

**INFLUENCE OF CORPORATE GOVERNANCE ON PERFORMANCE OF LARGE
MEDIA FIRMS IN KENYA**

ROSE NJEREMANI OSANYA

**A RESEARCH PROJECT REPORT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

2018

DECLARATION

I, the undersigned, declare that this research project report is my original work and has not been presented to any institution or university other than the University of Nairobi for examination.

Signed: _____ **Date:** _____

Rose Njeremani Osanya

D61/80290/2012

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

Signed: _____ **Date:** _____

Dr. Victor Ndambuki

Department of Business Administration

School of Business, University of Nairobi

DEDICATION

I dedicate this project to God Almighty for enabling me pull through the entire study period. I dedicate to my spiritual authority Bishop Allan Kiuna and Rev. Kathy Kiuna for their spiritual guidance and prayers. I also dedicate the project to my dear parents, Mr. Bakari Osanya and Mrs. Florence Osanya for their great support and encouragement throughout the study. My mother, whose great sacrifice has encouraged, motivated and inspired me to complete this project even in most difficult times. My siblings; David, Chibole, Grace, Steve and Shiroya who have really encouraged me to push forward despite challenges. God bless you all.

ACKNOWLEDGEMENTS

My deepest honor goes to God Almighty who has enabled me to complete this research project and the entire MBA course.

I am deeply obliged to my supervisor Dr. Victor Ndambuki for his exemplary guidance, support, effort and precious time to see this project a success. May God Almighty bless you.

To my great friends Beatrice Ndaisi Kimuyu and Rosetta Wamuyu Wangi whose encouragement and sacrifice during challenging moments has given me strength to sail through.

I thank all the respondents from the media firms here in Kenya for their support which made this research work great success.

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGEMENTS	iv
LIST OF TABLES	viii
LIST OF FIGURES	ix
ABBREVIATIONS AND ACRONYMS	x
ABSTRACT	xi
CHAPTER ONE : INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Corporate Governance as a Strategic Resource	2
1.1.2 Organizational Performance	4
1.1.3 Relationship between Corporate Governance as a Strategic Resource on Organizational Performance	5
1.1.4 Media Industry	5
1.2 Research Problem	7
1.3 Study Objectives	8
1.4 Value of the Study	8
CHAPTER TWO : LITERATURE REVIEW	10
2.1 Introduction	10
2.2 Theoretical Foundation of the Study	10
2.2.1 Upper Echelons Theory	10
2.2.2 Resource Dependency Theory	11
2.3 Corporate Governance Practices	11

2.3.1 Board Size.....	12
2.3.2 Board Diversity.....	13
2.3.3 Board Independence.....	13
2.3.4 Board Committees Meetings.....	14
2.4 Strategic Capabilities of Boards of Directors.....	14
2.5 Corporate Governance and Organizational Performance.....	15
2.6 Conceptual Model.....	16
CHAPTER THREE : RESEARCH METHODOLOGY.....	20
3.1 Introduction.....	18
3.2 Research Design.....	18
3.3 Target Population.....	18
3.4 Data Collection.....	19
3.5 Data Analysis.....	19
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION.....	20
4.1 Introduction.....	20
4.1.1 Response Rate.....	20
4.2 Biographic Information.....	20
4.2.1 Gender.....	20
4.2.2 Position in the Organization.....	21
4.2.3 Work Experience.....	22
4.3 Corporate Governance and Firm Performance.....	23
4.3.1 Board Size.....	24
4.3.2 Board Diversity.....	25
4.3.3 Board Independence.....	26

4.3.4 Number of Committees	27
4.4 The Relationship between Corporate Governance and Firm Performance of Large Media Firms in Kenya	29
4.5 Discussion	32
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATION	36
5.1 Summary	36
5.2 Conclusion	37
5.3 Recommendations	37
5.4 Limitation of the Study	38
5.5 Suggestions for Further Study	38
REFERENCES	39
APPENDICES	42
APPENDIX I: INTRODUCTORY LETTER	42
APPENDIX II: RESEARCH QUESTIONNAIRE	43
APPENDIX III: LIST OF LARGE MEDIA HOUSES IN KENYA	49

LIST OF TABLES

Table 4.1: Gender	21
Table 4.2: Work Experience.....	23
Table 4.3: Board Size	24
Table 4.4: Board Diversity	25
Table 4.5: Board Independence	26
Table 4.6: Number of Committees	27
Table 4.7: Number of Meetings held by Board Committees Annually	28
Table 4.8: Model Summary.....	29
Table 4.9: Analysis of Variance	30
Table 4.10: Coefficients	31

LIST OF FIGURES

Figure 1.1: The Relationship between Corporate Governance and Firm Performance	16
Figure 4.1: Position in the Organization	22

ABBREVIATIONS AND ACRONYMS

CG	Corporate Governance
BOD	Board of Directors
OECD	Organization of Economic Corporation and Development
UET	Upper Echelons Theory
GoK	Government of Kenya
ROI	Return on Investments
ROA	Return on Asset
ICT	Information and Communication Technology
SMS	Short Message Service

ABSTRACT

Corporate governance concept is a global phenomenon that touches on pertinent issues in the organizations that helps organizations in achieving their long-term objectives. Both public and private institutions implement corporate governance practices to help them in enhancing their general performance irrespective of their industry. The larger media firms in Kenya have also not been left behind with regard to corporate governance and firm performance. This study therefore sought to determine the influence of corporate governance on organizational performance of large media firms in Kenya. The study utilized descriptive research design. The independent variables of the study included board size, board diversity, board independence and number of board committee meetings while the dependent variable was organizational performance of large media firms in Kenya. The study population was 15 respondents from the 5 large media firms in Kenya thus a census. Data was collected using research questionnaires as a tool to collect primary data. Data was then coded after grouping them, analyzed using descriptive statistics and regression analysis. From the study findings, it was established that the respondents partially agreed that board size influenced organizational performance. Other respondents agreed that board diversity, board independence and number of committee influence organizational performance of large media firms in Kenya. The findings are consistent with the resource dependence theory. The theory states that management is an important linkage between a firm and its important resources in optimization of its performance. The board is therefore regarded as an important resource for firm interactions with the external environment like access to finances, customers, suppliers and personnel. This depends with the capacities of the management and their networks. The board therefore provide access to their networks, expertise and other capabilities. This in turn facilitates inward flow of information and cooperation.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

The competence of a business depends on how its corporate governance has developed organized and mobilized resources. There are organizations however that have demonstrated superior performance and have succeeded in achieving and maintaining a competitive advantage than others in the same industry. Organizational performance is subject to multifaceted external environment within which they operate. Organizations operate in a dynamic environment and have to develop strategies that give them competitive advantage over their industry rivals. An organization that does not adequately adjust to fit its environmental challenges experiences a strategic problem. Establishing the causes of variability and improving organizational performance is therefore, a recurrent theme of great interest to both scholars and practitioners. Corporate governance is today a globally popular topic of discussion and is largely accepted, it has a far reaching influence a firm's performance and in the protection of the interests of all stakeholders.

The study was based on the Upper echelon and Resource dependency theory. Hambrick and Mason (1984) avers that the Upper echelon theory identifies the background of organization's management characteristics. In line with Hambrick and Mason, personal values, past experience and education form the individual characteristics and cognitions. These cognitions impacts the way top management attends and analyze state of affairs, and the approach selected. (Kaplan, 2005). Resource dependence theory argues that the board has a great influence in an organization's access to the key resources needed for maximization of performance. These

theories conceptualize the interaction between corporate governance as a strategic resource that influences organizational performance.

Media firms in Kenya rely on numerous strategies to overcome challenges and competition inherent in the market. One major strategy relates to relationship governance. According to Abdullah, Putit and Teo (2014), relationship governance is successful in developing the trust of external stakeholders so as to create loyal customer relations. Halimi, Chavosh and Choshali (2011) note that relationship governance impacts positively on firms' performance. Companies therefore need to develop strategies that promote their relationships with their clients by evaluating that factor that influences these relationships so as to establish more mutually beneficial buyer-seller relationships to increase profit. As Raza and Rehman (2012) take accurate decisions to enhance customer loyalty.

1.1.1 Corporate Governance as a Strategic Resource

The term corporate governance has different meanings to different people. Its definition differs widely and is classified into two main groups. The first definition involves behavioral which are the actual running operations and actions of the firm in terms of measures of performance like financial framework, growth rate, efficiency, promotion of the interests of share holders. (Organization of Economic Cooperation and Development (OECD), 2005). The other involves the normative framework meaning the rules that govern the organizations. These rules may have their origin either from law, judiciary the financial market, or the labor market. Cadbury (2002) postulates that CG is about striking a balance between societal and personal goals; social goals and economic. The practices are meant to facilitate effective resource utilization and also

accountability for their use with the objective of aligning the individual, corporation and societal interests.

Corporate governance defines how roles and functions among the firms' stakeholders and shareholders are distributed, and the strategy undertaken for decisions on matters concerning the matters of the corporate bodies. This way provides the framework for setting of company objectives, and the strategies for attaining them and how to monitor performance. The Cadbury Committee, (1992) avers that corporate governance is that process of administrating, directing, monitoring and controlling firms in order to achieve desired goals. It is about the full set of protecting and managing conflicting interests and working relationships between the board, top management teams, staff and other stakeholders. Corporate governance helps an organization operate effectively, efficiently, mitigate risks and safeguard against mismanagement.

Corporate governance makes an organization more accountable, transparent and responsible, thus enhancing its performance (Kiliko, Atandi and Awino, 2012). Consequently the main elements of corporate governance practices are setting the right objectives seeking to achieve them by organization and then working to attain them by ensuring the efficient resource utilization. Corporate governance practices are more significant in developing countries because they do not have a strong, financial institutions regime to manage corporate governance challenges. It influences organizational performance (Mkalama, 2014). However, factors such as transparency, accountability, and full disclosure in managing resources remain a management and research concern. The changing global corporate governance has raised interest on exploring its effect on organizational performance. Organizations with perceived weaker governance practices have greater agency problems (Kiliko et al., 2012; Ongeti, 2014). Corporate governance is one of the

co-alignment variables in this study. The mechanism behind its integrative relationship with strategy is not well understood since limited empirical research has focused on it.

1.1.2 Organizational Performance

Organizational performance remains a complex task and a research objective in strategic management (Pearce & Robinson, 2011). Organizational performance involves three key indices; efficiency, effectiveness and ability to adopt. It assures that an organisation contributes to its mission and remains responsive to the needs of its stakeholders. Performance is the strife to outdo an organization's competitors in an effort to satisfy its stakeholders. It relates to how the entire organisation successfully undertakes specific functions to achieve the desired outcomes or results as measured against its pre-defined targets that are unique to its mission.

Conceptualization and operationalization of organizational performance is a thorny issue in strategic management research. Past studies have shown that there are different parameters for measuring performance (Ottenbacher, 2007). The financial and non-financial indices used in measuring performance include: infrastructure, market share, financial ratios, profitability, cost efficiencies, growth of existing and new clientele and customer satisfaction. Moreover, measurements of organizational performance beyond financial indicators are still in its formative stages (Hubbard, 2009). It is important to understand the factors influencing organizational performance in a dynamic environment because they enable managers to point out the factors that require more attention to enhance performance.

1.1.3 Relationship between Corporate Governance as a Strategic Resource on Organizational Performance

Over the years, there has been a quiet revolution in organizational governance practices in the boardrooms. Obtaining the best practices has been hampered myriad regulatory frameworks by both public and private policy makers, and the lack of a recognized measure to determine what constitutes effective corporate governance. Governance is a blend of rules and practice laid down for its management related matters and decision-making that distributes rights and duties of various among different stakeholders in firm (Ongeti, 2014).

Organizations that have good corporate governance tend to attract a larger number of stakeholders since they assure reasonable return on investments (ROI) (Mallin, 2010). One of the concerns of standard setters all over is transparency in the CG of organizations. Corporate governance provides a framework through which organizational objectives, strategies as well as monitoring and evaluation are formulated. Despite organizational governance being relevant in understanding managerial behaviour and performance, very little academic attention has been given to the correlation corporate governance practices (transparency, accountability and full disclosure) and performance. Review of relevant literature indicates varying viewpoints on how governance correlates to performance. According to Ongore (2008) there is a negative correlation between governance and organizational performance of some listed firms in Kenya. Prior studies returned some controversial evidence of governance and performance relationship.

1.1.4 Media Industry

Kenya's media industry is one of the vibrant and respected in Africa. In Kenya, the media has always been at the top in undertaking its economic and social development role by providing

civic discussions platforms where the government is held to account, holding a mirror to the society and disseminating information.

Through the past years, the media has promoted democracy and good governance by hosting presidential and gubernatorial debates before general elections; this marked a great milestone in the industry. Kenyans had the opportunity to analyze and scrutinize candidates' performance records, development plans and election promises through the debates. The media gave Kenyans platform to hold the politicians accountable through the series of debates.

The industry over the past years has grown tremendously with improved technological advances, digitalization and increased connection to advanced internet and mobile access. With the creation of county governments, the media responded with content and news that is tailored to the various counties.

The media has reported substantial growth from independence. Initially it was one KBC station, Kenya now prides with 386 FM radio stations and 105 TV frequencies. From very few publications to 19 dailies and weekly publications throughout the country.

Government's immense expenditure in Kenya's ICT has in years paid off through the mobile innovations and has not only tremendously affected money transfer and banking sector, but also the uptake of media. More and more users of mobile phones utilize advance technology for internet connection and view or listen to TV and radio; this has become possible due to infiltration of mobile services. The industry has also greatly benefitted in audience participation and in increased revenues through SMS which is a good platform for media interaction with their target audiences. The five major media firms in Kenya include: Royal Media Services, Media

Max Networks, The Standard Group, Radio Africa Group and Nation Media Group. The Media Council of Kenya together with the Communication Authority of Kenya regulates the media in Kenya (CAK, 2015).

1.2 Research Problem

A relationship exists between good organizational governance to transparency, effectiveness and accountable governance of the affairs of an institution principle, including the conduct of the board (Dhamadasa, Gamage & Herath, 2014). As such, corporate governance principles adopted domestically and internationally, as well as the governance literature, has recognized the significance of the management board in shaping organizational practices in a firm. According to Darweesh (2015), the role of governance in the growth of the stability of the financial market and the development of an economy cannot be ignored. Again, Donaldson (2003) observes that good corporate governance enhances investor confidence and market liquidity. From the above studies, none of them looked at how corporate governance influences organisational performance of media firms.

Media firms are heavily relying on corporate governance as a marketing strategy and in particular to promote sales and brand reputation. The philosophy of the company's corporate governance focuses on creating and sustaining a deep relationship of transparency and trust with all stakeholders such as customers, employees, suppliers, financiers and so forth .Again, the company follows ethical business standards across Kenya and other parts of the world where the corporation operates. Notably, the company considers stakeholders as partners in its journey forward and as such, it is committed to ensuring that their wellbeing, despite business challenges and economic volatilities (CAK, 2015).

Several researches have been deliberated on the subject as a strategic resource on performance; Otieno (2016) established the influence of governance on marketing strategies in the telecommunications sector in Kenya with, Bharti Airtel as the case study. Kiliko (2015) did a study on corporate governance-strategic decision making co-alignment, external environment and performance of mission hospitals in Kenya. Kinuthia (2014) assessed the influence of CG on the financial performance of telecommunications firms in Kenya. The results of these previous international and local studies give a good insight into the various aspects of corporate governance as a strategic resource on performance. The researcher therefore attempted to answer the question: what is the influence of corporate governance as a strategic resource on performance of media firms.

1.3 Study Objectives

To determine the influence of CG on performance of major media firms in Kenya.

1.4 Value of the Study

Media firms in Kenya would gain from the findings in developing their governance structures to enhance their performance. The study would be of significance to all the existing media firms in understanding corporate governance as a strategic resource on performance. It would provide information on what their awareness levels regarding corporate governance as a strategic resource on performance. This study's findings would create more understanding on corporate governance theories and practices and also contribute to the existing knowledge on the association between CG and organizational performance of the media firms and also fills the gap on the relationship between these variables for future reference by other researchers.

Future researchers may also benefit from this research as enables them to have a look at what has been researched before and identify gaps that have not yet been researched on. This study may also be of importance to all institutions both public and private who have adopted corporate governance practices in Kenya since it equips them with knowledge on the ideal application of corporate governance. It also empowers chief executive officers and board of directors of private sector organizations with knowledge on practices of corporate governance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature is reviewed in this section on the effects of corporate governance as a strategic resource on performance as presented by various researchers and scholars. Specifically provides theories underpinning the study. Corporate governance as a strategic resource and performance literature has been reviewed.

2.2 Theoretical Foundation of the Study

This section examines the theoretical underpinning the study. The study was guided by the Upper Echelon and Resource Dependency theories

2.2.1 Upper Echelons Theory

Pfeffer & Davis-Blake, (1986) states UET is based on strategic leadership which explains that deliberate management decisions by top management will always differ because of the influence of individual attributes. UET puts across how decisions by a firm's executives affect performance greatly and how the firm is a mirror of its top executives (Hambrick & Mason, 1984). Relating to differing in attributes and demographics effect on executives resolutions and thus an essential instrument to examine and predict a firm's performance. Various researches have tried to explore these characteristics and attributes that influence a firm's performance (Bantel & Jackson, 1989) Wiersema & Bantel (1992) examined that education level, maturity and tenure influence the extent to which executives responds to change, willing to take risk, innovations and creativity.

2.2.2 Resource Dependency Theory

The theory states that management is an important linkage between a firm and its important resources in optimization of its performance. The board is therefore regarded as an important resource for firm interactions with the external environment like access to finances, customers, suppliers and personnel. This depends with the capacities of the management and their networks. (Ingley, 2004). The board therefore provide access to their networks, expertise and other capabilities. This in turn facilitates inward flow of information and cooperation.

2.3 Corporate Governance Practices

Lim (2010) avers that a board is critical in CG structure of an entity. In order to improve evaluation and ensure rational resource allocation the stake holders appoint representatives from among themselves to represent the in the board. This is intended to protect the interested of resource owners. Boards are intended to make sure that the selfish interested of the board members are stopped (Jensen and Meckling, 1976).

Boards link managers and investors by ensuring that all resources are used rationally (Brown, 2004). They are meant to 'cure' the agency problem especially the incomplete contracts. However, some boards have been known to be ineffective. Others are known to overstep their mandates by engaging in day to day running of the organization. While other boards have been found collude with management, become part of management and pursue self-seeking ventures at the expense of shareholders and stakeholders. Maher and Anderson (1999) say in systems with weak ownership, it is easy for managers and boards to dominate. The composition of boards and, their character can impact on a firm's decision making and performance. (Mallin, 2010; Letting et al, 2012). Sound governance ensures a firms perpetual existence and as a going concern and. A

properly constituted board is necessary for a firm's success since it ensures rational resource utilization. The other contention is the size of the board with one group in support of a small one and another large one. Jensen (1993) and Hermalin and Weisback (1993) said that large boards slow decision making due to the difficulty in achieving consensus and absence of group cohesion. The challenge of coordination outstrips the merits in this case; Dalton and Dalton (2005) argue that small boards may be disadvantaged in terms of expertise and general competencies and representativeness. The appointment criteria are another board structure manifestation. According to Ongore and K'obonyo (2011) care should be taken to constitute a board that understands both the internal business of the organization as well as the ever dynamic external environment for better stewardship. Board members in state owned firms are politically appointed with minimal consideration of proper characteristics relevant to the organization (GoK, 2013).

2.3.1 Board Size

This implies that the list of all directors in an entity. Studies have been done on how the board size, composition and efficiency influence performance of a firm. The findings from various researchers including (Yermack, 1996) and (Guest, 2009) indicated the existence of an inverse relationship. The effectiveness of any board is inverse with size and more so at that point when the board gets to 11 members (Zahra, Neubaum, & Huse, 2000). These study findings are inconclusive (Coles et al., 2008), but are consistent with Jensen's (1993) contention that seven or eight directors cannot be as effective as those with fewer ones. (Lipton & Lorsch, 1992).

From literature, absence of a relationship between the study variables is evident and the board size and effectiveness is not a direct impact (Dalton, Daily, Ellstrand, & Johnson, 1998). A large board may be of some benefit in some instances, it can lead to a wide range of options being

considered and a wide array of options being available for decision making which ultimately increases the possibilities of competent decisions being made.

2.3.2 Board Diversity

The strength of a board performance and the creation of long-term shareholder value are determined by diversity of backgrounds and experiences on its corporate boards. Corporate boards should come up with a structure for evaluating the diversity of candidates that allows the CG committee to consider minorities, women and those with diverse backgrounds as candidates for an open board seat.

A firm's competitive advantage is enhanced when its BOD possess different expertise and experiences which enhances growth and overall performance. Pearce et al, (2012) explains that capabilities are the abilities of combining different expertise and experiences for superior performance.

2.3.3 Board Independence

For effective CG there is critical need for director independence, and this also affects effective provision of objective independent judgment. This is the key oversight function of any board. Consequently, most of the directors of any board need to be autonomous as per the structure put in place. (Zahra, Neubaum, & Huse, 2000).

A director's capability of making an autonomous judgment can be weakened by different connections within the organization. Stock market structures and frameworks have continuously been used by most boards to set up their own standards of measuring independence, institutional investor's views are also considered (Pearce et al, 2012).

2.3.4 Board Committees Meetings

For a board to be effective in addressing the very core sectors in profoundness, it requires an effective committee structure in terms of number of committees. The full board should lay out structures and frameworks regarding the committee membership with recommendations from CG committee (Zahra, Neubaum, & Huse, 2000).

An effective CG is keen on the roles undertaken by the number of committees in corporate governance, compensation and audit committees. Every organization is distinctive in regards to numbers of committees in the committee structures and frameworks therefore one given committee structure may not apply in another organization. At any given level of industry, the number of committees greatly influences a firm's performance. Each committee membership needs to have clearly defined in a written charter on each member's duties including the specified eligibility and capabilities with the consent of the full board. The charter needs to be reviewed after a specified period of time and any alterations made to cater for appropriate number of committee's and need to be given to the board for approval (Coles et al., 2008).

2.4 Strategic Capabilities of Boards of Directors

Governance capabilities were defined as the firm specifies and difficult to imitate, CG processes and board capacity to use the governance resources and competences available to the firm in order to achieve a competitive advantage by lowering effectively the agency costs, and ideally, by contributing to the generation of superior economies rents through directors' active involvement in firm strategies decision making processes. Thus, Governance capabilities could be divided into two parts: Board control capability and Board strategy making capability.

Governance Value Creating Perspective (Allaire and Firsirotu, 2009) provides an interesting classification of what was defined as governance resources and capabilities, by identifying those contributing to Board legitimacy and those that enhance Board credibility, Strategy process, accurate use of financial and strategies information, and efficient setting of a calibrated compensation system.

Governance resources could be tangible or intangible. Governance tangible resources are those that are explicit, such as formal governance structures, board committees, board structural and formal attributes such as board remuneration and financial participation or directors' linkages and interlocks with other firms. Intangible Governance resources are tacit and could not be easily identified, but may be inferred through qualitative analysis, such as human capital, relevant experience, knowledge and expertise, reputation and valuable information embedded in the resources provided by board members (Horner, 2006). Human capital means some capabilities inform of skills and knowledge held by an individual resulting from experience The competencies that managers bring to a firm influence their capabilities more so if they are based on industry(Bailey & Helfat, 2003).

2.5 Corporate Governance and Organizational Performance

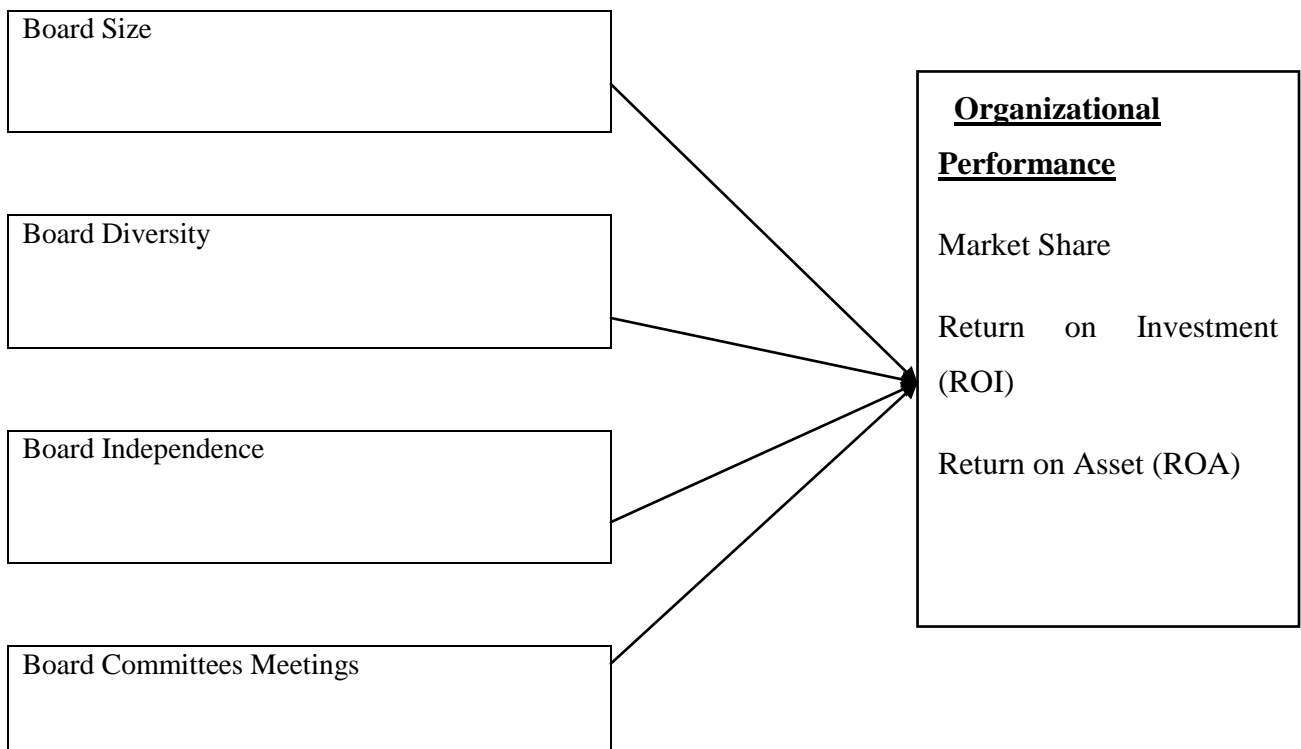
Corporate governance defines how roles and functions among the firms' stakeholders and shareholders are distributed, and the strategy undertaken for decisions on matters concerning the matters of the corporate bodies. This way provides the framework for setting of company objectives, and the strategies for attaining them and how to monitor performance. The Cadbury Committee, (1992) avers that CG is that process of administrating, directing, monitoring and controlling firms in order to achieve desired goals. It is about the full set of protecting and

managing conflicting interests and working relationships between the board, top management teams, staff and other stakeholders. Corporate governance helps an organization operate effectively, efficiently, mitigate risks and safeguard against mismanagement. CG makes an organization more accountable, transparent and responsible, thus enhancing its performance (Kiliko, Atandi and Awino, 2012). Consequently the main elements of corporate governance practices are setting the right objectives seeking to achieve them by organization and then working to attain them by ensuring the efficient resource.

2.6 Conceptual Model

Independent Variables

Dependent Variable



Source: Researcher, (2018)

Figure 1.1: The Relationship between Corporate Governance and Firm Performance

CG is the independent variable with four measures. The number of directors was measured using the natural logarithm to determine the size factor of the board. Board diversity was measured by the extent to which a board is constituted comprise a broad range of backgrounds and interests for example, people from different cultural groups, minorities, gender, age, socio economic status, experience, values as well as disability. Board committee meetings the natural logarithm of the number of meetings held annually and board independence calculated by the quotient of the non-executive directors to the total number of board of directors. Firm performance as response variable was measured by the return on investment, return on assets and market share of the large media firm.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter captured details about how the study was conducted, the methodology used as part of the research. This section focus on the research design of the study, target population, data collection techniques, data analysis and analytical model.

3.2 Research Design

Descriptive design was employed since it gave the researcher in-depth information about the actual state of affairs as they present without manipulating any variable. (Churchill & Iacobucci, 2002). This research design accurately depicts the descriptions of state of affairs, phenomenon, persons or incidents (Onabanjo et al., 2010).

3.3 Target Population

In this study, the population consisted of all large media firms licensed and registered as per the Media Council of Kenya. According to the Media Council of Kenya large media firms consist of firms that have five or more media outlets, with regional or national reach and with high power frequency with regional or national reach. We have 5 large media firms according to this description on the registration of media firms in Kenya by the Media council of Kenya. The target population was the 5 large media firms. Data was collected from 3 senior management staff from each of the media firms adding up to 15 respondents.

3.4 Data Collection

In this study, primary data was employed. Structured questionnaires were administered to 15 senior managers of the study firms. Questionnaires are convenient data collection tools where the respondents are easy to access and are willing give responses. Drop and pick method was used in distribution of questionnaires.

3.5 Data Analysis

Inferential and descriptive statistics was used. Statistical data analysis software was used to produce results. Multiple regression analysis was employed to determine the relationship between the variables under this study.

The multiple regression model was depicted as follows;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:-

Y= Performance of Media Firms

β_0 =constant

$\beta_1, \beta_2, \beta_3$ and β_4 = regression coefficients

X_1 = Board Size

X_2 = Board Diversity

X_3 = Board Independence

X_4 = Board committee meetings

ε =Error Term

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

The chapter highlights on the data analysis procedure, data output and findings as well as discussion of such findings in the study. The findings of the research were presented inform of frequency distribution, tables and bar graphs.

4.1.1 Response Rate

There were 15 questionnaires that were issued to the 5 large media firms in Kenya. The study objective was to determine the influence of corporate governance on performance of large media firms in Kenya. All the 15 questionnaires were filled and returned although some delayed due to tight schedules of the respondents. This therefore represented 100% response rate that was considered as excellent for analysis.

4.2 Biographic Information

The study sought to establish the gender, management position and work experience of the respondents from their respective large media firms in Kenya.

4.2.1 Gender

The study sought to determine the gender of the respondents.

Table 4.1: Gender

	Frequenc y	Percent	Valid Percent	Cumulative Percent
male	9	60.0	60.0	60.0
Valid female	6	40.0	40.0	100.0
Total	15	100.0	100.0	

Source: Research Data, 2018

The findings on table 4.1 shows that majority 9 (60%) of the respondents were male while 6 (40%) of the respondents were female. This indicated that both the genders were well represented in the study despite male being the majority.

4.2.2 Position in the Organization

The study sought to figure out the position and held by the respondents in their respective media houses.

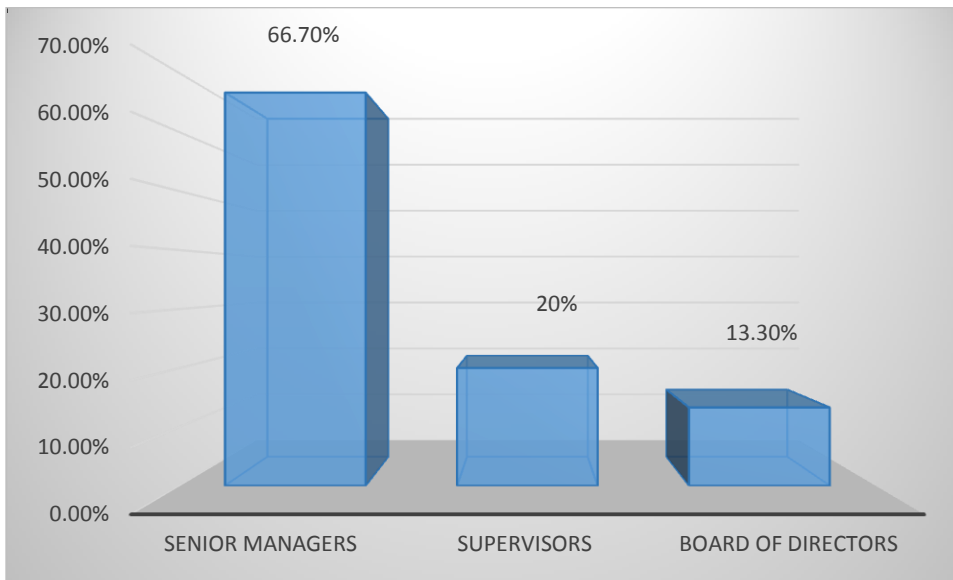


Figure 4.1: Position in the Organization

Source: Research Data, 2018

The study findings as revealed in figure 4.2 shows that majority 10 (66.7%) of the respondents were senior managers in their respective firms. 3 (20%) of the respondents were supervisors while 2 (13.3%) were board of directors. This therefore established that majority of the respondents were well positioned to give reliable information sought by this study.

4.2.3 Work Experience

The study sought to evaluate the work experience of the respondents in their particular media firms.

Table 4.2: Work Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below five years	3	20.0	20.0	20.0
5 to 10 years	9	60.0	60.0	80.0
above 10 years	3	20.0	20.0	100.0
Total	15	100.0	100.0	

Source: Research Data, 2018

The study findings on table 4.2 revealed that majority 9 (60%) of the respondents had worked at their respective media firms for 5 to 10 years, 3 (20%) of the respondents had worked in their media firms over 10 years while more 3 (20%) of the respondents had worked in their respective media firms below 5 years. This therefore revealed that majority of the respondents had enough work experience to give credible and reliable information sought by this study.

4.3 Corporate Governance and Firm Performance

The study sought to establish their degree of agreement with the following statements on corporate governance practices as observed from their respective media firms. The respondents were required to respond through a 5 point lickert scale of 1 – 5 where 1 = Strongly Disagree, 2 = Partly Disagree, 3 = Partly Agree, 4 = Agree and 5 = Strongly Agree.

4.3.1 Board Size

Table 4.3: Board Size

Statement	Mean	Std. Dev.
Smaller Board enhances firm performance.	2.42	1.467
Large Board size is more reliable in provision of services.	3.93	1.163
Large Board of directors is prone to more conflicts among board members which makes it difficult to reach agreements.	3.00	1.134
Firm benefits from larger boards since they provide effective oversight of management and increase resource availability to the organization.	4.20	0.862
A larger board brings more expertise and experience to the board.	3.53	0.990
Average Mean	3.416	1.123

Source: Research Data, 2018

The study findings on table 4.3 established that majority of the respondents agree that firm benefits from larger boards since they provide effective oversight of management and increase resource availability to the organization with a mean ($M = 4.20$; $SD = 0.862$).

Other respondents also agree that large board size are more reliable in improvisation of services and a larger board brings more expertise and experience to the board with a mean ($M = 3.93$, $SD = 1.163$) and ($M = 3.53$; $SD = 0.990$) respectively.

Other respondents noted that they partially agreed that large board of directors are prone to more conflicts among board members which makes it difficult to reach agreements with a mean ($M = 3.00$; $SD = 1.134$).

On the other hand, some respondents noted that they partially disagreed that small boards enhances firm performance with a mean of (M = 2.42; SD = 1.467).

From the findings, the average mean is (M = 3.416; SD = 1.123). This Indicates that the respondents partially agreed that board size influences as corporate governance practice influences performance of large media firms in Kenya.

4.3.2 Board Diversity

Table 4.4: Board Diversity

Statement	Mean	Std. Dev.
Appointment of board members has always considered a mix of skills required in the stewardship of the organization.	4.27	0.884
The board is composed of both genders.	3.87	0.743
Board members academic qualifications are always considered before appointment to the board.	3.87	0.834
Stakeholders have been involved in the appointment of the board members.	3.80	0.561
Board members have relevant work experience required to steward the organization.	3.60	0.828
The organization board appointment has been political.	3.00	1.195
Average Mean	3.735	0.840

Source: Research Data, 2018

The study findings on table 4.4 revealed that majority of the respondents agreed that appointment of the board members was always considered a mix of skills required in the stewardship of the

organization. They also agreed that the board is composed of both genders and the board members academic qualifications were always considered before appointment to the board.

Also, the respondents agreed that shareholders have been involved in the appointment of the board members and board members have relevant work experience required to steward the organization with a mean of (M = 4.27; SD = 0.884), (M = 3.87; SD = 0.743), (M = 3.87; SD = 0.834), (M = 3.80; SD = 0.561) and (M = 3.60; SD = 0.828) respectively.

On average, the respondents agreed that board diversity as a corporate governance practice influences performance of large media firms in Kenya with average mean (M = 3.735; SD = 0.840).

4.3.3 Board Independence

Table 4.5: Board Independence

Statement	Mean	Std. Dev.
The board is more independent when the proportion of outside directors increases.	4.33	0.488
Executive directors are better placed in handling the affairs of the organization.	3.80	1.014
The number of executive directors is higher than that of non-executive directors.	3.40	0.828
Average Mean	3.84	0.776

Source: Research Data, 2018

The study findings on table 4.5 reveals that majority of the respondents agreed that the board was more independent when the proportion of outside directors increase. The respondents further

agreed that executive directors were better placed in handling the affairs of the organization with a mean ($M = 4.33$; $SD = 0.488$) and ($M = 3.80$; $SD = 1.014$) respectively.

Other respondents revealed that they partially agreed that the number of executive directors was higher than that of non-executive directors with a mean of ($M = 3.40$; $SD = 0.828$). Therefore, the average mean for board independence is ($M = 3.84$; $SD = 0.776$). This shows that the respondents agreed that board independence as a corporate governance practice influences performance of media firms in Kenya.

4.3.4 Number of Committees

Table 4.6: Number of Committees

Statement	Mean	Std. Dev.
The committees would focus on improving the company's competitiveness and performance.	4.20	0.775
Existence of independent committees enhances financial performance of the organization.	3.93	0.594
There is an audit committee established in the board.	3.80	1.082
Audit committees are not effective.	2.28	1.434
Average Mean	3.552	0.971

Source: Research Data, 2018

The study findings on table 4.6 established that majority of the respondents agreed that the committee focused on improving the company's competitiveness and performance. The respondents further agreed that the existence of independent committees enhances financial performance of the organization and there exists an audit committee established in the board with

a mean (M = 4.20; SD = 0.775), (M = 3.93; SD = 0.594) and (M = 3.80; SD = 1.082) respectively. However, other respondents indicated that they partially disagreed that audit committees are not effective with a mean of (M = 2.28; SD = 1.434). The average mean is (M = 3.552; SD = 0.971). This therefore shows that the respondents agreed that the number of committee meetings have an influence of performance of media firms in Kenya.

Table 4.7: Number of Meetings held by Board Committees Annually

Statement	Mean	Std. Dev.
Board meetings are chaired by board members with the relevant qualifications.	4.13	0.640
Independence of the board generates return on investment to boost performance.	4.11	0.834
All board meetings have been relevant to the organizations mandate.	3.20	1.424
Other members attend board meetings even if they are not gazetted.	2.73	0.884
There is poor attendance of board meetings.	2.42	1.248
Average Mean	3.318	1.006

Source: Research Data, 2018

The study findings as established on table 4.7 shows that majority of the respondents agreed that board meetings are chaired by the board members with relevant qualifications with a mean of (M = 4.13; SD = 0.640). Other respondents also agreed that independence of the board generates return on investment to boost performance with a mean of (M = 4.11; SD = 0.834).

On the other hand, other respondents noted that they partially agreed that all board meetings were relevant to the organizations mandate. They also partially agreed that other members attend board

meetings even if they were not gazetted with a mean of (M = 3.20; SD = 1.424) and (M = 2.73; SD = 0.884) respectively.

Furthermore, the respondents partially disagreed that there was poor attendance of meetings with a mean of (M = 2.42; SD = 1.248). On average, the respondents partially agreed that the number of board meetings held by committees annually influence performance of media firms in Kenya with an average mean (M = 3.18; SD = 1.006).

4.4 The Relationship between Corporate Governance and Firm Performance of Large Media Firms in Kenya

The study sought to determine the influence of corporate governance on firm performance of large media firms in Kenya.

Table 4.8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.828 ^a	.686	.560	.336

a. Predictors: (Constant), the committees would focus on improving the company competitiveness and performance, the board is more independent when the proportion of outside directors increase, appointment of board members has always considered a mix of skills required in the stewardship of the organization, smaller boards enhances firm performance.

The study findings on table 4.8 established that the coefficient of determination R^2 is 0.686 which indicates that the model explained 69% of the variations of the changes in firm performance at large media firms in Kenya. It also shows that Board Size, Board Diversity, Board Independence

and Board Committee structure explained 69% of the firm performance of large media firms in Kenya.

Table 4.9: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	2.469	4	.617	5.458	.014 ^b
Residual	1.131	10	.113		
Total	3.600	14			

a. Dependent Variable: Number of board meetings have influence on firm performance

b. Predictors: (Constant), the committees would focus on improving the company competitiveness and performance, the board is more independent when the proportion of outside directors increase, appointment of board members has always considered a mix of skills required in the stewardship of the organization, smaller boards enhances fir performance

The study findings shown on table 4.9 reveals that the model used in the study was statistically significant with P-Value of 0.014 which is less than 5%.

Table 4.10: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.520	1.211		2.081	.064
Smaller boards enhances fir performance	-.265	.134	-.593	-1.976	.076
Appointment of board members has always considered a mix of skills required in the stewardship of the organization	.047	.115	.081	.407	.693
The board is more independent when the proportion of outside directors increase	.154	.294	.148	.524	.612
The committees would focus on improving the company competitiveness and performance	.431	.119	.658	3.634	.005

a. Dependent Variable: Number of board meetings have influence on firm performance

The study findings on table 4.10 established the overall multiple regression model as;

$$Y = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + e$$

Where Y = Performance of Media Firms in Kenya

B_0 = Constant

B_1, B_2, B_3, B_4 = Regression Coefficients

X_1 = Board Size, X_2 = Board Diversity, X_3 = Board Independence, X_4 = Board Committee Meetings.

The findings of the study on table 4.10 established that;

$$Y = \text{Performance of Media Firms} = 2.520 - 0.265$$

Board Size + 0.047, Board Diversity + 0.154, Board Independence + 0.431, Board Committee Meetings + e

The regression model therefore notes that when a unit changes in Board Size leads to a decrease of firm performance by -0.265 units. A unit change in Board Diversity leads to 0.047 unit increase in firm performance of media firms. A unit change in Board Independence leads to 0.154 units increase in form performance of media firms in Kenya. A unit change in Board Committee Meetings leads to 0.431 units increase in performance of media firm in Kenya. The study findings also established that there was both a positive and negative relationship between the independent and the dependent variable.

4.5 Discussion

From the findings, the average mean is (M = 3.416; SD = 1.123). This Indicates that the respondents partially agreed that board size influences as corporate governance practice influences performance of large media firms in Kenya. Also from the findings, On average, the respondents agreed that board diversity as a corporate governance practice influences performance of large media firms in Kenya with average mean (M = 3.735; SD = 0.840). the study findings are consistent with the existing literature. The findings from various researchers including (Eisenberg, Sundgren, & Wells, 1998), (Guest, 2009), (Mak & Kusnadi, 2005); and, (Yermack, 1996) indicated the existence of an inverse relationship. The effectiveness of any board is inverse with size and more so at that point when the board gets to 11 members (Zahra, Neubaum, & Huse, 2000). These study findings inconclusive (Coles et al., 2008), but are

consistent with Jensen's (1993) contention that seven or eight directors cannot be as effective as those with fewer ones. (Lipton & Lorsch, 1992).

From literature, absence of a relationship between the study variables is evident and the board size and effectiveness is not a direct impact (Dalton, Daily, Ellstrand, & Johnson, 1998). A large board may be of some benefit in some instances, it can lead to a wide range of options being considered and a wide array of options being available for decision making which ultimately increases the possibilities of competent decisions being made. The strength of a board performance and the creation of long-term shareholder value are determined by diversity of backgrounds and experiences on its corporate boards. Corporate boards should come up with a structure for evaluating the diversity of candidates that allows the CG committee to consider minorities, women and those with diverse backgrounds as candidates for an open board seat.

A firm's competitive advantage is enhanced when its BOD possess different expertise and experiences which enhances growth and overall performance. Pearce et al, (2012) explains that capabilities are the abilities of combining different expertise and experiences for superior performance.

The study findings on table 4.5 reveals that majority of the respondents agreed that the board was more independent when the proportion of outside directors increase. The respondents further agreed that executive directors were better placed in handling the affairs of the organization with a mean ($M = 4.33$; $SD = 0.488$) and ($M = 3.80$; $SD = 1.014$) respectively. Other respondents revealed that they partially agreed that the number of executive directors was higher than that of non-executive directors with a mean of ($M = 3.40$; $SD = 0.828$). Therefore, the average mean for board independence is ($M = 3.84$; $SD = 0.776$). This shows that the respondents agreed that board

independence as a corporate governance practice influences performance of media firms in Kenya. For effective CG there is critical need for director independence, and this also affects effective provision of objective independent judgment. This is the key oversight function of any board. Consequently, most of the directors of any board need to be autonomous as per the structure put in place (Zahra, Neubaum, & Huse, 2000). A director's capability of making an autonomous judgment can be weakened by different connections within the organization. Stock market structures and frameworks have continuously been used by most boards to set up their own standards of measuring independence, institutional investor's views are also considered (Pearce et al, 2012).

The study findings on table 4.6 established that majority of the respondents agreed that the committee focused on improving the company's competitiveness and performance. The respondents further agreed that the existence of independent committees enhances financial performance of the organization and there exists an audit committee established in the board with a mean ($M = 4.20$; $SD = 0.775$), ($M = 3.93$; $SD = 0.594$) and ($M = 3.80$; $SD = 1.082$) respectively.

However, other respondents indicated that they partially disagreed that audit committees are not effective with a mean of ($M = 2.28$; $SD = 1.434$). The average mean is ($M = 3.552$; $SD = 0.971$). This therefore shows that the respondents agreed that the number of committee meetings have an influence of performance of media firms in Kenya. The findings are consistent with the existing literature. An effective CG is keen on the roles undertaken by the number of committees in corporate governance, compensation and audit committees. Every organization is distinctive in regards to numbers of committees in the committee structures and frameworks therefore one

given committee structure may not apply in another organization. Numbers of committees play a pivotal role in performance of a firm at any given level of industry. Each committee membership needs to have clearly defined in a written charter on each member's duties including the specified eligibility and capabilities with the consent of the full board. The charter needs to be reviewed after a specified period of time and any alterations made to cater for appropriate number of committees and need to be given to the board for approval (Coles et al., 2008).

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary

This chapter highlights on the study summary of the findings and interpretation. The objective of the study was to determine the influence of corporate governance on organizational performance of large media firms in Kenya. The study noted that on average, the respondents partially agreed that board size influences organizational performance of large media firms in Kenya with an average mean ($M = 3.416$; $SD = 1.123$). The respondents further agreed that board diversity as a corporate governance practice influenced performance of large media firms in Kenya with an average mean ($M = 3.735$; $SD = 0.840$). With regard to board independence, the respondents also agreed on average that board independence influences organizational performance of large media firms in Kenya by an average mean of ($M = 3.84$; $SD = 0.776$).

Furthermore, the respondents agreed that the number of committees established by the board influences organizational performance of large media firms in Kenya with an average mean ($M = 3.552$; $SD = 0.971$). From the study findings, the respondents further partially agreed that the number of meetings held by the board committees annually influences organizational performance of large media firms in Kenya with an average mean ($M = 3.318$; $SD = 1.006$). The findings are consistent with the resource dependence theory. The theory states that management is an important linkage between a firm and its important resources in optimization of its performance. The board is therefore regarded as an important resource for firm interactions with the external environment like access to finances, customers, suppliers and personnel. This depends with the capacities of the management and their networks. (Ingley, 2004). The board

therefore provide access to their networks, expertise and other capabilities. This in turn facilitates inward flow of information and cooperation.

5.2 Conclusion

From the study findings, the respondents partially agreed to some extent that the board size and the number of board meetings held annually influences organizational performance of large media firms. The management should consider such a case in the respective media houses so as to rectify the issue when need arises. The dissenting opinion from the respondents reveals that the underlying issues that board members in large media firms need to address for their guaranteed sustainability in a highly competitive industry.

The study also revealed that 69% of the variations or changes in Board Size, Board Diversity, Board Independence and Board Committee Meetings influences performance of large media firms in Kenya leaving out 21% of the unexplained variables in the study.

5.3 Recommendations

The study recommends that all board of the five major media houses should focus on enhancing their growth in the industry by addressing the dissenting opinion raised by the respondents in the study. Such boards should consider the issue of board size and the issue about board meetings held annually by committees. Such meetings should be reviewed and be held on a quarterly basis so that major issues such as competition and changes in media laws could be addressed promptly. This will therefore help managers execute their mandates diligently thus improving the organizational performance of their respective large media firms in Kenya.

The managers of the five large media firms should be allowed to have an input in board meetings such that pertinent issues of management could be discussed ranging from strategy strategic plans, human resource management, industry analysis as well as financial management.

5.4 Limitation of the Study

The study was successfully undertaken, however there were limitations that were experienced by the researcher. The respondents were very busy in their daily routines in their respective media firms. Most of the time they were committed to their official duties and had limited time to participate in the study. This therefore led to the delay in filling the questionnaires thus affecting the research schedule of the study process. Other respondents were not willing to participate in the study for fear of unknown from the researcher. Despite official introduction and commitment of the researcher that the study was only meant for academic purposes, only some respondents disallowed themselves from participating in the study. They were reluctant to give information related to their organizations. Other respondents thought the researcher represented their competitors in the industry thus the fear to participate in the study.

5.5 Suggestions for Further Study

The study was confined only on five large media firms in Kenya. Future studies could be done based on the same topic of study but in the context of all media firms in Kenya. Corporate governance concept is very significant to strategic management in the corporate world. Future studies should therefore be done on the influence of corporate governance on performance of Manufacturing Industry in Kenya, Airline Industry in Kenya or even Oil and Gas Industry in Kenya. The same can be replicated in both public and private firms in Kenya.

REFERENCES

- Belleau, B. D., Summers, T. A., Xu, Y. & Pinel, R. (2007). Theory of reasoned action: Purchase intention of young consumers. *Clothing and Textiles Research Journal*, 25(3), 244-257.
- Branwell, J. (2010). Technology: Generation XD Uses Internet for Better Social Interaction, *Marketing Week*, January 14, 7.
- Cheruiyot, R. J. (2014). Integrated Marketing Communication And Performance Of Kenya Post And Savings Bank, Unpublished MBA project, Kenyatta University.
- Churchill, G. A. & Iacobucci, D. (2002). *Test Bank and Transparency Masters to Accompany Marketing Research: Methodological Foundations*. Harcourt College Pub..
- Ezell, B. (2013), Banking on the Next Generations, *Michigan Banker*, 21(19), 27-29.
- Gitau, B. N. (2013). *Strategies adopted by Kenyan Insurance Companies to alleviate low insurance penetration*, Doctoral dissertation, University of Nairobi.
- Hershatter, A. & Epstein, M. (2010). Millennials and the world of work: An organization and management perspective. *Journal of Business and Psychology*, 25(2), 211-223.
- Kaburu, A. M. (2013). The effectiveness of marketing communication strategies adopted by retirement benefits authority in recruitment of Jua Kali workers into Mbao Pension Plan. Unpublished MBA project, University of Nairobi.
- Kadaba, L.S. (2013). The Power of Tweens: These Savvy 8-to-12-Year-Old Girls Are Such a Mighty Market Force They Merit Their Own D.C. Convention, *McClatchy – TribuneBusiness News*, October 21.
- Karakaya, F. & Ganim Barnes, N. (2010). Impact of online reviews of customer care experience on brand or company selection. *Journal of Consumer Marketing*, 27(5), 447-457.

- Keegan, W.J. (2013). *Global Marketing Management*, 4th, Prentice-Hall, Englewood Cliffs, NJ,
- Kihanya, K. (2013). Effects of integrated marketing communication on business performance in the insurance industry. A case study of the Kenya orient insurance limited. Unpublished MBA project, United States International University
- Kumar, A., & Lim, H. (2008). Age differences in mobile service perceptions: comparison of Generation Y and baby boomers. *Journal of Services Marketing*, 22(7), 568-577.
- Kumar, S. (2012). *Kac-Moody groups, their flag varieties and representation theory* (Vol. 204). Springer Science & Business Media.
- Luck, E. & Mathews, S. (2010). What Advertisers Need to Know about the iYGeneration: An Australian Perspective, *Journal of Promotion Management*, 16(1/2), 134.
- Manu, H.T. (2015). The effect of integrated marketing communication on corporate brand image. A case study of Guinness Ghana Breweries Limited. Unpublished MBA project, Kwame Nkrumah University of Science and Technology
- Maxwell, G. A., & Broadbridge, A. (2014). Generation Y graduates and career transition: Perspectives by gender. *European Management Journal*, 32(4), 547-553.
- Mulwa, N. N. (2013). Integrated marketing communication and technology adoption a case of safaricom's m-pesa mobile money transfer services in Kenya. Unpublished MBA project, University of Nairobi.
- Ngugi, R., Amanja, D. & Maana, I. (2006). *Capital market, financial deepening and economic growth in Kenya*. Unpublished MBA project, University of Nairobi.
- Ogwenoh, B. (2016). Integrated Marketing Communication Strategies Adopted By Second Hand Motor Vehicle Dealers In Nairobi. Unpublished MBA project, University of Nairobi.

- Onabanjo, O. O., Aderibigbe, O. R., Akinyemi, C. O. & Adetogun, A. A. (2010). Vitamin profile of some standardized Nigerian composite dishes. *International Journal for Vitamin and Nutrition Research*, 80(6), 378.
- Ong'ong'a, N. A. (2014). *Effect of marketing strategies in gaining market share by insurance companies in Kenya*. Doctoral dissertation.
- Ongore, V. O. & Kusa, G. B. (2013). Determinants of financial performance of commercial banks in Kenya. *International Journal of Economics and Financial*, 3(1), 237.
- Panneerselvam, C., Murugan, K., Kovendan, K. & Kumar, P. M. (2012). Mosquito larvicidal, pupicidal, adulticidal, and repellent activity of *Artemisia nilagirica* (Family: Compositae) against *Anopheles stephensi* and *Aedes aegypti*. *Parasitology research*, 111(6), 2241-2251.
- Rugimbana, R. (2012). Generation Y: How Cultural Values Can Be Used to Predict their Choice of Electronic Financial Services, *Journal of Financial Services Marketing*, 11 (4), 301-314.
- Sisk, M. (2010). Web Banking: Dexia Gives Kids Their Own Bank; Brussels-Based Axion Features a 'Youth Index' and Streams Concerts in Banner Ads to Appeal to Teens and 20-Somethings without Turning Off Older Consumers, *Bank Technology News*, 23(4), 21
- Williams, G. (2005). Using Multi-Generational Marketing to Target Donors, *Nonprofit World*, 23(5), 8-13.
- Wong, W. K. (2010). *Factors affecting Malaysian generation Y's green brand perception and purchase decision*, Doctoral dissertation, Universiti Sains Malaysia.
- Zaslow, J. (2013). The Greatest Generation (of Networkers), *Wall Street Journal*, November 4, D.1.

APPENDICES

APPENDIX I: INTRODUCTORY LETTER



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE 19/11/2018

TO WHOM IT MAY CONCERN

The bearer of this letter ROSE N. OSAITA

Registration No. D61/80290/2012

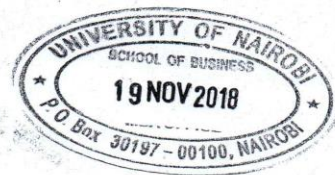
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PROF. JAMES M. NJIHIA
DEAN, SCHOOL OF BUSINESS



APPENDIX II: RESEARCH QUESTIONNAIRE

This questionnaire seeks to gather data on corporate governance and organizational performance of large media firms in Kenya. All the information collected will purely be used for academic reasons at high confidentiality upheld.

PART A: BIOGRAPHIC INFORMATION

1. Your Gender?

a) Male b)Female

2. Your position in the organization

SeniorLevelManagement

Boardofdirector

Supervisor

3. How long have you worked with the organization?

Below 5years

5 to 10years

Above 10years

PART B: CORPORATE GOVERNANCE AND FIRM PERFORMANCE

To what degree do you agree with the following statements on the corporate governance practices as observed in your organization? Please indicate so by marking an X or a check mark (√) in the column that appropriately fits your organization.

SECTION A: BOARD SIZE

Number of Directors (Please Indicate)

1 = Strongly Disagree 2 = Partly Disagree 3 = Partly Agree 4 = Agree 5 = Strongly Agree

	1	2	3	4	5
Smaller boards enhance firm performance					
Larger size boards are more adept in the provision of resources					
Large board of directors are prone to more conflicts among board members which makes it difficult to reach agreements					
The firm benefit from larger boards since they provide effective oversight of management and increase resource availability in the organization which leads to the improvement of organizational performance					
A larger board will bring more expertise and experience to the board					

SECTION B: BOARD DIVERSITY

1 = Strongly Disagree 2 = Partly Disagree 3 = Partly Agree 4 = Agree 5 = Strongly Agree

	1	2	3	4	5
Appointment of Board members has always considered a mix of skills required in the stewardship of the organization					
The organization's Board appointment process has been political.					
A member's academic qualifications have been considered before for appointment to the organization's Board					
All stakeholders have been involved in the appointment of the Board.					
The board has been composed of both gender					
All Board members have had relevant industry experience required to steward the organization					

SECTION C: BOARD INDEPENDENCE

1 = Strongly Disagree 2 = Partly Disagree 3 = Partly Agree 4 = Agree 5 = Strongly Agree

	1	2	3	4	5
The number of executive directors is higher than that of Non-Executive Directors					
The board is more independent when the proportion of outside directors increases					
Executive directors are better placed in handling the affairs of the organization since they have a deeper understanding of the organizations Operations.					

SECTION D: NUMBER OF COMMITTEES

Number of committees established by the Board..... (Please indicate)

1 = Strongly Disagree 2 = Partly Disagree 3 = Partly Agree 4 = Agree 5 = Strongly Agree

	1	2	3	4	5
There is an audit committee established on the board					
Independent committees would focus on improving the company competitiveness and performance					
Audit committee are not effective against risk they are just overloaded					
The existence of independent committees enhances financial performance of the organization					

SECTION E: NUMBER OF MEETINGS HELD ANNUALLY

How often are board meetings held in a year? (Please indicate)

1 = Strongly Disagree 2 = Partly Disagree 3 = Partly Agree 4 = Agree 5 = Strongly Agree

	1	2	3	4	5
There is poor attendance in board meetings					
All the Board meetings have been relevant to the organization's mandate					
The Board meetings have been chaired by board members with the relevant qualifications					
There have been other members attending Board meetings even when they are not gazetted as its members					
The number of board meetings has an influence on firm performance					

Thank you for your co-operation

APPENDIX III: LIST OF LARGE MEDIA HOUSES IN KENYA

The Nation Media Group

The Standard Group

Royal Media Services

Media Max Networks Ltd

Radio Africa Group