management members were above 40 years of age. The finding meant that the given members of the Board were experienced and thus suited for the management of Technical Training Institution. As such, it was also expected that they would likely translate to better management of schools. Skirbekk (2004) agrees with these observations that age influences efficiency and performance of an individual. Age is a key factor in determining the experience and competency of individuals.

#### **4.3.3 Distribution of respondents by levels of education**

The study investigated the influence of education levels of the BOM members on the management Technical Training Institutes. Since the overall management of the Technical Training Institutes is vested in the Boards of Management, it is important that the members of these boards should be persons with good education (Okumbe, 2001). Table 4.4 shows Board of Management levels of education.

**Table 4.4: Distribution of respondents by levels of education**

<b>Educational level</b>	<b>BOM</b>		<b>Principals</b>	
	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>
College	10	19.6	-	-
Undergraduate	28	54.9	1	33.3
Post graduate	13	25.5	2	66.7
<b>Total</b>	<b>51</b>	<b>100.0</b>	<b>3</b>	<b>100.0</b>

Table 4.4, shows that majority 54.9 percent of the BOM members had undergraduate level of education as their highest level of education. The majority 66.7 percent of the Institute’s principals had attained education up to post graduate level. The level of education facilitates acquisition of necessary management skills required in the management of learning institutions. This is supported by Keith and Francoise (2001) who noted that the quality of education depends on the way learning institutions are managed. The results agree with the requirements of the Basic education Act (2013) that Board Chairman and Board Members must be holders of degree in education from a recognized university.

#### **4.3.4 Period of service of the respondents**

With respect to years of service, previous studies shows that employees who have worked for longer period of time are more experienced in their work than those employees with lower tenure (Sorensen, 2008). The more years a worker spends

in work the more experienced they become. It is does important to explore the relationship between years of work and management of Technical Training Institutes.

**Table 4.5: Period of service of the principals**

<b>Work Duration</b>	<b>Frequency</b>	<b>Percent</b>
less than 1 year	-	-
1 to 3 years	-	-
4 to 6 years	1	66.7
More than 6 years	1	33.3
<b>Total</b>	<b>3</b>	<b>100</b>

The results in table 4.5 show that majority of principals had served for more than four years. This indicates that principals were experienced enough to understand the need of corporate governance practices in the management of Technical Training Institutes.

#### **4.4 Board governance structure incorporated by institutions**

The study assessed the corporate governance structure incorporated by the institution. This is because the structure of the Board is related to the management of an institution. The aspect of governance structure was measured by establishing whether Board qualification, Board independence, transparency and leadership structure had been incorporated to the institution. The respondents' were Board of Management members. Results of the study are presented in Table 4.6.

**Table 4.6: Board governance structure incorporated by institutions**

<b>Board governance structure/</b>	<b>Yes</b>		<b>No</b>	
	<b>Frequency</b>	<b>Percent</b>	<b>Frequency</b>	<b>Percent</b>
Board qualification requirements	22	43.1	29	56.9
Board independence and oversight committees	21	41.2	30	58.8
Board transparency in reporting	24	47.1	27	52.9
Board leadership structure	23	45.1	28	54.9

Board of Management members were asked to indicate board governance structure incorporated by the institute. Regarding board qualification requirements, majority of the Board Members 56.9 percent acknowledged that the corporate governance structure was not fully developed. The results further showed that Board independence and oversight committees, Board transparency in reporting and that Board leadership structure were not fully developed in these institutes. This shows underdeveloped governance structure could be affecting the overall management of Technical Training Institutes in Nairobi City County. These results agree with Omondi and Nyenyi (2016) who examine the influence of corporate governance practices on the management of learning institutions and established that accountability, transparency are important in the management of learning institutions. Corporate governance practices are guided by principles that

include requirements needed in order to be selected to the board, assessment of financial reports; promoting timely and transparent public reporting (Corporate Governance Council, 2007).

#### **4.5 Selections criteria of BOM members and management of public Technical Training Institutes**

The selection of the Board is aimed at giving the training institution a personality of its own and it is also a means of decentralization of authority from the Ministry of Education. When selecting Board of Management that the candidates should meet the requirements laid by the Education Act of 2013. The candidates should have a degree in education from a recognized university. They should also be members of integrity. Corporate governance practices are guided by principles that include requirements needed in order to be selected to the board (Corporate Governance Council, 2007). The respondents were asked to determine the extent to which selection criteria of BOM members influences the management of public Technical Training Institutes in Nairobi City County. The choices are given as (5= strongly agree (SA), 4= agree (A), 3= neutral (N), 2 = disagree (D) and 1= strongly disagree SD)).

**Table 4.7: Selections criteria of BOM members and management of public Technical Training Institutes**

<b>Practice</b>	<b>strongly disagree</b>	<b>disagree</b>	<b>neutral</b>	<b>agree</b>	<b>SA</b>	<b>Mean</b>	<b>SD</b>
Small boards is effective and value additive	0.0%	19.6%	7.8%	39.2%	33.3%	3.9	1.1
Merit matters when selecting board members	13.7%	13.7%	9.8%	23.5%	39.2%	3.6	1.5
Ethical standards matter when selecting board members	9.8%	15.7%	5.9%	35.3%	33.3%	3.7	1.4
Board to perform other duties as per Basic Education Act 2013	15.7%	15.7%	2.0%	35.3%	31.4%	3.5	1.5
Board to be available for public inquiry	15.7%	9.8%	3.9%	35.3%	35.3%	3.6	1.5
Board to coordinate activities of the institution	11.8%	15.7%	9.8%	25.5%	37.3%	3.6	1.4
The Board to be free of any conflict of interest	13.7%	3.9%	0.0%	39.2%	43.1%	3.9	1.4
Boards' experience is of value to the institution	9.8%	7.8%	2.0%	41.2%	39.2%	3.9	1.3
Boards' competence matter	7.8%	11.8%	2.0%	33.3%	45.1%	4.0	1.3
<b>Average</b>						<b>3.7</b>	<b>1.4</b>

Results in Table 4.7 indicated that 72.5 percent (39.2%+33.3%) agreed that selecting small boards is effective and value additive because of their nimbleness and cohesiveness. The results also showed that majority of the respondents 62.7



percent agreed that merit should be considered when selecting board members. 68.8 percent agreed that ethical standards matter when selecting board members. The results also show that 66.7 percent of the respondents agreed that the board should perform other duties as stipulated in the Basic Education Act 2013.

Results also showed that 70.6 percent of the respondents agreed that the board should be available for consultation and communication with significant shareholders, and 62.8 percent of the respondents agreed that board should be coordinating activities of the institution. Further, results showed that 82.3 percent of the respondents agreed that the Board should be free of any conflict of interest which would violate execution of duties. Results also showed that 80.4 percent of the respondents agreed that boards' experience is of value to the institution. Finally, 78.4 percent of the respondents agreed that boards' knowledge, skills and abilities is useful in managing TTIs financial resources.

The average mean of 3.7 and standard deviation of 1.4 indicated that there was a high variation in the responses from the Board of Management members regarding selection criteria of Board members.

A chi-square test for selection criteria of BOM members and management of public Technical Training Institutes was presented. Board of Management selection criteria was categorized into ineffective Board and effective Board. This was tabulated against management of Technical Training Institutes that was categorized into poor management of TTIs and good management of TTIs. Table

4.8 shows how management Technical Training Institutes were evaluated against selection criteria.

**Table 4.8: Chi square tests between management of TTIs and board selection criteria**

		<b>Management of TTIs</b>		<b>Chi-square (p value)</b>
		<b>Poor management of TTIs</b>	<b>Good management of TTIs</b>	
Board selection criteria	Ineffective Board	26	2	39.706(0.000)
	Effective Board	1	22	

Technical Training Institutes where Board of Management selection criteria is ineffective was characterized by poor management of Technical Training Institutes as compared to those institutes that had an effective Board of Management. Result findings indicated that, the management of Technical Training Institutes was poor when Board selection criteria were rated ineffective by 26 respondents as compared to 1 who rated it effective. Further, management of Technical Training Institutes was good when board selection criteria was rated effective by 22 respondents as compared to only 2 who rated it ineffective. The study findings were statistically significant (Chi square=39.706, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between Board of Management selection criterion and management of Technical Training Institutes. These findings therefore imply that

Board of Management selection criterion influences management of Technical Training Institutes.

Content analysis was performed using an interview guide. Qualitative data were generated which was presented in prose form. Principals were asked to indicate whether they believed selection criteria were important when choosing board members. Qualitative results showed that majority of principals agreed that selection criteria were important when selecting the board. Principals indicated that selection criteria were important as it helped identify important traits from a candidate. These traits include integrity, qualification, leadership skills and competence. These features are very important when it comes to management of an institution.

#### **4.6 Financial record keeping and management of public Technical Training Institutes**

The respondents were asked to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County. The ratings were given as 5=strongly agree, 4= agree, 3=neutral, 2= disagree and 1= strongly disagree.

From Table 4.9, 64.7 percent agreed that for better management, an institution should have an accounting and financial management system. The results also showed that majority of the respondents 76.5 percent agreed that the management should be committed to the operation of the system. 70.5 percent agreed that the

management should monitor implementation of internal control systems. The results also show that 66.7 percent of the respondents agreed that the management should provide feedback to the junior officers about the operation of the system.

**Table 4.9: Financial record keeping and management of Technical Training**

**Institutes**

<b>Practice</b>	<b>strongly disagree</b>	<b>disagree</b>	<b>neutral</b>	<b>agree</b>	<b>strongly agree</b>	<b>Mean</b>	<b>SD</b>
An institution to have an accounting and financial management system	7.8%	13.7%	13.7%	25.5%	39.2%	3.7	1.3
Should be committed to the operation of the system	5.9%	13.7%	3.9%	39.2%	37.3%	3.9	1.2
Implementation of internal control systems	11.8%	15.7%	2.0%	35.3%	35.3%	3.7	1.4
Provisional of financial reports	3.9%	11.8%	17.6%	27.5%	39.2%	3.9	1.2
Measures to prevent financial errors	11.8%	3.9%	9.8%	29.4%	45.1%	3.9	1.3
Independent and active internal audit committee	5.9%	5.9%	2.0%	39.2%	47.1%	4.2	1.1

Budget reviews where actual expenditure is compared with budgeted expenditure	3.9%	9.8%	15.7%	35.3%	35.3%	3.9	1.2
Identify the receipts and expenditure of grant contracts	7.8%	2.0%	5.9%	29.4%	54.9%		
Average						3.9	1.2

Results also showed that 74.5 percent of the respondents agreed that the taking appropriate measures to correct errors in operation of our Accounting & Finance Management System is vital, and 86.3 percent of the respondents agreed that the institution should have an objective, independent and active internal audit committee. Further, results showed that 70.6 percent of the respondents agreed that various departments of the Technical Training Institute should have budget reviews where actual expenditure is compared with budgeted expenditure and explanations for the variances given. Finally, 84.3 percent of the respondents agreed that the institution's accounting system should adequately identify the receipts and expenditure of grant contracts.

The average mean of 3.9 and standard deviation of 1.2 indicated that there was a high variation in the responses from the Board of Management members regarding financial record management. The results agree with Roper and Millar (2009) who observed that effective records management goes hand in hand with accountability. Well-managed records provide an unbiased account of

responsibility and liability. The results agree also with Junge, Bosire and Kamau (2014) who analyzed the effects of financial management in public secondary schools in Nakuru Municipality. The study found out that budget practices such as budget control and allocation positively influenced performance of the schools by ensuring that financial resources are allocated appropriately according to needs of the institution.

Further, a chi-square test between financial record keeping and management of public Technical Training Institutes was presented. Financial record keeping was categorized into poor financial record keeping and good financial record keeping. This was tabulated against management of Technical Training Institutes that was categorized into poor management of TTIs and good management of TTIs. Table 4.10 shows how management of Technical Training Institutes was evaluated against financial record keeping.

**Table 4.10: Chi-square test for management of TTIs and financial record keeping**

		<b>Management of TTIs</b>		<b>Chi-square (p value)</b>
		<b>Poor management of TTIs</b>	<b>Good management of TTIs</b>	
Financial record keeping	Poor financial record keeping	26	1	43.288(0.000)
	Good financial record keeping	1	23	

Technical Training Institutes where financial record keeping was poor was characterized by poor management of Technical Training Institutes as compared to those institutes that had good financial record keeping. Result findings indicated that, the management of Technical Training Institutes was poor when financial record keeping was rated poor by 26 respondents as compared to 1 who rated it good financial record keeping. Further, management of Technical Training Institutes was good when financial record keeping was rated good by 22 respondents as compared to only 1 who rated it poor. The study findings were statistically significant (Chi square=43.288, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between financial record keeping and management of Technical Training Institutes. These findings therefore imply that financial record keeping influences management of Technical Training Institutes. Coleman and Anderson (2000) noted that the school heads and finance committee ought to pay attention to basic accounting skills and more so internal and external controls and safety mechanisms that safeguard data from alterations and loss in line with the finance policy. Further, the study agrees with Hemsing and Baker (2013) who noted that managers in the municipalities and universities experienced tight budgetary controls. The study however did not explicitly explain how budgetary measures influenced management of funds at the institutions.

Through use of an interview guide, the principals were asked to indicate the extent financial record management was developed in their institution. Majority

of the principals indicated that financial record management was moderately developed in their school. This indicates that there is more room for improving financial management. A prudent financial management is important in the allocation of available resources in the institution. Financial record management goes hand in hand with management of Technical Training Institutes. The results agree with Roper and Millar (2009) who observed that records management reinforces financial management controls and supports accountability. Well-managed records provide an unbiased account of responsibility and liability. The results agree also with Junge, Bosire and Kamau (2014) noted that budget practices such as budget control and allocation positively influenced performance of the schools by ensuring that financial resources are allocated appropriately according to needs of the institution.

Using an interview guide, bursars were asked to highlight qualities required so as to be hired as a bursar. Majority indicated financial and management skills to be very important qualities. They also indicated ability to produce annual reports, financial and statistical summaries; knowledge of the principles and methods of book-keeping.

They further indicated that financial record management was a tedious task and needed personal commitment when handling it. They also indicated to require high personal initiative and caution to ensure that quality and accuracy of financial reports is maintained. The bursars were further asked to indicate the consequences of resource mismanagement to the overall running of the



institution. They indicated that financial embezzlement will cause the inability of the institution to meet the needs of the institution and students. They further, indicated that financial reporting was done twice a year in the school. Finally, bursars were asked to indicate whether the board had done all it takes to achieve better management of the institution. Majority of the bursars indicated that the board needed to up their game to ensure an improved overall management of the Technical Training Institutes.

#### **4.7 Public reporting and management of public Technical Training Institutes**

The respondents were asked to determine the extent to which timely public reporting by Board of Management influence management of public Technical Training Institutes in Nairobi City County. The results agree with Maeroff (2010) that board annual meetings are sole necessary engagement where the school management challenges are reported, discussed and solutions suggested.

**Table 4.11: Public reporting and management of public Technical Training**

**Institutes**

<b>Practice</b>	<b>strongly disagree</b>	<b>disagree</b>	<b>neutral</b>	<b>agree</b>	<b>strongly agree</b>	<b>Mean</b>	<b>SD</b>
Consistent reporting	11.8%	17.6%	9.8%	25.5%	35.3%	3.5	1.4
Assessing periodic and longitudinal data	9.8%	7.8%	19.6%	39.2%	23.5%	3.6	1.2
Longitudinal assessments.	5.9%	13.7%	5.9%	29.4%	45.1%	3.9	1.3
Reported data needs to be time bound.	17.6%	5.9%	3.9%	41.2%	31.4%	3.6	1.4
Strategic information disclosure is	13.7%	9.8%	5.9%	27.5%	43.1%	3.8	1.5
The high the degree of reporting, the more robust the corporate governance mechanisms are likely to be.	2.0%	5.9%	11.8%	43.1%	37.3%	4.1	1.0
Reporting to and oral hearings before, public agents	9.8%	13.7%	5.9%	35.3%	35.3%	3.7	1.3
Senior personnel of the institution are responsible for reporting and performance	7.8%	21.6%	11.8%	29.4%	29.4%	3.5	1.3
Average						3.7	1.3

Results findings from Table 4.11 showed 60.8 percent agreed that consistent reporting requirements promote transparency and mitigates capacity for

opportunism. The results also showed that majority of the respondents 62.7 percent agreed that frequent reporting provides the basis on which periodic and longitudinal data assessments may be made. The results also showed that majority of the respondents who were 74.5 percent of the respondents agreed that unless data reporting is periodic and consistent, then longitudinal assessments are somewhat meaningless. The results also show that 72.6 percent of the respondents agreed that reported data needs to be time bound. Results also showed that 70.6 percent of the respondents agreed that strategic information disclosure is important in enhancing better accountability, and 80.6 percent of the respondents agreed that high the degree of reporting, the more robust the corporate governance mechanisms are likely to be. Further, results showed that 70.6 percent of the respondents agreed that reporting to and oral hearings before, public agents or stakeholders enhances sound management. Finally, 58.8 percent of the respondents agreed that senior personnel of the institution are responsible for reporting and performance.

A chi-square test for public reporting and management of public Technical Training Institutes was presented. Public reporting was categorized into timely public reporting and untimely public reporting. This was tabulated against management of Technical Training Institutes that was categorized into poor management of TTIs and good management of TTIs. Table 4.12 shows how management Technical Training Institutes were evaluated against public reporting.

**Table 4.12: Chi-square test for management of TTIs and public reporting**

		<b>Management of TTIs</b>		<b>Chi-square (p value)</b>
		<b>Poor management of TTIs</b>	<b>Good management of TTIs</b>	
Public reporting	Untimely public reporting	25	3	32.919(0.000)
	Timely public reporting	2	21	

Technical Training Institutes where public reporting was untimely was characterized by poor management of Technical Training Institutes than those institutes that practiced timely reporting. Result findings indicated that, the management of Technical Training Institutes was poor when public reporting was rated untimely by 25 respondents as compared to 2 who rated it timely public reporting. Further, management of Technical Training Institutes was good when public reporting was rated timely by 21 respondents as compared to only 3 who rated it untimely. The study findings were statistically significant (Chi square=32.919, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between public reporting and management of technical training institutes. These findings therefore imply that public reporting influences management of Technical Training Institutes. Regularity in reporting by agents is necessary in promoting responsibility and accountability (Bushman & Smith, 2003). Maronga, Weda and Kengere (2013) coined that accountability of schools in Kenya can be achieved by ensuring that every school does periodic reporting to the Ministry of Education to ensure

accountability. This is done through financial auditing, financial reporting, credit management policy and inventory management policy.

Using an interview guide, principals were asked to indicate their perception towards public reporting. Majority, of the respondents indicated that public reporting was not fully developed in the institution. They indicated that there was a need to improve public reporting between the institution, public and the Ministry of Education. The principals indicated that they have adopted periodic reporting to ensure that public reporting to the Ministry of Education and TVET is improved.

#### **4.8 Round table meeting and management of public Technical Training Institutes**

The respondents were asked to determine the extent to which round table meetings by Board of Management influence the management of public Technical Training Institutes in Nairobi City County. The ratings were given as 5= strongly agree, 4= agree, 3=neutral, 2= disagree and 1= strongly disagree).

Results in Table 4.13 ,68.7 percent agreed that the board needs to conduct regular meetings. The results also showed that majority of the respondents 68.7 percent agreed that the board need to discuss corporate strategies that acts as guiding values for the institution. 66.7 percent agreed that round table meeting aids the activation of symmetric relationships with institutions management. The results also show that 76.5 percent of the respondents agreed that the board should hold

meetings to discuss institutes' management problems. Results also showed that 68.6 percent of the respondents agreed that round table meeting for boards provide strategic direction. Finally, 60.8 percent of the respondents agreed that round table meeting act as guide to quality improvement.

**Table 4.13: Round table meeting and management of public Technical Training Institutes**

<b>Practice</b>	<b>strongly disagree</b>	<b>disagree</b>	<b>neutral</b>	<b>agree</b>	<b>strongly agree</b>	<b>Mean</b>	<b>SD</b>
The board needs to conduct regular meetings	5.9%	9.8%	15.7%	37.3%	31.4%	3.8	1.2
Discussion of corporate strategies	13.7%	7.8%	9.8%	41.2%	27.5%	3.6	1.3
Board meeting aids the activation of symmetric relationships with institutions management.	9.8%	19.6%	3.9%	25.5%	41.2%	3.7	1.4
The board should hold meetings to discuss institutes' management problems	11.8%	5.9%	5.9%	31.4%	45.1%	3.9	1.4
Round table meeting for boards provide strategic direction	5.9%	17.6%	7.8%	25.5%	43.1%	3.8	1.3
Round table meeting act as guide to quality improvement	11.8%	15.7%	11.8%	19.6%	41.2%	3.6	1.5

Average

3.7 1.3

On a 5 point-likert scale, the mean response was 3.7 which means that majority of the respondents were agreeing to the statements in the questionnaire. The standard deviation was 1.3 meaning that the responses were clustered around the mean response. The results agree with Maeroff (2010) that board annual meetings are sole necessary engagement where the school management challenges are reported, discussed and solutions suggested.

A chi-square test for round table meeting and management of public Technical Training Institutes was presented. Round table meeting was categorized into low round table meeting and high round table meeting. This was tabulated against management of Technical training Institutes that was categorized into poor management of TTIs and good management of TTIs. Table 4.14 shows how management Technical Training institutes were evaluated against round table meeting.

**Table 4.14: Chi-square test for management of TTIs and round table meetings**

		Management of TTIs		Chi-square (p value)
		Poor management of TTIs	Good management of TTIs	
Round table meetings	Low round table meetings	22	4	21.359(0.000)
	High round table	5	20	

Technical Training Institutes where there were low round table meetings were characterized by poor management of Technical Training Institutes as compared to those institutes that had high constructive and effective round table meetings. Result findings indicated that, the management of Training Institutes was poor when round table meeting was rated low by 22 respondents as compared to 5 who rated it high round table meetings. Further, management of Technical Training Institutes was good when round table meetings were rated high by 20 respondents as compared to only 5 who rated it low. The study findings were statistically significant (Chi square=21.359, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between round table meetings and management of Technical Training Institutes. These findings therefore imply that round table meetings influences management of Technical Training Institutes. The more specific tasks of Board Members relate to the day-to-day work of serving on a local government board. Day to day tasks for Board members include meeting with stakeholders and parents in discussing issues relating to the management of the institution (Ford, 2013). Round table meeting for Board Members can provide strategic direction for effective management of Technical Training Institutes.

Further, results of the interview guide in prioritizing key tasks during board meetings and majority of the principals were presented. The respondents indicated



that in the meeting they discuss overall management of the institute and suggest other ways to improve. They further indicated that they held meetings less frequently. They suggested that there is need to hold more meetings to discuss management strategies. They can also discuss prudent financial management strategies to aid management of school resources. The results agree with Maeroff (2010) that board annual meetings are sole necessary engagement where the school management challenges are reported, discussed and solutions suggested. When asked to rate the overall management of the institution, they indicated a fair movement of the institution. They indicated more strategies to improve improvement overall management of the institution.

Further, school bursars were asked to show the number of times the board held meetings to discuss management of the institution. They unanimously agreed that the board did not hold meetings frequently to discuss overall management of the school. They suggested that there was need to hold meetings more frequent to discuss management strategies.

#### **4.9 Management of Technical Training Institutes**

The respondents were asked to rate the overall management of public Technical Training Institutes in Nairobi City County based on some aspects of governance.. The choices are given as 5= strongly agree, 4=agree, 3= neutral, 2= disagree and 1=strongly disagree).

**Table 4.15: Management of Technical Training Institutes**

<b>Management</b>	<b>strongly disagree</b>	<b>disagree</b>	<b>neutral</b>	<b>agree</b>	<b>strongly agree</b>	<b>Mean</b>	<b>SD</b>
This institution is discharging its duties as stipulated by TVET	39.2%	35.3%	7.8%	13.7%	3.9%	2.1	1.2
Accountability and transparency of the TTI has been enhanced	33.3%	45.1%	2.0%	9.8%	9.8%	2.2	1.3
Fairness when selecting board members	47.1%	31.4%	2.0%	7.8%	11.8%	2.1	1.4
Student technical skills have been developed	39.2%	41.2%	9.8%	3.9%	5.9%	2.0	1.1
School resources are managed well	43.1%	35.3%	2.0%	15.7%	3.9%	2.0	1.2
<b>Average</b>						<b>2.1</b>	<b>1.2</b>

Results in Table 4.15 74.5 percent disagreed with the institution in discharging its duties as stipulated by TVET. The results also showed that majority of the respondents 78.4 percent did not agree that accountability and transparency of the TTI has been enhanced. The results also showed that majority of the respondents who were 78.5 percent of the respondents did not agree that fairness when selecting board members. The results also show that 80.4 percent of the respondents did not agree that student technical skills have been developed.

Finally, 78.4 percent of the respondents did not agree that school resources are managed well.

On a 5 point-likert scale, the mean response was 2.1. The standard deviation was 1.2. The average mean of 2.1 and standard deviation of 1.2 indicated that there was a high variation in the responses from the Board of Management members regarding management of Technical Training Institutes.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter discusses the findings and conclusions of the study. Brief recommendations from the study are also outlined. Finally, areas for further research and summary of the study are presented.

The purpose of this study is to investigate the influence of corporate governance practices in the management of public Technical Training Institutes in Nairobi City County. The study objectives were; to determine the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes in Nairobi City County, to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County, to determine the extent to which timely public reporting by Board of Management influence management of public Technical Training Institutes in Nairobi City County and to determine the extent to which round table meetings by Board of Management influence the management of public Technical Training Institutes in Nairobi City County.

The study employed descriptive research design to determine corporate governance practices influencing management of public technical training institutes in Nairobi City County. The study target population was three Technical Training Institutes in Nairobi City County. The study therefore targeted 54

BOMs, 3 bursars and 3 principals. The units of analysis were Board of Management members, principals and bursars of the three Technical Training Institutes in Nairobi City County. Since the population size for principals and bursars was small, census technique was adopted to select a sample of 3 principals and 3 bursars. Simple random sampling technique was used to select a sample size of 51 Board of Management members. Primary data were collected through the use of semi structured questionnaires and interview guide. Content validity was used by the researcher to check whether the items in the interview guide answer the research questions. The questionnaire was also subjected to pilot test to ensure that research instrument was reliable. The data collected was analyzed using Statistical Package for Social Sciences. Chi square tests were used to check on the relationship between the variables.

The first objective was to determine the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes in Nairobi City County. A chi square test of selection criteria of BOM members and management of public Technical Training Institutes was presented. Board of Management selection criteria was categorized into ineffective Board and effective Board. This was tabulated against management of Technical Training Institutes that was categorized into poor management of TTIs and good management of TTIs. Results revealed that Technical Training Institutes where Board of Management selection criteria is ineffective was characterized by poor management Technical Training Institutes as compared to those Technical

Institutes that had an effective Board of management. The study findings were statistically significant (Chi square=39.706, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between Board of Management selection criterion and management of Technical Training Institutes. These findings therefore imply that Board of Management selection criterion influences management Technical Training Institutes.

Content analysis was performed using an interview guide. Qualitative data were generated which was presented in prose form. Principals were asked to indicate whether they believed selection criteria were important when choosing board members. Qualitative results showed that majority of principals agreed that selection criteria were important when selecting the board. Principals indicated that selection criteria were important as it helped identify important traits from a candidate. These traits include integrity, qualification, leadership skills and competence. These features are very important when it comes to management of an institution.

The second objective was to establish the extent to which proper financial record keeping influence the management of public Technical Training Institutes in Nairobi City County. A chi square test between financial record keeping and management of public Technical Training Institutes was presented. Financial record keeping was categorized into poor financial record keeping and good financial record keeping. This was tabulated against management of Technical

Training Institutes that was categorized into poor management of TTIs and good management of TTIs.

Technical Training Institutes where financial record keeping was poor was characterized by poor management of Technical Training Institutes as compared to those Institutes that had a good financial record keeping. The study findings were statistically significant (Chi square=43.288, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between financial record keeping and management of Technical Training Institutes. These findings therefore imply that financial record keeping influences management of Technical Training Institutes.

Through use of an interview guide, principals were asked to indicate the extent financial record management was developed in their institution. Majority of the principals indicated that financial record management was moderately developed in their school. This indicates that there is more room for improving financial management. A prudent financial management is important in the allocation of available resources in the institution. Financial record management goes hand in hand with management of technical institutions. Further, bursars were asked to highlight qualities required so as to be hired as a bursar. Majority indicated financial and management skills to be very important qualities. They also indicated ability to produce annual reports, financial and statistical summaries; knowledge of the principles and methods of book-keeping.

The third objective was to determine the extent to which timely public reporting by Board of Management influence management of public Technical Training Institutes in Nairobi City County. A chi square test of public reporting and management of public Technical Training Institutes was presented. Public reporting was categorized into timely public reporting and untimely public reporting. This was tabulated against management of Technical Training Institutes that was categorized into poor management of TTIs and good management of TTIs.

Technical Training Institutes where public reporting was untimely was characterized by poor management of Technical Training Institutes as compared to those Institutes that practiced timely reporting. The study findings were statistically significant (Chi square=32.919, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between public reporting and management of Technical Training Institutes. These findings therefore imply that public reporting influences management Technical Training Institutes.

Using an interview guide, principals were asked to indicate their perception towards public reporting. Majority, of the respondents indicated that public reporting was not fully developed in the institution. They indicated that there was a need to improve public reporting between the institution, public and the Ministry of Education. The principals indicated that they have adopted periodic



reporting to ensure that public reporting to the Ministry of Education and TVET is improved.

The fourth objective was to determine the extent to which round table meetings by Board of Management influence the management of public Technical Training Institutes in Nairobi City County. A chi square test of round table meeting and management of public Technical Training Institutes was presented. Round table meeting was categorized into low round table meetings and high round table meeting. This was tabulated against management of Technical Training Institutes that was categorized into poor management of TTIs and good management of TTIs.

Technical Training Institutes where round table meetings were low were characterized by poor management of Technical Training Institutes as compared to those Institutes that round table meetings were more and constructive. The study findings were statistically significant (Chi square=21.359, p-value=0.000<0.05). Chi square test was meant to show whether there existed any significant association between round table meetings and management of technical training institutes. These findings therefore imply that round table meetings influences management of Technical Training Institutes.

### **5.3 Conclusions**

The purpose of this study is to investigate the influence of corporate governance practices on the management of public Technical Training Institutes in Nairobi City County.

Based on research finding it can be concluded that Board of Management selection criterion influences management of Technical Training Institutes. The criteria for selecting Board of Management is aimed at giving the Technical Training Institutes a personality of its own and it is also a means of decentralization of authority from the Ministry of Education. It was concluded that gender balance and competence to be considered when selecting the Board. They matter much in the management of technical Training Institutes.

Further, it can be concluded that financial record keeping influences management of Technical Training Institutes. A Technical Training Institutes should evolve strategies regarding: financial records management in terms of cash planning, managing the cash flows, optimum cash level and investing surplus cash. Growth and development of educational sector is dependent on how well finances are managed. Financial management is concerned with organization's decisions on how to source for funds, how to control financial resources through financial controls, prudent allocation of financial resources and accountability measures. It was concluded that accurate reporting, reliability of financial management systems and efficient internal control system influences management of TTIs in Nairobi City County.

It is also concluded that public reporting influences management of Technical Training Institutes. The aspect of public reporting defines the intercommunication between management of technical institutions and the Ministry of Education. Public reporting is a cornerstone of good public sector governance. By providing unbiased, objective assessments of whether public resources are managed responsibly and effectively, the management of Technical Training Institutes are able to achieve accountability and integrity, improve operations, and instill confidence to the public and stakeholders. It was concluded that timely and balanced reporting influences management of Technical Training Institutes in Nairobi City County.

Finally, it can be concluded that round table meetings influences management of Technical Training Institutes. At each round table committee meeting, the Board on Management is expected to meet and evaluate the overall management of the institution. The Board governs through meetings and delegation. The Kenyan Education Act (2013) stipulates that there should be a meeting after every four months. The Board conducts frequent meetings to discuss strategies of improving the management of the Technical Institution.

#### **5.4 Recommendations for study**

The following recommendations were made;

1. The management of the Technical Training Institutes selects competent and qualified Board of Management to manage schools. Effective school Boards can contribute to the success of their schools by clarifying their roles and working on them to ensure achievement of set goals.
2. It is recommended the Technical Training Institutes adopt a better financial management system. This is done by building an integrated financial management system. This will ensure that financial frauds are minimized.
3. Finally, it is recommended that the institution work hand in hand with local community for better management of the Technical Training Institutes.

### **5.5 Suggestions for further study**

Based on the study findings, the study made suggestions for future research on the role school of corporate governance practices on students' discipline. The study also suggested further research to include the role of community participation on school management. Finally, future research should critically look into the role of private sector on provision of quality educational in Kenya.

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## **APPENDICES**

### **APPENDIX I: INTRODUCTORY LETTER**

Department of Educational Administration and Planning  
C/O University of Nairobi,  
P.O. Box 30197-00100,  
Nairobi, Kenya.

Dear Principal,

#### **REF: REQUEST TO CARRY OUT STUDY IN YOUR INSTITUTION**

I am a student pursuing a Master degree in Education at the University of Nairobi. I am carrying out a study on “Influence of Corporate governance practices on management of public technical training institutes in Nairobi City County, Kenya”. I request you to allow me to carry out the study in your institution. A

copy of the final report will be made available to you at your request. The respondents' identity will be kept confidential and information gathered will be used for academic purpose only. Your assistance will be highly appreciated.

Thank you in advance.

**MULWA ROSE NDANU**

E55/73907/2014

## **APPENDIX II: QUESTIONNAIRE FOR BOARD OF MANAGEMENT**

### **MEMBERS**

Kindly answer the following questions as honestly and accurately as possible. The information given will be treated with a lot of confidentiality. You are encouraged to give your honest opinion. Put a tick (✓) where appropriate.

#### **Section A: Organizational Demographics**

1. What is your age group?

a) 30-39 years  b) 40-49years  c) 50 years and above

2. What is your gender? Male  Female

3. What is your highest professional or academic qualification?

a) College  b) Undergraduate  c) Post graduate

#### **Section B: Board selection criteria**

3. Indicate whether the following Board governance structure is incorporated by your institution by ticking (√) where appropriate.

- i. Board qualification requirements      Yes [ ]      No [ ]
- ii. Board independence and oversight committees      Yes [ ]      No [ ]
- iii. Board meetings and transparency of reporting as board process and responsibilities      Yes [ ]      No [ ]
- iv. The board leadership structure      Yes [ ]      No [ ]

This section is concerned at determining the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes. Please tick (√) in the box where necessary. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

No	Statement	5	4	3	2	1
1.	Selecting small boards is effective and value additive because of their nimbleness and cohesiveness					
2.	Merit matter when selecting board members					
3.	Ethical standards matter when selecting board members					
4.	Board should perform other duties as stipulated in the					

	Basic Education Act 2013					
5.	Board should be available for consultation and communication with significant shareholders,					
6.	The Board coordinates activities of the institution					
7.	The Board should be free of any conflict of interest which would violate execution of duties					
8.	Boards' experience is of value to the institution					
9.	Boards' knowledge, skills and abilities is useful in managing TTIs financial resources					

### **Section C: Public reporting**

This section is concerned at determining the extent to which timely public reporting by Board of Management influence management of public Technical Training Institutes. Please tick (√) in the box where necessary. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

<b>No</b>	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1.	Consistent reporting requirements promotes transparency and mitigates capacity for opportunism					
2.	Frequent reporting provides the basis on which periodic and longitudinal data assessments may be made.					
3.	Unless data reporting is periodic and consistent, then					

	longitudinal assessments are somewhat meaningless.					
4.	Reported data needs to be time bound in order to identify cyclical effects, trends, and causal factors.					
5.	Strategic information disclosure is important in enhancing better accountability					
6.	The high the degree of reporting, the more robust the corporate governance mechanisms are likely to be.					
7.	Reporting to and oral hearings before, public agents or stakeholders enhances sound management					
8.	Senior personnel of the institution are responsible for reporting and performance					

**Section D: Round table meetings**

This section is concerned at determining the extent to which round table meetings by Board of Management influence the management of public Technical Training Institutes. Please tick (√) in the box where necessary. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

<b>N</b>	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1.	The board needs to conduct regular meetings					

2.	The board need to discuss corporate strategies that acts as guiding values for the institution					
3.	A round table meeting aids the activation of symmetric relationships with institutions management.					
4.	The board should hold meetings to discuss institutes' management problems					
5.	Round table meeting for boards provide strategic direction					
6.	Round table meeting act as guide to quality improvement					

### Section E: Keeping financial records

This section is concerned at establishing the extent to which proper financial record keeping influence the management of public Technical Training Institutes.

Please tick (√) in the box where necessary. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

<b>N</b>	<b>Statement</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>o</b>						
1.	For better management, an institution should have an accounting and financial management system					
2.	The Management should be committed to the operation of					



	the system					
3.	Management should monitor implementation of Internal control systems					
4.	Management should provide feedback to the junior officers about the operation of the system					
5.	Taking appropriate measures to correct errors in operation of our Accounting & Finance Management System is vital					
6.	Our Institution should have an objective, independent and active internal audit committee					
7.	Departments should have budget reviews where actual expenditure is compared with budgeted expenditure and explanations for the variances given					
8.	The Institution's Accounting system should adequately identify the receipts and expenditure of grant contracts					

### **Section F: Management of Technical Training Institutions**

This section is concerned at determining the extent to which selection criteria of BOM members influence the management of public Technical Training Institutes. Please tick (√) in the box where necessary. The choices are given as (5 for strongly agree, 4 for agree, 3 for neutral, 2 for disagree and 1 for strongly disagree).

No	Function	5	4	3	2	1
1.	This institution is discharging its duties as stipulated by TVET					
2.	Accountability and transparency of the TTI has been enhanced					
3.	Fairness when selecting board members					
4.	Student technical skills have been developed					
5.	School resources are managed well					

**APPENDIX III: INTERVIEW SCHEDULE FOR PRINCIPALS**

This interview guide is aimed at gathering information on influence of corporate governance practices on the management of public technical training institutes in Nairobi City County. The information given will be kept confidential.

1. What is your highest level of education?

.....  
 .....

2. How long have you been working in this institute?

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

3. What is your view on selection criteria when choosing Board of management in this institute?

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

4. In your own opinion how does selection criteria influence the management of the institute?

.....  
.....

5. To what extent is financial record keeping developed in this institution?

.....  
.....

6. How is financial record keeping important when it comes to management?

.....  
.....

7. What is your perception towards reporting progress by management of the institute to the Ministry of Education?

.....  
.....

8. What have you done to improve reporting management progress to the Ministry?

.....  
.....

9. Whenever you hold meetings with the board, what do you prioritize in your agenda?

.....  
.....

10. How often do you hold meetings to discuss issues related to school management?

.....  
.....

11. What is your rating towards the overall management of this institution?

.....  
.....

12. What are you doing to improve the management of this institute?

.....  
.....

**APPENDIX IV: INTERVIEW SCHEDULE FOR BURSARS**

1. How many times in a year does the board hold round table meetings in this institute?

.....  
.....

2. What are the qualities and attributes considered when somebody is being hired as a bursar?

.....  
.....

3. At times, keeping financial records is tedious. How do you manage this?

.....  
.....

4. What are the consequences of financial mismanagement towards management of this institute?

.....  
.....

5. How frequent is financial reporting done in this institute?

.....  
.....

6. The performance of this institute depends on the management practices of the board. Do you feel the board has done enough to make this a reality?.....

## APPENDIX V: RESEARCH AUTHORIZATION



### NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,  
2241349,3310571,2219420  
Fax: +254-20-318245,318249  
Email: dg@nacosti.go.ke  
Website: www.nacosti.go.ke  
When replying please quote

9<sup>th</sup> Floor, Utalii House  
Uhuru Highway  
P.O. Box 30623-00100  
NAIROBI-KENYA

Ref. No. **NACOSTI/P/17/75329/17617**

Date: **19<sup>th</sup> June, 2017**

Rose Ndanu Mulwa  
University of Nairobi  
P.O. Box 30197-00100  
**NAIROBI.**

#### **RE: RESEARCH AUTHORIZATION**

Following your application for authority to carry out research on *“Influence of corporate governance practices on management of public Technical Training Institutes in Nairobi County, Kenya,”* I am pleased to inform you that you have been authorized to undertake research in **Nairobi County** for the period ending **19<sup>th</sup> June, 2018.**

You are advised to report to **the County Commissioner and the County Director of Education, Nairobi County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.

**GODFREY P. KALERWA MSc., MBA, MKIM  
FOR: DIRECTOR-GENERAL/CEO**

Copy to:

The County Commissioner  
Nairobi County.

The County Director of Education  
Nairobi County.

**APPENDIX VI: RESEARCH PERMIT**

**THIS IS TO CERTIFY THAT:**  
**MS. ROSE NDANU MULWA**  
**of THE UNIVERSITY OF NAIROBI,**  
**45046-100 NAIROBI, has been permitted**  
**to conduct research in Nairobi County**  
**on the topic: INFLUENCE OF**  
**CORPORATE GOVERNANCE PRACTICES**  
**ON MANAGEMENT OF PUBLIC**  
**TECHNICAL TRAINING INSTITUTES IN**  
**NAIROBI COUNTY, KENYA**  
**for the period ending:**  
**19th June, 2018**

Permit No : **NACOSTI/P/17/75329/17617**  
Date Of Issue : **20th June, 2017**  
Fee Received : **Ksh 1000**



*[Handwritten Signature]*  
**Director General**  
**National Commission for Science,**  
**Technology & Innovation**

.....  
**Applicant's**  
**Signature**