EFFECT OF CORPORATE GOVERNANCE ON THE FINANCIAL PERFORMANCE OF COMPANIES LISTED AT NAIROBI SECURITIES EXCHANGE

LINET ATIENO ODIERO

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DECLARATION

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

Signature ___________________________ Date ____________________________

Linet Atieno Odiero

D61/86985/2016

This research project has been submitted for examination with our approval as University Supervisors

Signature _________________________ Date __________________________

Mr. Dominic Murage

Lecturer, Department of Finance and Accounting,

School of Business, University of Nairobi.

Signature _________________________ Date __________________________

Dr. Winnie Nyamute

Lecturer, Department of Finance and Accounting,

School of Business, University of Nairobi.

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DEDICATION

This research work is dedicated to my loving husband for the generous support, encouragement and mentorship during my period of study in Master of Business Administration Course. I will forever be grateful.

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ABSTRACT

It is the responsibility of every corporation to ensure at all times good corporate governance practices since they are associated with high stakeholders returns. When entities uphold good moral business practices, they ensure the protection of the stakeholders rights, effective monitoring of management decisions and ensuring that all disclosures are made by the business entities as desired by the stakeholders. This study sought to determine the effect of corporate governance on the financial performance of the companies listed at the Nairobi Securities Exchange. The study was for a five-year period from 2013 to 2017. The study involved the use of a descriptive research design using a sample of 20 companies listed at the NSE. Secondary data from the audited financial statements of the listed companies and the NSE's reports were used. Data was analyzed on the basis of the mean and the F test statistic was computed at 5% significance by regression analysis. From the findings, the F statistic was 2.614 and was found to be significant, board size had a t-value of -0.109 which was insignificant, board gender diversity had a t-value of 2.770 which was significant, company size had a t-value of -0.004 which was insignificant, leverage had a t-value of 1.456 which was insignificant and size of audit committee had a t-value of 1.623 which was insignificant. The study concluded that corporate governance affects the financial performance of the companies listed at the Nairobi Securities Exchange. The study recommends that companies should at all times uphold good corporate values since they are the major determinant for the success of business entities, firms should also ensure equal gender representation which translates to transparency in the management of the companies.

LIST OF ABBREVIATIONS

CEO Chief Executive Officer

CMA Capital Markets Authority

NSE Nairobi Securities Exchange

ROA Return on Assets

ROE Return on Equity

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Power struggles in the corporate arena has generated governance issues which have the potential effect of affecting the business entities (Adams, 2003). It is the responsibility of every corporation to ensure at all times good corporate governance practices since they are associated with high stakeholders returns. When entities uphold good moral business practices, they ensure the protection of the stakeholders rights (Adams, 2003). Financial performance is the general measurement regarding the current financial position of a firm as well as comparison with other firms, it is aimed at the measurement of proper utilization of the assets in the firms (Batra, 1999). Financial performance is pivotal especially in assessing the business prosperity (Heremans, 2007).Good corporate governance practices are believed to improve the financial performance since it encourages transparency on the other hand lack of corporate governance negatively affects financial performance as a result of weak internal control systems (Harris, 2012).

According to Agency Theory by Jensen and Meckling (1975), there may be an agency loss measured by extent to which the owners' returns drop below what they would be if they exercised direct control on the company rather than delegating their authority to the agents. In Agency Theory, shareholders are the principals while managers are the agents. On the other hand, Stewardship Theory developed by Donaldson in 1991 states that, the managers (agents) are believed to be stewards who are required to ensure that the business entities are always run as per the wishes of the principals. The Stakeholders Theory developed by Freeman in 1984 proposes that for any business entity to achieve

success, it must create value for all its stakeholders including suppliers, customers, employees, community, investors and owners. Businesses always focus on maximization of owners' wealth as the top objective but meeting all other stakeholders' interests is equally important (Freeman, 1984).

In the past, many business entities in Kenya lacked transparency and accountability which was due to the failure of adequate corporate governance framework and this forced the Capital Markets Authority (CMA) to issue guidelines to be followed to ensure the adherence of good corporate ethical practices. CMA is charged with the role of regulating and licensing capital market players such as stock brokers, the securities exchange and the listed entities by ensuring they uphold good ethical practices. Practicing and promoting corporate governance guarantees the achievement of the improved financial results by the firms. Financial performance measures the financial health of corporations by assessing the operating efficiency of the business entities (Harris, 2012).

1.1.1 Corporate Governance

Corporate governance is the approach that involves directing and controlling business entities (Adams & Mehran, 2003). According to Gipps (2007), corporate governance involves the act of ensuring the interests of the various stakeholders are balanced. The overall objective is aimed at protecting the interests of the shareholders. According to Porta, Wallen, and Fraenkel (2000), corporate governance is an aggregation of devices that protect investors from the harmful effects caused by selfish interests of the executives. According to Gopi (2014), corporate governance involves the acts of separating the management and control in the business organizations. According to

Edwards and Clough (2005) corporate governance explains the coexisting ties between a company's different stakeholders which provide the framework for setting a firm's objectives and achieving them as well as tracking performance.

Corporate governance aims at ensuring the investors are protected from the harmful effects which results from the selfish interests of the mangers who are after their own welfare and not the wellbeing of the corporations. Corporate governance aims at providing the framework for setting the objectives and achieving the goals of the business entities. Every organization should always ensure that the board members are able to execute their mandate (Bairathi, 2009).

A board that constitutes a high number of non-executive directors reduces agency costs thus it increases effectiveness of the board. (Bairathi, 2009). Ndungu (2014) studied corporate governance practices among the insurance firms in Kenya. From the study findings, good corporate governance practices which include a representative board and strong internal controls systems had a significant positive effect on the financial performance. Rield (2012) concluded that larger board size led to more favorable performance compared to the banks with smaller boards. Shehzad (2014), concluded that the board size, management efficiency and the CEO duality impacted the performance of the firms. Corporate governance was measured by board size, audit committee size and gender diversity.

1.1.2 Financial Performance

Financial performance is the measurement of entity's policies and the various operations performed by the entities in monetary terms (Heremans, 2007). These outcomes are

shown in the companies' profitability ratios, gearing measures and liquidity ratios. Profit has always been used as the basis for many business proprieties however; the real determinant of business growth is how efficiently the business entity has employed the capital in the business. Financial performance is the general measurement regarding the current financial position of a firm as well as comparison with other firms (Huthison, 2012). According to Alfred (2007), financial performance is the measurement of proper utilization of the assets in a firm based on its mode of operation and how revenues are generated.

Any organization in the world is in business for prosperity to greater heights; for any business entity to prosper, it must ensure good financial health at all times (Heremans, 2007). Business organizations can gauge the success of the entities through the analysis of the overall output in monetary terms and this aims at determining how the resources have been employed effectively and efficiently in the organizations. Any business entity can know the worth of their entities by financial performance analysis.

Hogarty (2012) on the study of corporate governance and how it influenced performance of investment firms in Italy used the return on equity to measure the performance, where as a study by Rield (2012) on how corporate governance practices impacted the final financial performance of firms in Nigeria employed ROA as the measurement for financial performance. A study by Aduda, Okiro and Nina (2015) on how the financial performance of the firms listed at Dares Salaam Stock Exchange was influenced by corporate governance employed ROA in the measurement of financial performance in their analysis.

1.1.3 Corporate Governance and Financial Performance

According to Harris (2012) the significance of corporate governance is futile if the magnitude and its nature does not impact the overall performance of any business organizations. According to Kim (2015), the companies which put in place good corporate governance practices performed better unlike those companies which were poorly managed. The shareholders are interested in maximizing the returns but corporate managers fail to pursue this objective and instead resort to their own selfish interest hence poor financial performance. As a result of this, majority of the investors have always abandoned business entities with poor corporate governance practices. Good corporate governance entails different aspects which include management commitment to transparency, independence of the operations, accountability and prudence in the overall management of the business entities.

Lack of these good business practices will mean that corporate managers are able to pursue their own interests. When companies practice good business practices and standards they will ensure the attraction of investment opportunities which will eventually fulfill the interests of the shareholders in terms of wealth maximization hence improved financial performance. Good corporate governance practices will also ensure protection of the organization from various lawsuits. All these aspects are aimed at improving the financial performance of the business entities (Gibbs, 2007).

1.1.4 Companies Listed at the Nairobi Securities Exchange

The NSE is located in Kenya and has a total of 65 listed companies as at 2018 and is the market for securities. The classification of the listed companies is done on a segment

basis which ranges from investment, investment services, manufacturing and allied, telecommunication and technology, banking, energy and petroleum among others (NSE, 2016). Many of the companies listed at NSE have prioritized on the good corporate governance practices which are aimed at improving the financial performance (NSE, 2016).

Firms which have adopted good corporate governance practices have continually reported impressive financial results compared to the companies with poor corporate governance practices. NSE is critical in the economic development of Kenya by encouraging firms to save thus help them to reallocate funds from dormant to active agents and making long term investment liquid for example transferring of securities. NSE has also helped firms to participate in local ownership of shares hence enabling Kenyans to own shares and invest in good companies hence leads to development of the economy (NSE, 2016).

1.2 Research Problem

Globally, business entities operate in competitive environment where completion is stiff. One of the contributing factors to this is the change in technology (Gopi, 2014). Good corporate governance practices is the solution for the mentioned challenges which are which are geared towards ensuring the financial performance is sound and ultimate goal of the maximization of the wealth of the shareholders. Good corporate governance practices improves the financial performance (Gibbs, 2007).

Firms quoted on the NSE have been flouting corporate governance practices in the recent past and this has prompted the CMA to act tough to safeguard the shareholders from the financial losses by jailing the managers who are involved in the unethical practices for

example the management of Uchumi Supermarkets Company was suspended and the directors were prosecuted for malpractices (NSE, 2017). However, those listed companies which have continually adopted proper corporate governance mechanisms which are geared towards realizing the objectives of the business entities of profit maximization and cost minimization have always reported improved financial performance. Therefore, there is the need for the adoption of corporate governance.

Hogarty (2012) unearthed good corporate governance and performance association of investment firms in Italy. Firms which embraced good corporate governance practices reported improved financial performance. Saboo and Gopi (2013) studied corporate governance and financial performance of Germany Pharmaceutical firms between 2008 and 2012 and confirmed that corporate governance had insignificant effect on the financial performance. Shehzad (2014) studied corporate governance for the firms which were drawn from different sectors in Turkey and the study confirmed improved profitability from sound corporate governance.

Kimani (2017) carried out a survey in Kenya in the period 2008 - 2016, from the sample of 18 companies, the study concluded that good corporate governance practices improved the financial performance. Omollo (2013) and Musembi (2016) both concluded that corporate governance had insignificant effect on the financial performance. From the literature reviewed, shorter period of time was applied, sample size was limited and the context of the study was on bigger firms. Hence there was the need to undertake this study to answer this research question; what is the effect of corporate governance on the financial performance of companies listed at the Nairobi Securities Exchange?

1.3 Research Objective

The objective of this study was to determine the effect of corporate governance on the financial performance of the companies listed at the Nairobi Securities Exchange.

1.4 Value of the Study

This study acts as a source of literature especially in this pivotal area of corporate governance. Corporate governance as the origin of ethical practices is paramount. Hence the need to do more research in this area to assess how effective it is especially in the corporate arena.

This study is of great help to the managers who run the firms. Managers get more information pertaining corporate governance since it affects their day to day activities as the management function in the firms. They are able to develop good policies which is crucial in management.

This study is of help to investors. Investors are interested in the best results and is only achieved by putting more money in those companies which are well run and managed. This will guarantee them profits and not losses all the time.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The part outlines the synopsis of the chapter which include; theories and empirical works on corporate governance, determinants of the financial performance, conceptual framework and literature review summary.

2.2 Theoretical Review

The hypotheses related to corporate governance include; Stakeholders Theory Freeman (1984), agency Theory (Jensen & Meckling 1976) and Stewardship Theory (Donaldson, 1991).

2.2.1 Stakeholder Theory

This theory was founded by Freeman (1984). This theory is about accountability in the corporate arena which ranges from good moral values in the corporate field and practicing of good business ethics all the time. It focuses more on the stakeholders who are very pivotal in the corporate world. Stakeholders range from the financiers for example various financial institutions, the creditors who include the supplies, community at large and also the investors who are the shareholders. The interest of all these stakeholders should be given a priority since they affect the affairs of the firms directly (Arenas & Rodrigo, 2016).

Companies have a role to play especially in ensuring the relationship with the stakeholders is preserved for the benefit of the firms. Benefit can be in form of profits which are eventually enjoyed by them. During the decision making process, managers

have a mandate of ensuring they factor in the affairs of all the parties in order to enhance accountability. How an entity relates to the outside world is paramount since it eventually affects its performance. This theory further stipulates that in a typical business environment, all the stakeholders are equal and should not be discriminated by the management since discrimination creates bad relationship which can negatively affect the productivity (Sendjaya et al, 2016).

2.2.2 Stewardship Theory

According to the Stewardship theory, control and ownership of the business entities should be separated to enhance better performance (Donaldson, 1992). The theory emphasizes that the stewards who are company executives and managers should work for and maximize on the profits for the shareholders. Therefore, the managers should be committed to the long-lived goals of the business entities. The managers and stakeholders should work together and should not bear any conflicting interests. This will ensure high collaboration and co-operation between their steward's utility functions are maximized by maximizing and protecting shareholders wealth. These executives therefore protect their reputations by using all rightful means to maximize shareholders wealth as well as improve the firm's long term performance.

According to El-Faitouri (2014), the CEO duties and those for chairman should be consolidated. This is aimed at minimizing the expenses and fostering of greater responsibility as the business firms' stewards can only be satisfied and motivated after attaining the organizational success. The theory appreciates the significance of different structures for empowering the stewards which are also able to offer maximum autonomy

based on trust and minimizes the monitoring costs of the firms; the stewards have a duty in protecting their image and reputations as the major decision makers in the business entities, in this regard it is believed that the performance of the companies are influenced by the performance of the stewards. The incorporation of corporate accountability among the firms is believed to improve the financial performance since it encourages openness in performing the organizational tasks.

2.2.3 Agency Theory

Agency hypothesis by Jensen and Meckling (1976) clarifies the association joining the principals who are the investors and the specialists who are the corporate officials. Agency relationship occurs if at least one party called the principal contract or hire a person called the agent to perform on his behalf some activity or service (Armstrong, 1991). The principal delegates some of the decision making authority to hire agent to facilitate representation. The theory seeks to address agency problem that arise due to conflicting interests of these two parties.

The interest of the principle is wealth maximization but on the other hand agents may pursue self-centered interests for example pursuing power and esteem goals at the firms' expense. Agency conflicts can be managed by employees share option plan whereby part of employees are shareholders and thereby motivated to work. They can also incur agency costs which are costs incurred by the shareholders with the objective of maintaining or getting rid of agency conflict between themselves and managers; this costs can be in form of maintaining costs for example audit fees incurred, restructuring costs

for example the establishment of new internal audit control systems contracting costs which include the legal fees and opportunity costs (Sanda et al., 2005).

One of the ways of dealing with agency problem is to ensure close supervision of the actions of the managers and some time it is costly because of the costs incurred in the process (Jensen & Meckling, 1976). This theory is of great use since it helps us to understand the importance of putting in place strong corporate governance mechanisms in our firms. The theory informs us of the significance of managing this relationship between owners and managers which affects the financial performance of the firms, making it relevant.

2.3 Determinants of Financial Performance

High returns and minimal costs are the major objectives of business organizations; this is achieved by designing good corporate strategies aimed at improving the financial performance. Financial performance plays a vital role in realizing this objective. It will test the strength and weakness of the company in monetary terms. The major determinants of financial performance are: corporate governance, leverage, liquidity and company size.

2.3.1 Corporate Governance

According to Alfred (2007) corporate governance entails the good traits which guide business organizations in order to realize the set goals. Corporate governance is the approach that involves directing and controlling business entities (Adams & Mehran, 2003). According to Gipps (2007), corporate governance involves the act of ensuring the interests of the various stakeholders are balanced. Corporate governance focuses on the

maximization of the wealth value of the owners of the enterprises and the stakeholders. Due to challenges faced by many organizations during the period of global financial challenges, many business organizations have resorted to sound corporate governance mechanisms to improve the financial performance.

As the environment evolves there is a new paradigm of doing business. Previously, profit was the most important reason for being in business. However, over the 21st century, the new market for business is now people, environment and profit. Organizations are supposed to put more emphasis on good corporate governance practices. A study by Shehzad (2014) measured corporate governance by board composition, a study by Aduda, Okiro and Nina (2015) used the board profile and the age of the company as the proxies of corporate governance. This study measured corporate governance by gender diversity, board size and audit committee size

2.3.2 Liquidity

Liquidity measures the extent to which assets are traded in the market with no effect on the price of the asset (Gardner, 1986). According to Rield (2012), liquidity implies high volume of activities in any market. Liquidity measures the extent of meeting immediate obligations by entities (Freeman, 1984). The livelihood of any business entity depends entirely on liquidity. Therefore, the management has a duty to address the following questions. How much liquid cash should be maintained, at what time will the institution be in need of this cash?, how economic is it to maintain that level of liquid cash and how safe is this cash at the institution or when cash is in transit? Theories have been developed to solve these questions. To an extent, they have succeeded. Yet, in the current

age of technological advancement and the dynamic economic trends, we too have to come up with better counter measures, which will accommodate these emerging issues in the corporate world.

When a business entity has enough liquid assets, it is expected that the financial performance is better compared to a business entity with inadequate liquid assets because the latter cannot manage to realize cash when in need to cater for the obligations and is thus exposed to liquidity risks. Therefore, liquidity has a direct influence on the financial performance (Gibbs, 2007). Studies by Kanyi (2014), Saboo and Gopi (2013) used current ratio in the measurement of liquidity.

2.3.3 Company Size

Company size is the total amount of capital invested by the shareholders (Harris, 2012). According to Nielsen (1974), company size is the total worth of an entity. Kim (2015) defines company size as the average total sales made by the company. Company size influences the financial performance of the firm. Mathur and Kenyon (1997) in their studies concluded that big firms have a better chance to access finances compared to the smaller firms meaning when the organization is large it generates more revenue hence being in a better and stable financial position while on the contrary smaller firms generates smaller revenue hence making the firm's financial position not to be stable and hence unable to access the financial resources and lower cost. Some prior findings by Sorensen and Stuart (1999) concluded that firms that are old tend to be slow and they have old technology and not flexible making them difficult to adapt the new market and competition from new firms. On the other hand, new firms that are small take away the

market share because they are aware of what is happening to the market and what is exactly needed hence making them easily adjustable despite of the challenges such as limited access to finances and their unpopular brand. Old firms tend to relax because they think they have won the market hence losing the market since their services and goods are old and out dated. Studies by Omondi (2013), Hogarty (2012) and Ndungu (2014) measured the size of the company by the sum of the total assets owned by the company. In this study, company size was measured by the natural logarithm of total assets.

2.3.4 Leverage

Miller (1958) defines leverage as debt part in the capital structure of the firm. Leverage is a monetary strategy that incorporates the use of extra borrowed funds to maximize investment returns (Hogarty, 2012). According to Shehzad (2014), leverage is the use of external funds in backing the business entities aimed at improving their profitability. Generally, the use of debts in capital structure increases leverage because of the interest tax shield. The debts utilization in the capital structure does not change risk perceptions of the investors thus the cost of debt remains constant.

High amounts of debt normally attract high-interest rate which can adversely affect the operations of a business entity which can lead to financial distress. However, prudent use of debt can increase the returns to the shareholders; it is believed that high-risk leads to high return (Miller, 1958). Studies by Aduda, Okiro and Nina (2015) measured leverage by the help of debt ratio.

2.3.5 Management Efficiency

According to Alfred (2007), Management efficiency signifies a situation where by the resources are prudently applied to maximize the output levels. Management efficiency is the act of doing things right (Saboo, 2013). According to Huthison (2012), management efficiency is the use of available resources aimed at maximizing the returns. Operational efficiency deals with the management of the operating expenses. The management should ensure resources are deployed efficiently, operating costs are minimized and profit is maximized (Batra, 1999). Management efficiency is measured by proxy of management ratio. The higher the proxy management ratio, the greater the financial performance. Studies by Omondi (2013) and Shehzad (2014) used management ratio to measure management efficiency.

2.4 Empirical Review

Saboo and Gopi (2013) studied corporate governance and financial performance of Germany Pharmaceutical firms between 2008 and 2012. The key objective was to find the link between monetary performance, board size and CEO duality of pharmaceutical firms. Target population was 565 firms, however a representative sample of 201 firms were selected for analysis. Corporate governance practices were measured by the CEO duality. A linear regression model was employed, the study was well structured. This study confirmed that the independence of the boards led to better financial performance of the pharmaceutical firms in Germany.

Kanyi (2014) considered corporate governance impact on the monetary performance of banks in Kenya between 2012 and 2013. His focus was particularly how the board size

influences the performance. Secondary information was acquired, for investigation and an aggregate of 7 commercial banks were chosen as the study sample. Linear regression was utilized in the examination. The example for the examination was constrained. It was apparent from the investigation that bigger board prompted better performance contrasted with littler boards. This prompted the end that corporate administration enhanced the commercial banks' financial performance.

Omondi (2013) explored corporate governance and ownership structure and the resulting effect of firm performance between 2010 and 2013. The study used the primary data which was mainly the questionnaires and the analysis of data was done by the help of the ANOVA. However, the choice of data was not strongly supported. It revealed that insurance firms with sound corporate governance mechanisms performed better compared to the firms with weak corporate governance mechanisms.

Aduda, Okiro and Nina (2015) explored how corporate administration affected the financial performance of the firms listed on Uganda Securities Exchange, Dares Salaam Stock Exchange from 2013 to 2015 for all the listed companies. The study focused on the board profile and the age of the companies. The study used both secondary and primary data in the analysis of the sample of 67 companies in the three stock exchange markets in East Africa. From the findings of the study, the board profile and the age of the company had little influence on the financial performance hence they concluded that corporate governance insignificantly affected firm value in monetary terms.

Hogarty (2012) unearthed a good corporate governance and performance association of investment firms in Italy. She conducted a study between 2005 and 2010 using a total of

15 investment firms. She utilized primary and secondary information in the analysis. Corporate governance was measured by the board composition and meetings held by the management while performance was measured by help of the ROA and ROE. The content was well organized. From the findings of the study, the board composition, the meetings held by the management and the performance were not related and she concluded that corporate governance insignificantly affected the monetary value.

Momanyi (2015) investigated the Nairobi Securities Exchange listed firms to establish the link between corporate governance and financial performance of the firms between 2010 and 2014. 67 companies as of December 2014 were analyzed. A sample of 42 firms was selected for analysis. From the survey he concluded that corporate governance had no outstanding effect on the financial performance of listed firms.

Ndungu (2014) studied corporate governance practices among the insurance firms in Kenya between 2012 and 2014. The study used the data which was obtained from the Insurance Regulatory Authority. A sample of 26 insurance firms out of an aggregate of 37 insurance firms in Kenya were used. Data was analyzed by the help of the SPSS using both the primary and secondary data. This study used a shorter period of study which adversely affected the final outcome. From the study findings, good corporate governance practices which include a representative board and strong internal controls systems had a significant positive effect on the insurance firms' financial value.

Rield (2012) unearthed corporate governance and performance association of listed money deposit banks in Nigeria from 2008 to 2011 in the Nigerian Stock Exchange. Primary and secondary data for a sample of 53 banks was captured from the banks'

financial reports with utilization of linear regression. The study was well structured. It was evident that banks with larger board size led to more favorable performance compared to the banks with smaller boards and he concluded that corporate governance had a significance influence on the financial performance of the banks in Nigeria.

Shehzad (2014) studied how corporate governance impacted on the performance of firms in Turkey the firms were drawn from different sectors in Turkey between 2012 and 2014. A total of 638 firms formed the population of the study however 311 firms were selected for analysis. The study aimed at establishing how the board size, management efficiency and the CEO duality impacted the performance of the firms. The choice of the type of data was ideal in this study. From the analysis, the firms that practiced good corporate governance practices performed better in terms of their profitability.

2.5 Conceptual Framework

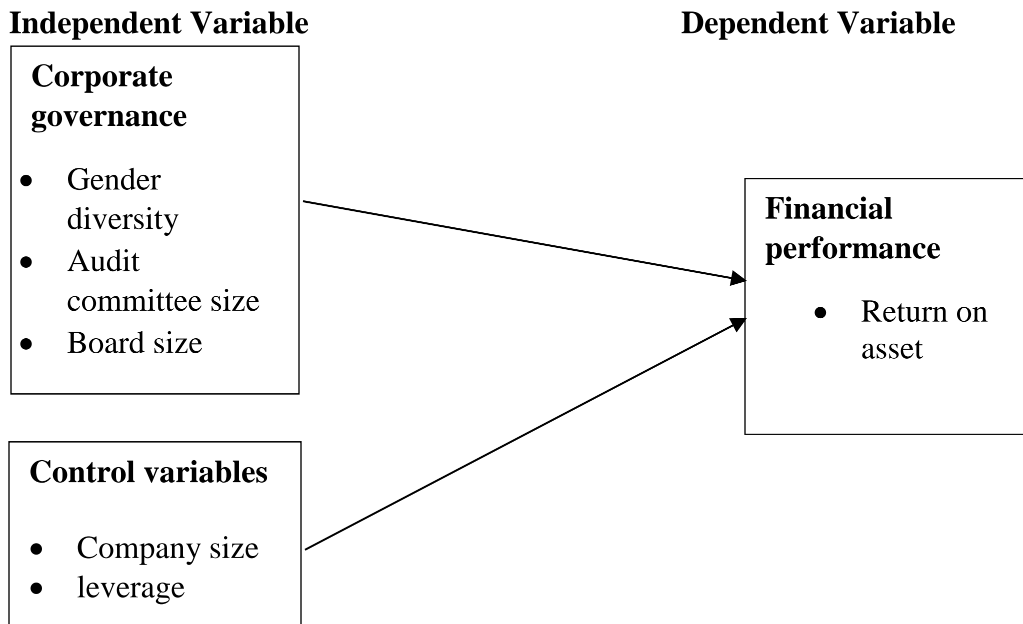


Figure 2.1 Conceptual Framework

Source: Author (2018)

2.6 Summary of the Literature Review

The literature review entails the theories that were discussed and they include, Stakeholder Theory (Freeman, 1984), Stewardship Theory (Donaldson, 1992) and Agency Theory (Jensen & Meckling, 1976). The determinants of financial performance were also highlighted and they include, corporate governance, liquidity, company size and leverage. Different studies on corporate governance were also reviewed and they include Saboo and Copi (2013), Kanyi (2014), Omondi (2013), Aduda, Okiro and Nixon (2015), Hogarty (2012), Momanyi (2015), Ndungu (2014), Reid (2012), Shehzad (2014) and Weston et al (2016) and the conceptual framework. From the literature reviewed, the following research gaps were evident; limited sample size, shorter period of study and lack of models in the studies hence the need for this study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This part covers the techniques which guided the research. The area starts by setting out the study design, study population, tools for data collection, procedures and data analysis.

3.2 Research Design

Research design is that guideline which gives the direction to research activity (Mugenda, 2005). Descriptive research design was employed in this investigation. It was critical in the acquisition of data about the variables that were being analyzed or conditions in a circumstance. It includes correlation and linear regression.

3.3 Target Population

Collection of items of distinct qualities is the population (Mugenda, 2005). 65 companies listed at the NSE constituted the population. 20 companies were selected from different segments of listed companies as the sample of the study using simple random sampling method.

3.4 Data Collection

Secondary information was employed in this research and was sourced from the Capital Markets Authority, websites of the respective companies and from their annual reports. Data that was collected include net income, total assets, total board members, audit committee size and number of female directors. Period of study was from 2013 to 2017.

3.5 Diagnostic Tests

Normality which is the state of being expected was measured by Skewness and kurtosis of the distribution of data, it aimed at establishing if the given data is well modeled. It is cured by looking at the histogram and the probability plots for any outliers or by transformations for example taking log or square root to make data normal.

Multicollinearity which is the ability to predict linearity was tested by variance inflation factors. A variance inflation factor of between one and ten implies no correlation. A variance inflation factor of greater than ten indicates the existence of high correlation among the study variables. It can be cured by removing highly correlated predictors from the model, it can also be managed by using the partial least square method which cuts the number of predictors to smaller set of uncorrelated sets.

The presence of heteroscedasticity was also tested. Heteroscedasticity implies the unequal variability of a variable under study. It occurs due to the large differences of the sizes of the observations. It was tested by the scatter plots. It is rectified by rebuilding the model of the analysis by the introduction of the new predictors.

3.6 Data Analysis

Data analysis means the process of breaking down data to meaningful manner by use statistical tools. The following model was utilized in the analysis;

$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \beta_5 x_5 + e$$

Where Y is the financial performance= ROA (Net Income/Average Total Assets),

β_0 is the free term of the equation. $\beta_1, \beta_2, \beta_3, \beta_4 and\ \beta_5$ are the coefficients of independent variables.

x_1 = Board gender diversity = the ratio of female directors to total directors

x_2 = Leverage= ratio of liabilities to assets

x_3 = Board size =the total number of board members

x_4 = size of audit committee= number of directors in the audit committee

x_5 =Company size= logarithm of the total assets

3.7 Test of significance

An F-test at 5% significance level was conducted to determine the strength of the model, A t -test was also used to describe the sample being measured.

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND INTERPRETATION

4.1 Introduction

This chapter discusses the data analysis results, findings and interpretation. The study used the secondary data obtained from Nairobi Securities Exchange and individual companies sampled. Descriptive statistics and inferential statistics were carried out in this study and the results are discussed in the sections below.

4.2 Descriptive Statistics

Board gender diversity, leverage, board size, size of audit committee, company size and return on assets were used as the study variables. The means, standard deviations, the minimum values, the maximum values of the variables under study were tabulated as indicated below.

Table 4.1: Descriptive Statistics Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
Board gender diversity	100	0.00	0.43	0.2323	0.12027
leverage	100	0.15	0.74	0.4467	0.15625
Board size	100	5.00	11.00	7.1700	1.97998
Size of audit committee	100	3.00	4.00	3.6100	0.49021
Company size	100	19.25	26.42	22.7415	1.66747
ROA	100	-0.02	0.27	0.0879	0.0886

Source: Author (2018)

According to the results, the minimum value of board gender diversity was 0.00, the maximum value was 0.43 the mean was 0.2323 and the standard deviation was 0.12027 which indicated a small variations in board gender diversity. Leverage had the smallest value of 0.15 and largest value of 0.74, mean 0.4467 and standard deviation of 0.15625. The minimum number of board size was 5.00, maximum was 11.00, mean 7.170 and a standard deviation of 1.97998

The minimum and maximum value for audit committee size was 3.00 and 4.00 respectively, mean and standard deviations were 3.6100 and 0.49021 respectively. This indicated that the variations in size of audit committee was large. Highest company size was 26.42 and the lowest was 19.25, means was 22.755 and standard deviation was 1.66747. This implied that the variations in company size among the companies listed at NSE were large. The minimum value of ROA was -0.02 and the maximum value was 0.27, mean was 0.0879 and standard deviation of 0.0886.

4.3 Diagnostic tests

4.3.1 Tests for normality

Initial data assessment to find out if it has a normal distribution was done. There was no departure from an assumption of normality that was extreme as indicated by the measures as shown in table 4.2. Therefore this confirmed the data was suitable for analysis by the use of parametric tests. Autocorrelation was tested by Durbin watson and the value was 2.236 which confirmed no autocorrelation.

Table 4.2: Tests for normality

Scale	N	Skewness		Kurtosis	
		statistic	Std. Error	statistic	Std. Error
Board gender diversity	100	-0.672	0.241	-0.218	0.478
Leverage	100	-0.088	0.241	-0.911	0.478
Board size	100	0.612	0.241	-0.848	0.478
Size of audit committee	100	-0.458	0.241	-1.827	0.478
Company size	100	0.308	0.241	-0.371	0.478
Return on assets	100	0.462	0.241	2.301	0.478

Source: Author (2018)

4.3.2 Tests for Multicollinearity

Multicollinearity which is the ability to predict linearity was tested by variance inflation factors which was aimed at testing for collinearity. The values obtained for the variance inflation factors were all between 1 and 10 as shown in the table below which concluded that there was no multicollinearity symptoms.

Table 4.3: Tests for Multicollinearity

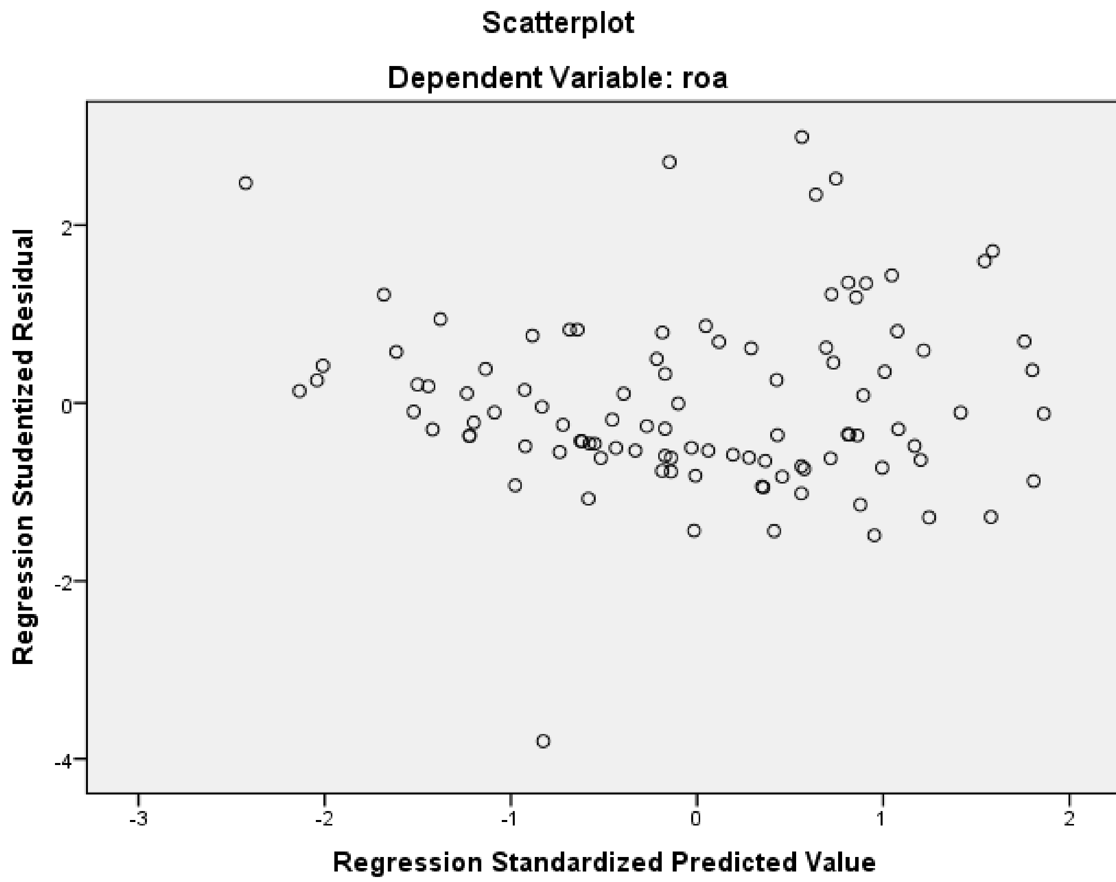
Model	Collinearity Statistics		
	B	Tolerance	VIF
1 (Constant)	.043		
Board gender diversity	.165	.866	1.155
leverage	.064	.940	1.064
Board size	-.005	.665	1.505
Size of audit committee	.023	.889	1.125
Company size	-.004	.717	1.395

Source: Author (2018)

4.3.3 Tests for Heteroscedasticity

Heteroscedasticity was carried out with the aim of establishing unequal variability of a variable under study namely; board gender diversity, leverage, board size, size of audit committee and company size. It was tested by scatter plots. From the findings of the study, based on the scatter plots below, it appears that the research spots are diffused with no specific pattern which is an evidence that the model applied does not occur heteroscedastic problem as shown in figure 4.1 below

Figure 4.1: Tests for Heteroscedasticity



Source: Author (2018)

4.4 Correlation Analysis

Table 4.4: Correlation Analysis

	Board gender diversity	Leverage	Board size	Size of audit committ ee	Company size	ROA
Board gender diversity	1					
Leverage	0.203	1				
Board size	0.345	-0.026	1			
Size of audit committee	0.182	-0.207	0.246	1		
Company size	0.238	-0.133	0.513	0.198	1	
ROA	0.237	0.107	-0.049	0.136	-0.09	1

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Author (2018)

Correlation analysis confirmed the existing positive relationship between board gender diversity and financial performance and the relationship was significant. The correlation coefficient was 0.237 and the p-value was 0.018 which is less than 0.05. The findings showed further that leverage was positively related to financial performance with correlation coefficient 0.107 and p-value 0.289 implying it was insignificant since p-value was bigger than 0.05.

Board size was negatively related to financial performance and the effect was insignificant since the correlation coefficient was -0.049. Size of audit committee was confirmed to have a positive effect on the financial performance since the correlation coefficient was 0.136. Company size was negatively related to financial performance and the effect was insignificant with the correlation coefficient of -0.09.

4.4.1 Regression Analysis

Table 4.5: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	0.350	0.122	0.076	0.06621	2.236

Source: Author (2018)

The value of the correlation coefficient from the table above is 0.35 which implies that a relationship exists between the study variables. The adjusted R square was 0.076 this implies that 7.6% of the influence of corporate governance variables was explained by the model.

Table 4.6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.057	5	0.011	2.617	0.029
	Residual	0.412	94	0.04		
	Total	0.469	99			

Source: Author (2018)

The results in table above shows the value of F statistic was 2.617 at 5% level of significance and the statistic was significant, the P-value was 0.029 which is less than 0.05 implying that the overall model was significant.

Table 4.7: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.043	0.110		0.393	0.695
	Board size	-0.005	0.004	-0.131	-0.109	0.270
	Board gender diversity	0.165	0.059	0.288	2.770	0.007
	leverage	0.064	0.044	0.145	1.456	0.149
	Size of audit committee	0.023	0.014	1.66	1.623	0.108
	Company size	-0.004	0.005	-0.105	-0.004	0.360

Source: Author (2018)

The results in table 4.7 show that board gender diversity has a positive influence on financial performance. It indicates that any unit increase in the board gender diversity will cause financial performance to increase by 0.165. Increase in leverage was confirmed to cause an increase in the financial performance due to the positive effect. Size of audit committee showed a positive impact on financial performance which means that it increases by financial performance increase by 0.023 as a result of a unit increase. The company size turned out to have a negative impact on financial performance. Board size was positively related to the financial performance and the relationship was found to be significant.

The standardized beta coefficient of board gender diversity was 0.288 which means that board gender diversity has small effect on the financial performance. The standardized beta coefficient of leverage was 0.145 which implies that it has a small effect on the financial performance. The standardized beta coefficient of size audit committee was

1.66 meaning a weak positive effect of audit committee size on the financial performance. The standardized beta coefficient of company size was -0.029 which implies that company size has a strong effect on the financial performance.

4.5 Interpretation of the Findings

According to the descriptive statistics tabulated, averagely, the firm sizes confirmed an upward trend in growth of the companies listed at NSE recording the minimum value of 19.25 and the maximum value of 26.42 and a relatively large variation was confirmed in terms of their growth. The growth of size of companies listed at NSE can be attributed to adoption of appropriate corporate governance. Over the same studied period, ROA showed a great variation where some companies reported losses while others reported high profits. Net loss of the companies at NSE can be as a result of poor corporate governance by the entities

From the regression analysis results the research established that corporate governance variables affected the financial performance. The five independent variables which were analyzed which included board gender diversity, leverage, board size, size of audit committee and company size were able to explain their effect on the financial performance up to 7.6% as shown by adjusted R square. This implies that the six independent variables inputs 7.6% on the financial performance and the remaining 92.4% is contributed by the factors not include in the study.

This research found out that the coefficient of board gender diversity was 0.237 meaning that board gender diversity positively influences financial performance. The coefficient

of leverage was 0.107 meaning that leverage positively influences the financial performance which means that as the leverage increases, the financial performance increases. The results of this study coincides with as study carried out by Ogadar (2003) who concluded that corporate governance affects the financial performance of the investment firms in Ghana.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covers a summary of the study, conclusions of the study, recommendations for policy, limitations of the study and recommended areas for further research.

5.2 Summary of the Findings

This study aimed at assessing how financial performance of the companies Listed at the Nairobi Securities Exchange was influenced by corporate governance. The study findings showed a positive relationship between corporate governance and financial performance. This is evident from the effects of the independent factors studied on financial performance. Corporate governance focuses on the maximization of the wealth value of the owners of the enterprises and the stakeholders. Due to challenges faced by many organizations during the period of global financial challenges, many business organizations have resorted to sound corporate governance mechanisms to improve their performance.

The study findings confirmed that a positive relationship exist between the board gender diversity and the financial performance. Increase in board gender diversity increases the financial performance. The size of the firm was confirmed to have a negative relationship. Size of the company can determine its financial performance negatively or positively. Large business entities can access most services at reduced costs due to their purchasing power for example finance, production and distribution compared to smaller firms who cannot afford the bulkiness of services. As the firm size increases, the number

of employee increases as well as the operational costs hence impacting negatively on the financial performance. According to the results, the leverage also affected financial performance positively.

Generally, the use of debts in capital structure increases leverage because of the interest tax shield. This in turn leads to financial decline if the borrowed funds are not well utilized. However, prudent use of debt can increase the returns to the shareholders; it is believed that high-risk leads to high return hence increased profitability which will, in turn, have the positive impact on the financial performance. The size of audit committee had a positive influence. The size of audit committee entails the number of people monitoring the use of company finances. As the audit committee number increases, they enforce transparency and efficiency of company finances usage which in turn improves financial performance.

The ANOVA was employed to determine how strong the model was in the analysis. From the analysis of the regression statistics, the research concluded that the five major factors which included board gender diversity, leverage, board size, size of audit committee and company size had an effect on the financial performance. The variables were able to explain their influence on the financial performance up to 7.6% and the rest is contributed by other factors not considered in this study meaning the model was significant.

5.3 Conclusions

From the study, the correlation coefficient obtained for board gender diversity was 0.237 which was an indication of a moderate relationship and the relationship was significant.

A very weak positive relationship was confirmed to exist between leverage and the financial performance, correlation coefficient was confirmed to be 0.107 which was an indication of a very weak positive relationship. However, the relationship was insignificant. A negative relationship was confirmed to exist between board size and the financial performance. This relationship was not significant since p- value was 0.629 ($p>0.05$). Size of audit committee a positive relationship with financial performance and firm size had a negative correlation with financial performance and the relationship was insignificant.

From the findings of this study, it was confirmed that corporate governance had a positive relationship with the financial performance. This was supported from the research which confirmed that the variables which were analyzed proved the existence of positive relationship between corporate governance and financial performance. This study concludes the same findings with that of Crielo (2016) who concluded that corporate governance affected the financial performance of the investment firms in Canada.

5.4 Recommendations

Board gender diversity was confirmed to be a determinant of the profitability and performance of the entities, therefore it is recommended that entities should maintain the representation of women in the boards. Low board gender diversity implies poor gender equality of firms. Board gender diversity translates to transparency in the firms' expenditure to greater heights.

This study recommends that business entities should adequately ensure they meet their

leverage limits, this will guarantee trust from the creditors and shareholders ensure continued distribution of the finished products into the market. Failure to meet leverage targets by the companies contributes to poor returns.

5.5 Limitations of the Study

The whole process of data collection compiling analyzing and report writing was costly and it needed extra funds which called for total sacrifice to achieve the objectives. Despite the limited financial resources, the entire research process was successful.

Sampling was done in this study, the results are likely to differ if census was employed. Sampling was used since it is not time consuming. This was due to the limited time to conduct this study.

The researcher also faced time constraint. Given that the study utilized secondary data which was obtained from several sources which including the; Capital Markets Authority, the individual companies and the Nairobi Securities Exchange. The time was not adequate for the entire data collection exercise and analysis. However, the limited available time, it was well utilized.

This research was conducted over a five year period which may not be as conclusive as if a much longer period was used for example twenty years. When a period of study is longer it means more data is utilized which guarantees more conclusive outcomes from the study unlike when the period of study is very short.

This study relied only on secondary data for analysis. Qualitative aspects which also affect financial performance were not captured in the model of the study. By utilizing both quantitative and qualitative data, results can be more conclusive in some studies by capturing all the information.

5.6 Suggestions for Further Research

A study to be conducted using primary data since one on one interview could bring different results. This can be compared with the results from the secondary data to determine if there can be variations in the results. By combining primary and secondary data, a researcher is in a position to capture all aspects in research.

The study also recommends for a study on the challenges facing the commercial banks on implementing the corporate governance practices. Corporate governance is pivotal for the success of any entity but when it comes to implementation, challenges often arise which require attention for example during the implementation process which is the process of actualizing the set plans.

A study can be done but now focusing on the non-listed firms to establish how corporate governance measures adopted by those firms affect their financial performance. This can be done by comparing the profitability of different classes of these business entities in terms of the total revenues as a result of corporate governance.

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APPENDIX I: LIST OF COMPANIES LISTED AT NSE

1. Eaagads Ltd
2. Kapchorua Tea Co. Ltd
3. Kakuzi
4. Limuru Tea Co. Ltd
5. Rea Vipingo Plantations Ltd
6. Sasini Ltd
7. Williamson Tea Kenya Ltd
8. Car and General (K) Ltd
9. Barclays Bank Ltd
10. Stanbic Holdings Plc.
11. I&M Holdings Ltd
12. Diamond Trust Bank Kenya Ltd
13. HF Group Ltd
14. Uchumi Supermarket Ltd
15. Bamburi Cement Ltd
16. E.A.Cables Ltd
17. KenolKobil Ltd
18. KenGen Ltd
19. Umeme Ltd
20. Sanlam Kenya PLC
21. Liberty Kenya Holdings Ltd
22. CIC Insurance Group Ltd
23. KCB Group Ltd
24. National Bank of Kenya Ltd
25. NIC Group PLC
26. Standard Chartered Bank Ltd
27. Equity Group Holdings
28. The Co-operative Bank of Kenya Ltd
29. Express Ltd
30. Sameer Africa PLC
31. Kenya Airways Ltd
32. Nation Media Group
33. Standard Group Ltd
34. TPS Eastern Africa (Serena) Ltd
35. Scangroup Ltd
36. Longhorn Publishers Ltd
37. Deacons (East Africa) Plc
38. Athi River Mining
39. Crown Paints Kenya PLC

40. E.A.Portland Cement Ltd
41. Total Kenya Ltd
42. Kenya Power & Lighting Co Ltd
43. Jubilee Holdings Ltd
44. Kenya Re-Insurance Corporation Ltd
45. Britam Holdings Ltd
46. Olympia Capital Holdings ltd
47. Centum Investment Co Ltd
48. Trans-Century Ltd
49. Home Afrika Ltd
50. Kurwitu Ventures
51. B.O.C Kenya Ltd
52. British American Tobacco Kenya Ltd
53. Carbacid Investments Ltd
54. East African Breweries Ltd
55. Mumias Sugar Co. Ltd
56. Unga Group Ltd
57. Eveready East Africa Ltd
58. Kenya Orchards Ltd
59. Flame Tree Group Holdings Ltd
60. Safaricom PLC
61. StanlibFahari-REIT
62. New Gold Issuer
63. Atlas Development
64. Nairobi Business ventures
65. Nairobi Securities Exchange ltd

APPENDIX II: DATA SUMMARY

	Board gender diversity	leverage	Board size	Size of audit committee	Company size	ROA
2013						
Athi river	0.30	0.72	10	3	24.11	0.01
BOC	0.17	0.52	6	4	21.68	0.03
CAR AND GEN	0.00	0.64	5	3	23.65	0.01
CABLES	0.20	0.55	5	4	22.65	0.06
EXPRESS	0.20	0.38	5	4	20.18	0.16
HSE	0.22	0.32	9	3	23.64	0.02
I&M	0.25	0.23	8	4	22.40	0.08
LIBERTY	0.17	0.61	6	4	22.05	0.11
POWER	0.33	0.47	9	4	25.90	0.03
KAKUZI	0.25	0.40	8	3	21.99	0.02
UMEME	0.38	0.45	8	4	21.77	0.09
SASINI	0.29	0.31	7	4	22.09	0.01
SAMEER	0.00	0.19	5	4	22.53	0.04
SAFARICOM	0.43	0.38	7	4	25.58	0.14
TPS	0.33	0.47	6	3	22.37	0.09
Eaagads	0.00	0.34	5	3	20.68	0.10
DTB	0.27	0.68	11	4	22.48	0.03
Kenolkobil	0.33	0.74	6	3	19.96	0.02
sanlam	0.17	0.48	6	3	21.68	0.01
EABL	0.18	0.44	11	4	23.86	0.05
2014						
Athi river	0.30	0.34	10	3	24.33	0.04
BOC	0.33	0.46	6	3	21.47	0.27
CAR AND GEN	0.00	0.35	5	3	22.82	0.03
CABLES	0.20	0.61	5	4	22.79	0.04
EXPRESS	0.20	0.63	5	4	19.79	0.21
HSE	0.22	0.15	9	4	24.73	0.02
I&M	0.25	0.58	8	3	22.17	0.04
LIBERTY	0.33	0.30	6	4	22.03	0.11
POWER	0.33	0.55	9	4	26.12	0.03
KAKUZI	0.25	0.53	8	4	21.86	0.16
UMEME	0.38	0.32	8	4	21.71	0.07
SASINI	0.29	0.15	7	4	22.89	0.01
SAMEER	0.00	0.28	5	4	21.89	0.03
SAFARICOM	0.43	0.32	7	4	25.63	0.17
TPS	0.33	0.53	6	3	23.23	0.05

	Board gender diversity	leverage	Board size	Size of audit committee	Company size	ROA
Eaagads	0.00	0.65	5	3	20.82	0.09
DTB	0.27	0.28	11	4	22.99	0.02
Kenolkobil	0.33	0.44	6	3	19.76	0.06
sanlam	0.17	0.56	6	3	21.83	0.02
EABL	0.18	0.16	11	4	23.56	0.06
2015						
Athi river	0.30	0.68	10	3	24.67	0.06
BOC	0.33	0.36	6	3	21.57	0.03
CAR AND GEN	0.00	0.56	5	3	22.92	0.04
CABLES	0.20	0.59	5	4	22.73	-0.01
EXPRESS	0.20	0.47	5	4	19.49	0.13
HSE	0.22	0.17	9	3	24.83	0.02
I&M	0.22	0.28	9	4	23.79	0.10
LIBERTY	0.33	0.59	6	4	22.14	0.15
POWER	0.33	0.45	9	4	26.34	0.03
KAKUZI	0.25	0.41	8	3	21.76	0.02
UMEME	0.38	0.58	8	4	21.51	0.05
SASINI	0.29	0.27	7	4	22.07	0.02
SAMEER	0.00	0.46	5	4	21.74	-0.02
SAFARICOM	0.43	0.57	7	4	25.78	0.20
TPS	0.33	0.53	6	3	23.33	-0.02
Eaagads	0.00	0.43	5	3	20.32	0.09
DTB	0.27	0.35	11	4	23.23	0.02
Kenolkobil	0.17	0.21	6	3	19.95	0.01
sanlam	0.17	0.73	6	3	21.84	0.11
EABL	0.18	0.62	11	4	23.90	0.04
2016						
Athi river	0.30	0.46	10	3	24.66	-0.02
BOC	0.33	0.24	6	3	21.52	0.03
CAR AND GEN	0.00	0.67	5	3	23.00	0.01
CABLES	0.20	0.23	5	4	22.80	-0.03
EXPRESS	0.20	0.47	5	4	19.76	0.06
HSE	0.22	0.16	9	4	25.00	0.01
I&M	0.22	0.40	9	4	22.96	0.09
LIBERTY	0.33	0.62	6	4	22.35	0.13
POWER	0.33	0.38	9	4	26.42	0.02
KAKUZI	0.25	0.54	8	4	20.21	0.18
UMEME	0.38	0.19	8	4	21.30	0.06
SASINI	0.29	0.26	7	4	22.85	0.11

	Board gender diversity	leverage	Board size	Size of audit committee	Company size	ROA
SAMEER	0.00	0.38	5	4	21.91	-0.20
SAFARICOM	0.43	0.27	7	4	25.79	0.24
TPS	0.33	0.44	6	3	22.32	0.01
Eaagads	0.00	0.68	5	3	20.35	0.03
DTB	0.18	0.47	11	4	23.79	0.04
Kenolkobil	0.33	0.36	6	3	23.90	0.01
sanlam	0.17	0.46	6	3	21.98	0.02
EABL	0.18	0.58	11	4	24.35	0.10
2017						
Athi river	0.30	0.72	10	3	24.57	0.04
BOC	0.33	0.51	6	3	21.79	0.23
CAR AND GEN	0.00	0.64	5	3	22.07	0.06
CABLES	0.20	0.55	5	4	22.56	0.01
EXPRESS	0.20	0.39	5	4	20.56	0.17
HSE	0.22	0.52	9	4	24.56	0.11
I&M	0.25	0.61	8	4	22.09	0.09
LIBERTY	0.33	0.65	6	4	22.45	0.10
POWER	0.33	0.37	9	4	26.06	0.06
KAKUZI	0.25	0.39	8	4	21.87	0.01
UMEME	0.38	0.45	8	4	22.96	0.05
SASINI	0.29	0.31	7	4	21.35	0.12
SAMEER	0.00	0.19	5	4	25.68	0.04
SAFARICOM	0.43	0.32	7	4	23.75	0.01
TPS	0.33	0.47	6	3	20.76	0.04
Eaagads	0.00	0.27	5	3	23.77	0.16
DTB	0.18	0.68	11	4	23.08	0.23
Kenolkobil	0.33	0.36	6	3	22.86	0.12
sanlam	0.17	0.61	6	3	21.68	0.02
EABL	0.18	0.58	11	4	24.88	0.01

Source: Author (2018)