

**EFFECTS OF CORPORATE GOVERNANCE ON FIRMS' VALUE AMONG NON
FINANCIAL COMPANIES LISTED IN NAIROBI SECURITIES EXCHANGE**

BY

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DECLARATION

I, the undersigned, declare that this research project is my original work and has never been presented in any other university or institution for any academic purpose.

Sign.....

Date

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D63/7887/2017

This research project has been submitted for examination purposes with my approval as a University of Nairobi supervisor.

Sign.....

Date

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DEDICATION

I dedicate this research work to my parents as I appreciate their support all through my studies.

ACKNOWLEDGEMENT

I sincerely thank God for this far He has taken me. He has been on my side throughout my education and through that I have been able to accomplish this dream. I am also grateful to my parents and other family members for their support both financially and otherwise. I really appreciate their help and wish i could express my joy better. I am also very grateful to my supervisors Dr Elly Ochieng and Dr Barraza for their guidance in the research work which has seen all this come to a success.

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LIST OF ABBREVIATIONS

ACOM: -Audit committee

ANOVA:-Analysis of Variance

BOD: -Board of Directors

CEO: -Chief Executive Officer

CMA: - Capital Market Authority

COSO: - Committee of Sponsoring Organizations

GDP:- Gross Domestic Product

NSE: - Nairobi Stock Exchange

PNED: - Proportion of non-executive directors

ROA: - Returns On Assets

SPSS: -Statistical Package for the Social Sciences

VIF: - Variance Inflation Factor

ABSTRACT

Maximization of shareholder wealth has been argued as the key reason for existence of organizations and as a result managers have been urged to concentrate more on firms' value as opposed to the common practice of profit maximization. In achieving the same, there are factors which have to be put into consideration. Some of these factors which are the variables of this study are the corporate governance, financial performance of corporations, the sizes of their audit committees and the firm liquidity positions. This study wanted to establish how the variables affect the value of corporations with a key emphasis on the corporate governance. The research has established that corporate governance, financial performance and the liquidity of a company affect the value of a firm positively with the corporate governance having the highest effect followed by the financial performance and liquidity the last. The study has also established that the size of audit committee affects the firm value negatively. Managers should also note that these four factors account for 12% of the changes in the value of a firm and thus they should invest in research to understand all those factors affecting the firm value with a view to maximising the wealth of their shareholders. The major limitation of the study was that the research relied on the information of non-financial firms listed in the NSE for five consecutive years from 2014 to 2018. The researcher could also suggest on further researches also put into consideration the non-listed firms and the Small and Medium enterprises which have not been considered in previous studies.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

For the survival and success of any organization corporate governance is a very key area to focus on, whether for profit or existing for non-profit reasons. Corporate governance usually differs from one country to another and particularly between the already developed and the developing nations (Azeez, 2015). It was noted by Bansal and Sharma (2016) that corporate governance has been getting a lot of recognition in the recent days due to increase in business competitiveness across all sectors and also both nationally and internationally. Key areas in corporate governance include division of powers between the different roles in management of a firm and more so the chairman and the CEO, board composition and board size. Any company eager for success must look critically in to these three and ensure that it adopts the best strategy for growth. As companies develop corporate governance strategies, the key determinant has been the top management support which shows the close linkage between the level of corporate governance and value of the firm. He also noted that the main aim is to provide more confidence regarding the achievement of the entity objectives and that the practice is affected by the BOD and other personnel (Razali and Tahir, as Cited by Yegon, 2015).

The field of corporate governance has received some literature but not exhausted. Several theories have been developed to try explaining the issue but there is still more to cover. Abdullah (2009) observed that political theory is concerned with shareholders acquiring voting rights with the aim of sustaining their control in the business. The theory does not however state clearly the contribution to corporate governance or even the firm value. Though the theory is crucial in

understanding decision making in entities, such a shortfall calls for further studies to develop theories to cover relationships between the current study variables though political theory gives some light in corporate governance as shareholders through their voting rights have overall responsibility in corporate governance. The study also considered the stakeholders' theory Freeman (1984) as it recognises that a firm operates in an environment full of different stakeholders and for the firm to succeed, there is need to take care of the different stakeholder interests. The last theory is the agency theory as advanced by (Meckling and Jensen, 1976). It is important to link management of a firm to the interests of the shareholders. This is because this study recognises the fact that all governance decisions made by the management are designed to benefit the owners of the business as encouraged by the agency theory.

Corporate governance in Kenya has been emphasised with the firm having one of the most active securities and stock exchange market in Africa. Listed firms in Nairobi Securities Exchange are well screened and the market management seeks to ensure that corporate governance is well observed. The latest indication of seriousness with corporate governance has been the requirement of all listed firms to publish director and top management remuneration to enhance openness. The regulator also ensures that before listing, certain measures are adhered to ensure trust and safeguard investors' money, (NSE, 2016). Though it has to be confirmed through a research, there exist a very close relationship between corporate governance levels and the value of a firm.

1.1.1 Corporate Governance

The concept has been defined by Canella et al. (2003) as activities involving the formulation of strategies for optimal allocation of resources and that it depends largely on the governance framework embraced by the corporate leaders. Among the key concerns in corporate governance is the separation of powers between the CEO and the chairman. According to Fama and Jensen

(1983) that with one person holding the two positions, division of decision making from decision control will be violated. This violation leads to concentration of power and will obscure checks which enhance the viability of decisions made.

Power (2006) argued that the market responds in a positive manner to the separation of such positions and in a negative way if the two are fused. Though this appears to be the most accepted thing to do, researches done have yield mixed conclusions and thus the area has not been exploited completely as the exact impact of fusion or separation to the firm value cannot be determined with ease. Due to this situation, managers currently cannot have a precise guidance on what is the best strategy to adopt. This is exposing company management to wrong decision making as evidenced by collapse of some major enterprises in the economy.

Corporate governance can be determined by checking on some of its variables. These variables include the size of the board of directors in the company and the ratio of the executive to the non-executive directors. Corporate governance can also be evaluated by checking whether the roles of the chairman and those of the CEO are held by different people or not. According to the study of Matic (2013) this can be measured using corporate governance quotient, corporate governance score, demenor rating or the balanced score card.

1.1.2 Firm Value

Firm value is an aspect which deals with the economic worthiness of a business. According to Zametica and Johansson (2019), it is considered as the total price which one is supposed to pay so as to obtain the total control of the business. It may be viewed as the total assets which the firm has controlled over the period of operation plus any goodwill that might have resulted from either

good reputation or the control of certain resourceful items which provides the firm a competitive advantage in the market.

On the other side, Lonkani (2017) gave the definition another point of view as the total claim of the shareholders in the firm which could be based as the amount invested in the purchase of shares by all shareholders plus any amount which has not been distributed over periods from the Net profits. On the conclusion, according to Ward (2018), the value of a firm can be viewed in three dimensions which are asset based, earning value based on total profits or the market value based on the value of investment made at the current market rates.

There are different methods of determining a firm value as suggested by different scholars. For the purposes of this research, the researcher adopted the measures that the value of a firm can be measured using total assets, total investment or the total earnings (Ward, 2018). The researcher used the total earnings measure as this gives a clear picture of the payoff the investors in a company get.

1.1.3 Corporate Governance and Firm Value

Going by the works of previous researchers, it is clear that there is a relationship between these two variables. While some researchers have found a positive relationship, others have found little to no relationship. Researchers like Kamau et al., (2018) have emphasised on the critical roles played in corporate governance which can shed some light on what could be the eventual effect on firm value. Though their relationship can be affected by other factors outside the model, it is possible to determine if there exists any relationship between the variables.

There has however been little research linking the corporate governance variable to firm value as most of the previous researches, like Azeez (2015) have focused on each of the determinants of

firm value. Most of the researches have also focused on firm performance and specifically in financial performance as opposed to firm value (Kamau, Aosa, Machuki & Pokahriyal, 2018). Such studies are however indispensable as they have helped understand the role played by corporate governance and in a corporate world.

The relationship to the firm value was determined through regression of collected data in the variables. It was possible to determine if the impact is negative or not by regression and also the significance of the impact. This research is aimed at precisely advising managers on the actual impact on firm value of the key expected influencers of firm value.

1.1.4 Non-Financial Listed Firms

A listed firm is a firm with its stocks trading in a controlled stock exchange. In Kenya, such trading occurs in the Nairobi Securities Exchange (NSE). Non-financial firms are firms not engaging in the provision of financial services. According to Mwaniki (2016), such firms are either in the service, agricultural, manufacturing or such other industry as per the NSE classification of firms.

These firms are exposed to a closer watch of their operations due to publication of their financial statements with the regulatory bodies (NSE 2016). This means that their corporate governance is much inclined towards being efficient as the managers know that their decisions are closely monitored. Therefore, due to the close monitoring and the stringent registration guidelines by the regulator, the companies are expected to have in place good corporate governance policies and practices in place as proved by a research by (Tony et al. 2012).

With the existence of good management practices and proper risk management practices in place, both the firm value and financial performance of non-financial listed firms is expected to perform better. Previous studies have not been conclusive enough as they have tended to investigate each

factor alone (Tony et al., 2012; Azeez, 2015 & Kamau et al., 2018). To estimate the effect of the two factors combined was the matter under study with an endeavour to contribute to both theory and practice.

1.2 Research Problem

There has been a lot of corporation failure and investigations show that, among other factors, corporate governance failure accounts for a reasonable number of the failures. There has been a gap in researches done which can link the actual practice of corporate governance and firm value. This has negatively affected investors as they lose value in their investments when the prices of their shares decrease (Mayer, 2013). For listed firms, the shares fall in price as less demand for the same is witnessed. Other losers have been lenders as identified by Boda and Zsolnai (2016) whose interests is sometimes compromised or they are even forced to enter in to an agreement which they would otherwise not prefer in normal circumstances.

Firms listed in the NSE are expected to adhere to the best practices of corporate governance. The NSE has even gone ahead and advanced corporate governance measures by advising on some minimum requirements to be met before admission and also in the course of listing (NSE, 2016). In achieving a superior performance, corporate management need to go beyond the call of duty since it has been well established that corporate governance practice is highly related with firm value. Since previous researchers have confirmed top management influence on its effectiveness and success, Azeez (2015), it is important to note that they are highly correlated and they go hand in hand. This study seeks to understand the manner in which corporate governance impacts on the value of firms listed in the NSE excluding the financial ones.

Researches done in the global arena have tended towards the conclusion that the value of most firms is highly influenced by the corporate governance practices although some other researchers have found little correlation between the two. In a study by Kamau et al. (2018), it was found that corporate governance results to corporate citizenship, efficiency and business ethics which end up resulting in to an increase in the corporate value. On another comprehensive research by Palumbo et al. (2019) on wine firms in Italy, the researchers found that family businesses with a greater number of women board members had a better corporate value than those without. They also found that return on investment is highly related to a family CEO which confirms the latter relatedness with the firm value of family owned businesses. Though these researches are all informing and relevant, there still exists a research gap as they were done in a different country with different business environment and their findings may not apply in Kenya directly. Most of the researches done are also targeting the impact of the two determinants separately on firm performance something which may not lead to the same conclusions if they were combined.

So far, Regional studies have been conducted in the field of corporate value and corporate governance. A research by Muhamed, Basuony and Badawi (2013) in Egypt backed up the other studies in the global arena strongly agreeing that there exists a positive relationship between corporate governance and value of a firm. Indeed, corporate governance was part of the main practices which take a lead in the growth of most firms more so through the value creation. Another study still on the same field in South Africa by Andrew (2009) and showed that the great economics growth realised in the nation had significance reliance on the level of corporate governance. Those previous studies may not be applicable in Kenya today due to the dynamic nature of management and the economic situation and this has called for this study.

Locally, things have not been so different and studies have sought to establish the relationship between management training and firm performance indicated that the two were statistically significantly correlated. This shows that in order to improve firm value through firm performance, there was need to do proper training to managers to equip them with the necessary skills or else proper recruitment be done. The conclusions of the study are good but their application outside the agricultural sector may be very difficult as different sectors have different business environments and challenges. The findings of such a study may not well be the same if corporate governance is included as it is expected that it will affect the relationship between the two. As such the results of Yegon (2015) study cannot be extended to corporate governance as they are without a different research which is the cause for this study. This study sought to answer the question; what is the relationship between corporate governance and firm value?

1.3 Research Objectives

1.3.1 General Objective

The researcher had the objective of determining the relationship existing between corporate governance and firm value.

1.3.2 Specific Objectives

Specifically, the study sought to:

- i) To determine if corporate governance has any relationship with the value of a firm
- ii) To determine the corporate governance best practices adopted in NSE listed non-financial firms
- iii) To determine the prevalence of corporate governance in NSE listed non-financial firms

1.4 Value of the Study

This research is very beneficial in many aspects. In practice understanding the correlation that exists between corporate governance and value of firm enabled managers and all decision makers in a firm choose the best practices in light of what could be the eventual consequence on the firm value. On the same note shareholders will get to understand the possible effects of their firms' managers on their investment worth and advice accordingly where possible. Understanding the effect of corporate governance will also help appreciate its importance and see how best it can be incorporated to boost firm value if a positive significant impact on the same has been empirically proven.

The research also shall benefit the policy makers and help them make better and beneficial policies which can boost firms' value. Regulators like NSE and CMA can use the research findings to make more and more governance policies to complement the existing ones to make firms under their control manage their value and win investor confidence. Unreasonable lose in shareholder wealth as share prices drop scares away investors and this can lead even to capital flight. This can be avoided by using the findings of a well-researched study to advice on good corporate governance practices.

Other beneficiaries will include management students and other researchers in the field of management. This research added into the existing literature and even did confirm some researches or even give contrary findings from other researches. Adding into the existing body of knowledge helps future researchers have a wider reference store.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter entails the study of the previous researches so far conducted on the relationship between corporate governance and the value of non-financial firms listed in the Nairobi security exchange. The chapter looks into the theoretical review looking at theories in support of the study, other factors that determines the value of a firm, empirical review, conceptual framework and summary of literature review.

2.2 Theoretical Literature Review

In the achievement of the research objectives, the researcher considered a number of theories advanced in the past which are in support of either the three variables that are independent which is corporate governance, the other variable which is the value of a firm and the moderating variables. The study considers a number of theories which the researcher found in support of either the variable where political theory, contingent theory, stakeholder's theory and agency theory are discussed in the study.

2.2.1 Political Theory

The theory was advanced in Polis between the 4th and 6th century who looked at the corporate governance in the sense of politics concerned with how the stakeholders try to exercise their voting powers within the organizational decision making point. According to Abdullah (2009), the theory looks at how the shareholders are subject to acquire the voting rights so as to exercise control over

the firm and more so how they use this voting rights to continue sustaining their control in the business.

According to Carugati (2015), it is normal that in an organization where we have more than one individual, there must be defined course of how people shall gain power or lose it. That in corporate governance the voting power of the shareholders must be exercised through the annual general meeting where members can make critical decisions on either management of the firm or the people to take different positions in the organization. According to Abdullah (2009), the major concerns of the theory was on how corporate power is achieved, how profits are to be made and allocated among members or retention as well as the privileges to be obtained with each bundle of ownership of the firm.

This theory supports corporate governance as the independent variable of this study. According to Abdullah (2009), getting the political power of voting in the general meeting and more so exercising the political power will to a great extent influence how the firm is to make different decisions about the running of the business hence impacting on the corporate governance. The theory has been selected for this study due to its detailed elaboration of the corporate governance operation and the extent to which it explains the powers of the shareholders obtained from the purchase of the bundle of rights that is the shares (Bruner, 2013). This power assists the shareholders to manage the operations of the firm indirectly through controlling the director's operations. It is therefore considered resourceful in the explanation of the independent variable that the research is going to discuss that is corporate governance.

2.2.2 Stakeholders Theory

According to the champion of the theory Freeman (1984) to whom the theory is based on the corporate governance issue associated with management. The theory assumes that the management who are charged with the responsibility of managing the day to day activities of a firm are prone to the abuse of power in most circumstances (Fontaine, 2006). A call is therefore made to the other stakeholders to make all possible means to ensure that their interests are protected against the management misuse proposing a number of ways in which that can be achieved. According to Muka (2010), the stakeholders' theory tries to mitigate this problem through options like share options which make them to act in the view of the other benefits to achieve on the side of dividend, performance based remuneration which considerably tries to solve the overpayment issue with the executive.

The concept of the stakeholder's theory comes with a great revolution of the traditional approach of an organization by shifting the concern to the general objectives of the organization at large (Friedman, 2006). Friedman (2006) study concluded that the different stake holders can get more satisfied only if they could be grouped according to their similarity and their interest defined objectively so as to meet their expectation.

In corporate governance, all the stakeholders have one or another role to play. If corporate governance is to be achieved, this theory of stakeholders shall play a central role in defining each individual's responsibility (Friedman, 2006). For such the theory has been adopted due to its significance in the corporate governance which is the dependent variable of this study. According to Fontaine (2006), the theory establishes the reason as to why the corporate governance is a critical field to study and manage in business as it influences other aspects of the business among them performance, value and market loyalty.

2.2.3 Agency Theory

This theory was advanced in the year 1976 by Meckling and Jensen. The theory argued that there may be an issue in the running of firms where the management is different from the owners. The theory assumed that the management act as agents in the decision making process for the companies which may have financial performance implications acting on behalf of a principal who are the shareholders. According to Ronoh (2015), the shareholders' objective is to maximise on their wealth whereas the other parties in the company relationship may have goals contrary to the ones of the shareholder. She argued that corporate social responsibility as discussed in stakeholder's theory was the one which could cure this hostile relationship (Ronoh, 2015).

Each party in the relationship should be concerned with the interest of the other party and the superiors should try to strike a balance between their interest and that of the opposite party for success in performance (Leblanc and Gillies, 2004). The relationship between management and the stakeholders as a principal and agent has been one which extends beyond the limit of the listed companies as it may extend even to private companies or sole traders provided that the owner does not have direct relationship with the day to day activities, (Ronoh, 2015). According to Musili (2005), this tends to some extent to increase the cost of managing the business as the agency problem may have indirect costs that are incurred to minimise or control the same.

This theory has been selected in the study due to its appropriateness in the determination of all the factors which may be in connection with the study variables (Muka, 2010). The agency theory connects both the independent variables and dependent variable as it looks at all the dimensions of firms' relations which may influence the firm's value either positively or negatively.

2.3 Determinants of Firm Value

The study recognizes that apart from the major variable in the study that is corporate governance; there are some other factors which may be in the influence of the firm's value and which are to be discussed in this section. The researcher did consider a number of such other factors like financial performance which may be measured using the profitability ratios, economics factors which can be measured using the GDP and market share which can be measured by use of the market control ratio as per firms in the same industry.

2.3.1 Financial Performance

Financial performance has been considered the most prominent variable that in itself is sometimes considered as the value of a firm. According to the research conducted by Bruner, (2013) the financial performance mostly based on the level of profits that a firm makes during a given period can be considered as value addition to the firm. This is because it is considered to be the excess of the incomes to the expenses incurred to realise the incomes. This signifies that a firm value will gradually increase if they concertedly make profits and minimise the level of withdrawal most by reduction of dividends payoffs (Yegon, 2015).

2.3.2 Economic Factors

Economics factors are other forces either internal or external associated with the allocation of the scarce resources distributed among so many firms and which may be having alternative uses. Economic factors can be seen also to influence the value of a firm in a number of ways (Okumu, 2015). In the attempt to create value for the firm, the resources which are scarce and have alternative ways of usage should be utilised in the most viable way possible so as to maximise the results. According to Mucuvi (2008) who did a research on the corporate governance found out

that the way in which a firm also grabs the existing opportunities in the economy determines the chances of success or failure of that firm in terms of projects which in return determines how the firm grows or declines in terms of value.

2.3.3 Market Share

The market share has also been considered a factor that may influence the value of a firm. Market share has been considered as the proportion of market total production capacity for a product which is been produced by a single firm or the portion of market customers who consumes the goods or services of a given firm. The firms which have been in a position to win the market share to emerge as the leading brand are known to have both tangible and intangible value in terms of the what they gain as turnover value as well as the royalty they get from customers which cushion their future uncertainties. The way in which a firm rises to get the market share in a given market and the total step which it takes to retain the same market shares may create continuous value addition to the firm infinitely (Muka, 2010).

2.4 Empirical Review

There are a number of studies so far conducted in line with the corporate governance and how it impacts the value of a firm both in the local and in the international market.

2.4.1 Global studies

In the global arena, a study in the global market conducted in Spain by Villaret. al (2016) whose study intended to establish the association of the corporate governance and the value of the firm in strangling economy whose research adopted a sample of 612 firms in the state and the results showed that there is an affirmative relationship linking corporate governance and the value of the firm as firms embracing corporate governance have higher chances of success. However, as we

are concerned with the performance of firms in a fair market, the research conclusion had limitation in a depressive economy.

Another study by Tony et. al. (2012) which used a sample of 156 firms listed in the Toronto stock exchange in the state of Canada using a cross sectional descriptive statistics found out that the level of risk management had a positive relationship with the sustainable succession of a firm especially for firms with high risk appetite but which is properly managed for the future occurrences which was concluded to be an element of corporate governance defining what decisions are made by the management and if they could be allowed for shareholders to make the same decisions, could they remain the same?

Another study still in the international market was conducted in Malaysia by Manab (2010) who conducted a survey on the Malaysian stock market and established that the results strongly agreed that risk management influenced the value of a firm and was being adopted as a mandatory part of corporate governance in the market. However, a critique made by Bromiley et al. (2015) expressed that the concept of risk management has been shallowly advance and looked into as an accounting and finance phenomenon rather than as a management concept.

2.4.2 Regional studies

In the African context, a study in Egypt by Muhamed, Basuony and Badawi (2013) backed up the other studies in the global arena strongly agreeing that there exists a positive relation on corporate governance and the value of a firm and notably that enterprise risk management was part of the main practices which take a lead in the corporate governance. However, the study was seen to be limited to the case of the small and medium enterprises which may be viewed to be taking considerably lower risk as they rely on innovations so far made by bigger companies.

Another study by Andrew (2009) in the context of South Africa showed that the great economic growth realised in the nation had significant reliance on the level of corporate governance. According to his descriptive study in the third King report; the concept of corporate governance was widely encouraged as based on the Anglo-American benchmark. Even though a relationship was established, the paper failed to define the extent of corporate governance compliance in the state.

Another study conducted in Nigeria by Okike (2007), in her paper noted that there was a lot of pressure exerted on African countries to embrace the corporate governance practices in all the transactions in view of attracting foreigners to invest in the nations. However, her study noted that there was a lot to be done based on the adoption of such practices as there are too many challenges associated with both the social and political structure of African nations. The study however did not provide statistical information on the extent of corporate governance in the state.

2.4.3 Local studies

In the context of the local market, a study by Muka (2010) established in his SPSS data analysis that there was a strongly affirmative correlation between the corporate governance of the firm and the financial performance which was discussed on the basis of ownership structure for firms. However, the study failed to address the contribution of the different stakeholders toward the realization of corporate governance and how such coordination could impact on performance.

The study conducted by Okumu (2015) was in support of the findings of the research conducted by Muka and concluded that corporate governance was a practice which could be considered paramount for any firm which is not planning to fail. According to the paper for Gompers et al (2004), the paper concluded that the cost of corporate governance even though was costly to firms

was not debatable and clear evidence was to be seen even from the countries point of view with countries embracing it recorded high rate of GDP growth.

However, as per Muhamed, Basuony and Badawi (2013) most of the studies so far conducted have failed to address the concept of the combination of corporate governance and the value of the firm especially in the Kenyan economy. It is in the lieu of this deficiency that the researcher sought to establish the relationship between corporate governance and the value of the firm.

2.5 Conceptual Framework

This section tries to provide a pictorial relationship between the dependent variable, controlling variables and the independent variable of the study

From the above literature, the following relationship can be obtained.

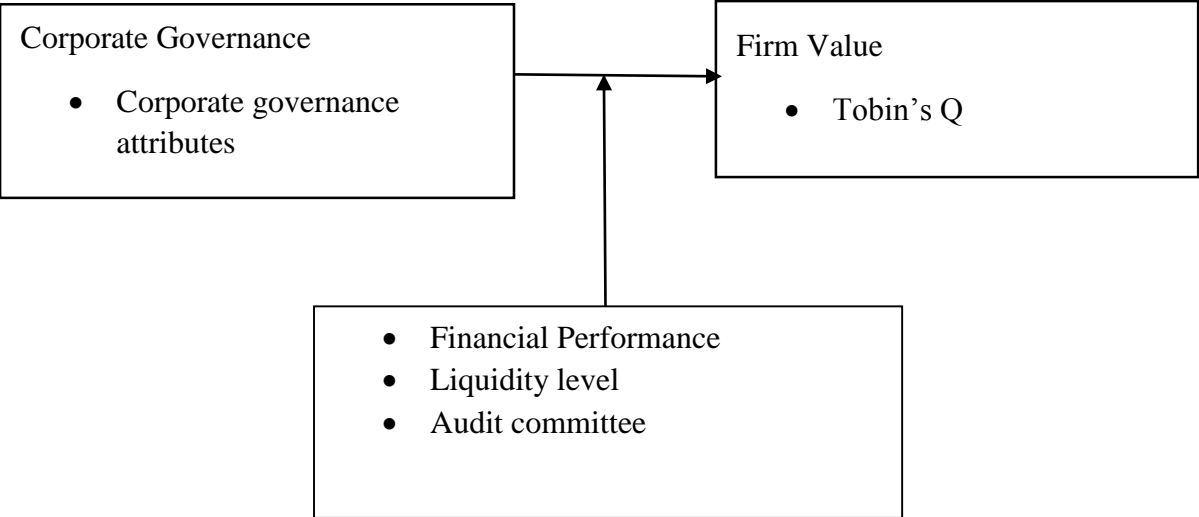


Figure 2.1: Conceptual Framework

Source: Author (2019)

2.6 Summary of literature review and research gaps

The table below shows a summary of the literature reviews clearly enumerating on the author(s) of the studies, the key focus made on each study, methodology adopted by the researcher, findings of the study, existence of knowledge gap and the focus of the current study differing from the ones so far made.

Author of study	Focus of Study	Methodology	Findings	Knowledge Gaps	Focus of current study
Tony et al. (2012)	Risk management and performance	Sampled 156 using Cross-sectional descriptive	Found there is a positive relationship	The research failed to address the issue of the extend of the relationship	Establish the direction and magnitude of the relationship
Villar et. al (2016)	Relation between corporate governance and firm value	Sampled 612 listed firms using descriptive study	Found there is a positive relationship	Focused the case in a depressive economy	Focused on a fair economy
Andrew (2009)	Relation between corporate governance and the value of a firm	Sampling of 132 listed firms quantitative research design	Found there is a positive relationship	The research looked into the corporate governance defined practice but not the extent of adoption	Establish the direction and magnitude of the relationship
Muhamed, Basuony and Badawi (2013)	Relation between corporate governance and firm value	Descriptive and inferential statistics	Found there is a positive relationship	Adopted the case in small and medium enterprise	Sought to establish the relationship in listed firms
Muka (2010)	Relationship between corporate governance and financial	Descriptive research survey	Found there is a positive relationship	Concentrated on corporate governance alone	Focused on both ERM and corporate governance
Okumu (2015)	Relationship between corporate governance and firms value	Descriptive research methodology	Found there is a positive relationship	Failed to establish the relation between corporate governance and ERM	Focused on both ERM and corporate governance
Gompers et al (2004)	Relationship between corporate governance and financial performance	Descriptive and inferential statistics	Found there is a positive relationship	Concentrated on corporate governance	Focused on the extent to which corporate governance is practiced

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The formulas and procedures that were used and followed to achieve the set goals of the study are elaborated in this chapter. It entails the design used to carry out the study, population around which the study was carried out, the samples selected and the technique used to sample, the data collected and how it was collected and the analysis and interpretation which was done to the data so as to explain and elaborate it.

3.2 Research Design

The researcher adopted a quantitative research design based on numeric value where regression analysis was done to determine the existence of the relationship between the variables of the study, the direction of such relationship and the level of significance of the relationship. This is done to have a scientific analysis of the collected data.

3.3 Population and Sampling

The population selected to carry the study around was all the listed non-financial firms at the NSE which excluded the all institutions in the banking industry, and also excluded all institutions in the insurance industry. The population is made up of 48 listed companies having excluded 12 listed banking institutions and 6 listed insurance firms. Since their data is readily available as they file their returns with the regulator, no sampling was to be done and a census survey was adopted and all listed non-financial firms were considered for the research. All industries were well represented except the financial sector which has been excluded due to their high leverage levels.

3.4 Data Collection

The research mostly relied on secondary data as it is readily available in the statutory reports which are tabled for the annual general meetings for the listed firms in the NSE. The researcher collected data on sales turnover obtained from statement of comprehensive income, corporate governance attributes as obtained from the annual reports which included the board size, current liability and assets obtained from the balance sheet, firms value and total assets obtained from the balance sheet. This data was preferred as it is accessed from the reports with authenticity as they are verified by external auditors and the data was collected from 2013 to 2018 and average obtained for analysis purpose.

3.5 Diagnostic Tests

These are tests which were done to detect if there's abnormality in the collected data. They were carried out to ascertain that the data is fit for regression hence it produces the best results. Below are the diagnostic tests that were performed on the data collected to ascertain that it generated the best estimates.

3.5.1 Test for Omitted Variables

Omitted variables make the data be incomplete and as such not a good representative of the variables. Ramsey Reset test was used to test for omitted variables. In case a significant level of omitted variables is detected, more data was to be collected for completeness and ensure sufficient data for analysis.

3.5.2 Test for Multicollinearity.

Multicollinearity is the existence of a closer relationship between the independent variables. In this research, multicollinearity was tested using the VIF and if identified, the most correlated variables combined to rectify the same. Some may also be omitted from the equation to avoid the effect of multicollinearity.

3.5.3 Test for Autocorrelation

Presence of an existing relationship between error terms of subsequent years is known as autocorrelation. It can be classified as a first order autocorrelation or a higher order autocorrelation. First order autocorrelation was tested using the Durbin Watson while the higher order tested using Breusch Godfrey. Autocorrelation was corrected using Rhobust.

3.5.4 Test for Heteroscedasticity

Heteroscedasticity was tested to determine the behaviour in the occurrence of the error term, that is if homoscedastic or heteroscedastic. This test was done by use of the Breusch-Pagan test. Homoscedasticity was corrected using the robust standard errors.

3.5.5 Test for linearity

The presence linear relationship between the independent variable and dependent variable is known as linearity. Plotting graphs of the independent variable against the dependent variable and then observing the shape of the resulting curve or line is the procedure carried out to test for linearity. A straight line suggests linearity while a curve could necessitate use of logs of the specific independent variable. A parabolic curve indicates a multiplicative relationship between the variables.

3.5.6 Test for Stationarity

This is when mean, variance and autocorrelation of the variables do not change over time. The collected data was tested for stationarity using the Levin-Lin-Chu test. Corrections were done by differencing.

3.6 Data Analysis

This represents the process in which inferences are made in a systematic and objective manner from data collected. For the purposes of this study, data analysis employed both the descriptive statistics compounded with the panel regression technique. This was done with the aim of getting the exact relationship in terms of magnitude and direction between the two research variables. Descriptive statistics helped in summarising the data so that it can be possible to run a regression and ascertain the association between the two main research variables together with the control variables.

3.6.1 Analytical Model

The model below was used in the study.

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

Where,

Y : Firm Value as measured by Tobin's Q

β_0 : Regression equation constant

$\beta_1, \beta_2, \beta_3 \& \beta_4$: A coefficient of, corporate governance, return on assets, proportion of non-executive directors and the size of the audit committee

X_1, X_2, X_3 & X_4 : Corporate governance, return on assets, proportion of non-executive directors and the size of the audit committee.

ε : Probable residual error

3.6.2 Test for significance

Significance in the study was done to help in the evaluation of the regression results. A combination of f-test, p-value, t-value and ANOVA was used for the significance test. F-test helped in determining if variances are equal while the t-test determined if there is any difference between the mean of the study and the regression results mean. The p-value was used for interpretation of the results.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The chapter outlines results of data collection and analysis done by the researcher. This chapter will outline data characteristics like the response rate, validity and the data descriptive characteristics investigated like the average, minimum and maximum values, skewness and the standard deviation. The chapter will also outline the correlation characteristics of the variables together with regression results and the findings of the researcher will also be discussed.

4.2 Response Rate

The researcher managed to collect adequate data to enable proper analysis to draw good results. As such the data is adequate enough to predict the relationship existing between the research variables. The researcher collected 98% of for firm value data, 91% data for the proportion of non-executive directorship and 87% data for size of audit committee. The researcher also collected 100% of data for ROA and liquidity positions. The average response rate for the variables was 95% and the researcher takes the data as adequate enough for analysis and drawing of conclusions. This is in light of the observations by Mugenda that above 70% the response rate is excellent.

Table 4.1: Response Rate

	Firm Value	ROA	Liquidity	PNED	AUDICOM
Available data	46	47	47	43	41
Unavailable data	1	0	0	4	7
Total	47	47	47	47	47
Response rate	98%	100%	100%	91%	87%
Overall response rate					95%

4.3 Data Validity

To ensure that the best estimation of the relationship between the study variables, the researcher carried out data validity check tests. This was done with the intention of ensuring that the data is free from defects like heteroscedasticity, risk of omitted variables, multicollinearity and high correlation between the variables. Study results for the heteroscedasticity using Breush-Pagan test confirmed that the data was suffering from heteroscedasticity due to the significant p value and the same was corrected using robust during regression. The Breusch-Pagan test results are as outlined below.

Ho: Constant variance

$$\text{chi}^2(1) = 58.28$$

$$\text{Prob}>\text{chi}^2 = 0.0000$$

The researcher also tested for the existence of omitted variables using the Ramsey RESET test and found the nonexistence of omitted variables as outlined in the Ramsey RESET test results are shown below.

Ho: The model has no omitted variables

$F(3, 33) = 11.16$

Prob> F = 0.0000

The other test carried out on the data was test for multicollinearity using the Variance Inflation Vector. Since all Values were below the recommended 5, the data did not suffer from multicollinearity and was thus fit to predict the relationship between the study variables.

Table 4.2: Multicollinearity Test Results

Variable	VIF	1/VIF
Liquidity	1.33	0.754522
ROA	1.25	0.797636
AUDICOM	1.19	0.837558
PNED	1.11	0.900010
Mean VIF	1.22	

Source: Test results

4.4 Descriptive Statistics

The possible observations for all the variables was 47 as that is the number of listed nonfinancial firms in NSE as at the date of the research. Firm value as measured by TobinsQ had 46 observations and an average value of 5.08 with a standard deviation of 38.3 which shows that in the listed firms there is a lot of variability in terms of their firm value. The minimum TobinsQ was

-127 which shows a negative firm value due to loss making while the maximum was 223. Observations for return on assets were 47 and an average of 0.03 with a standard deviation of 0.2. This shows that prospective investors in the listed nonfinancial firms should expect an average return of 3.1% with a worst case scenario loss of more than 100% loss and a best case return of 79%. The minimum and maximum returns were -1.06 and 0.79 respectively. Liquidity which is taken as one of the determinants of firm value had a mean current ratio of 2.17 and a standard deviation of 2.07. The minimum and maximum liquidity was 0.4 and 9.4 respectively.

Proportion of nonexecutive directors was another factor observed to affect a firm value. The mean percentage of non-executive directors was 67% showing that listed firms have as a best practice adopted more non-executive than executive directors. The same have a small standard deviation of 17%. The minimum proportion is 20% while the maximum proportion is 100% non-executive directors. The researcher also collected data for audit committee and was able to obtain 41 of the possible 47 observations. The mean size of the audit committee is 4 members with a small standard deviation of 1. The company with the minimum size in the period under study was 2 while the one with the largest audit committee had 9 members.

Table 4.3: Data Summary

Variable	Obs	Mean	Std. Dev.	Min	Max
TobinsQ	46	5.082796	38.29967	-127.3932	222.6528
Liquidity	47	2.173091	2.068305	.4462	9.4592
ROA	47	.0314532	.2096928	-1.0577	.7895
AUDICOM	41	4.02439	1.332062	2	9
PNED	43	.6671279	.1740374	.2	1

4.5 Correlation Analysis

Correlation between the variables was tested and there was no existence of the same. There has also been established that the liquidity of a firm is negatively correlated with the return on assets, TobinsQ, the proportion of nonexecutive directors and also size of audit committee. There being very minimal correlation between the study variables the researcher finds the data fit for use.

Table 4.4: Correlation Results

Variable	TobinsQ	ROA	Liquidity	PNED	AUDICOM
TobinsQ	1.0000				
ROA	0.0281	1.0000			
Liquidity	-0.0515	-0.3226	1.0000		
PNED	0.1443	0.0637	-0.3316	1.0000	
AUDICOM	0.3040	0.3505	-0.3103	0.1175	1.0000

4.6 Regression Analysis and Hypotheses Testing

Regression of collected data indicates that the four researched variables accounts for 12.37% of the changes in the firm value of non-financial listed firms in NSE. The findings show that there are a lot of other factors which influence such performance and as a result poses a challenge for researchers to continue to explore other factors influencing the firm value.

Table 4.5: ANOVA

Source	SS	Df	MS	Number of obs = 41
				F(4, 36) = 1.27
Model	8138.63638	4	2034.65909	Prob> F = 0.2996
Residual	57656.9322	36	1601.58145	R-squared = 0.1237
				Adj R-squared = 0.0263
Total	65795.5686	40	1644.88921	Root MSE = 40.02

The regression results also show that return on assets affects firm value positively though insignificantly. Similar results are exhibited for the liquidity position and proportion of the non-executive directors. Of these four variables under study, it is only the audit committee size which affects firm value negatively. Regression results show that the four variables under study actually influence the firm value in a way but all of them insignificantly. The constant for the equation of regression is -62.9 which shows that a firm is more inclined in decreasing in value than increasing in value.

Table 4.6: Regression Results

TobinsQ	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
ROA	22.58639	37.46465	-0.60	0.550	-98.56822 53.39543
Liquidity	1.148655	3.346571	0.34	0.733	-5.3506 7.935817
PNED	35.31634	40.95765	0.86	0.394	-47.74963 118.3823
AUDICOM	-10.45541	5.19054	2.01	0.051	-.0714884 20.98232
Constant	-62.89542	37.5197	-1.68	0.102	-138.9889 13.19805

4.7 Discussion of Research Findings

This research sought to establish if the firm value can be affected in a way by the corporate governance structure in the firms. The firm used TobinsQ for the firm value and the proportion of nonexecutive directors to measure the corporate governance. The study also recognized the importance of the audit committees, liquidity positions and the financial performance in organizations and tried to determine if they also affect the value of the firm. This was done with the aim of helping company management in meeting the key goal of a firm which is shareholder wealth maximization. This can only be achieved when the managers become aware of the actual causes of variations in a firm value.

The study has established that the firm value is affected positively by the return on assets. Managers can therefore seek to meet shareholder wealth maximization by taking measures to boost their profitability which in turn enhances return on assets and as a consequence the firm value. The study has also established that liquidity positions affect the firm value positively. Managers can thus ensure that their current obligations are well covered by the liquid assets to achieve higher firm values. The other two independent variables under study were the board composition and the size of the audit committee.

Whereas the higher proportions of independent directors have a positive impact on firm value, bigger sizes of audit committees have a negative influence. Managers can thus advance the values of their firms by having higher proportions of independent directors in their boards and relatively smaller audit committees. Having more independent directors is also in line with the best practice principles of management. Having established that the four factors account for 12% of the variations in the value of the firm, enterprise managers should engage more on research to at least understand the other factors which account for 88% of the changes.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section entails the discussion of the summary of the findings as observed in chapter four from the results of the data analysis done in the course of the study. Specifically, it covers the summary of the research findings showing the results of the data analysis in brief in respect to all study variables. The chapter also discusses the conclusion of the study based on the summary of the findings and their implications on the variables of study and concludes with the recommendation which gives an idea of how the information of the research can be useful to the real economic life based on the implications of the finding.

5.2 Summary of Findings

The main aim of this research was to establish the effects of corporate governance on the firms' value of non-financial NSE Listed firms. According to the results, the dependent variable was measured using the TobinsQ representing value of the firm. Research independent variable which was taken to be corporate governance measured using the aspect of audit committee while ROA, proportionate number of directors and liquidity level were also taken as part of the study variable. Results of the study from the regression analysis disclosed that there exists a positive relationship between the firms' value and the corporate governance measures. According the analysis of data there is a significant relationship existing between the two variables of firm value and corporate governance of the firms.

The result also established that the proportionate number of independent directors had a positive impact on the firms' value as observed through the regression analysis of the study. This has been

contributed by the existence of increased cost of meetings which reduces the profits for the firm hence lowering the firms' value. The relationship between this variable of study and the firms' value was considered to be significant. The study also wanted to determine the relationship between the firm performance and the value of the firm as measured through ROA which established a negative relationship but which was considered statistically significant.

The research also sought to establish the relationship between the firms' value and the liquidity level of the firms were the results of regression showed that there is a positive correlation between the firm value and the liquidity which was considered to be insignificant.

5.3 Conclusions

Considering the summary of the above findings, the researcher established existence of a positive significant correlation between the corporate governance and firms' value as observed through the regression results. The researcher therefore concludes that the factors of corporate governance according to the study which is the audit committee affected the firms' value in a positive way in aggregate. This positive correlation between corporate governance and the value of firms in the NSE may be attributed to the issue of complex decision making in the firms which have a large board size and audit committee in general leading to well framed and assessed decisions which reduce the chances of errors and unnecessary inception of risk.

On the other side the researcher also sought to establish how the proportionate number of the dependent to total number of directors influence the dependent variable in the study and the researcher found out that there exists a positive and significant relationship between the proportionate number of non-executive directors and the firms value in the non-financial NSE listed firms. It is noted that the higher the proportion of independent directors to the executive

directors increases the value of the firm mostly through the continuous involvement in the business operations which leads to good relationship with the employees and hence boosting the performance which in long run translates to firm value.

On the other variables, it was noted that the value of the firm was affected positively by the financial performance as measured by the Returns on assets. This was because the more the performance normally contributes to the increase of the shareholders claim in the business which translates to more investments. On relationship between firm value and its liquidity, it was found that there exists a negative relationship which could be attributed to fewer investments in long term projects which mostly give long term returns.

5.4 Recommendations

Using the results of the research, the researcher therefore can make a recommendation that the firms' have to maintain a relatively higher number of the director and also the audit committee members. Based on the results, the more the number of directors a firm has translates to more firm value and therefore more directors would be preferred to improve the decision making process for increased value of the entity.

On the side of the proportionate composition of the board, the researcher recommends maintenance of that the ratio of dependent directors at high level to encourage more nonexecutive directors proportionate to the total board size. This might have been as a result of the lowered cost of management while at the same time improving on the firms' performance.

On the liquidity level the researcher recommends that the firm should maintain the liquidity at a lower level as this influences the firms' value in a negative manner. The researcher also

recommends that the financial performance should also be enhanced as they influence the firms' performance in a positive way.

5.5 Limitations of the Study

The key limitation of this study was that the research relied on the information of non-financial firms for six consecutive years from 2013 to 2018. This is a limitation to the study as most of the financial reports for the non-financial firms listed in the Nairobi Security Exchange were hardly found in the previous years in full hence the information was for only six years. However, the researcher obtained reliable information for the six years, as the financial information used in the data collection was mostly obtained from published financial statements which are normally audited by external auditors to achieve reliability.

Also the study was limited to non-financial firms which excluded the banking industry and insurance firms in the NSE. This means the study did not observe the trends of firms with a high gearing leverage in respect to their corporate governance attributes and how they affect the value of the firms. Exclusion of such firms means that the study population was lowered which increases the chances of the probable error in the data analysis. However, the study of such firms was necessary to breach the existing research gap as previous studies were concerned with all the NSE listed firms.

The researcher also had the limitation of the application of the data analysis to the non-time series data which has some limitation to the test of certain tests. The researcher applied cross sectional data which some of the time series tests as initially analyzed in the research methodology were not applicable in the cross sectional data and the researcher had to review the methodology.

5.6 Suggestions for Further Research

The researcher suggests some further study to be done on the financial firms listed in the Nairobi Security Exchange which have not been exposed to the independent study in respect to the level of corporate governance and how it impacts on the firm value of such listed firms in the security market as previous studies have only looked at all the listed firms. As such firms may be having a different gearing level and decision process for the same firms tend to be influenced by external forces like urgency to act as well as the monetary government policies, it could be necessary to establish the influence of corporate governance in such an environment.

The researcher could also suggest on further researches also put into consideration the non-listed firms and the Small and Medium enterprises which have not been considered in previous studies. This may be necessary as such firms comprise a greater percentage of the firms offering services and products in the economy. Existence of such evidence in support or against the corporate governance will give some light to whether other firms should adopt the practices of corporate governance at initial stages if positive otherwise they should be avoided.

Lastly, the researcher could also suggest further researches to consider some more related variables which might be affecting the firms value and how such variables have related with the corporate governance over the six years in consideration of the current study to unearth if there may be other factors which have more strength than corporate governance which could have contributed to such results in the current study.

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APPENDICES

APPENDIX I: NSE LISTED FIRMS

1. Arm Cement Plc
2. Atlas African Industries Ltd Gems
3. B.O.C Kenya Plc
4. Bamburi Cement Ltd
5. British American Tobacco Kenya Plc
6. Car & General (K) Ltd
7. Carbacid Investments Ltd
8. Centum Investment Co Plc
9. Crown Paints Kenya Plc
10. Deacons (East Africa) Plc
11. E.A. Cables Ltd
12. E.A. Portland Cement Co. Ltd
13. Eaagads Ltd
14. East African Breweries Ltd
15. Eveready East Africa Ltd
16. Express Kenya Ltd
17. Flame Tree Group Holdings Ltd
18. Home Afrika Ltd
19. KakuziPlc
20. Kapchorua Tea Co. Ltd Ord
21. Kengen Co. Plc

22. Kenolkobil Ltd
23. Kenya Airways Ltd
24. Kenya Orchards Ltd
25. Kenya Power & Lighting Co
26. Kurwitu Ventures Ltd
27. Longhorn Publishers Plc
28. Mumias Sugar Co. Ltd
29. Nairobi Business Ventures Ltd
30. Nairobi Securities Exchange Plc.
31. Nation Media Group Ltd
32. New Gold Etf
33. Olympia Capital Holdings Ltd
34. Safaricom Plc.
35. Sameer Africa Plc.
36. Sasini Plc
37. Standard Group Plc.
38. StanlibFahari I-Reit
39. The Limuru Tea Co. Plc.
40. Total Kenya Ltd
41. Tps Eastern Africa Ltd
42. Trans-Century Plc.
43. Uchumi Supermarket Plc
44. Umeme Ltd

45. Unga Group Ltd

46. Williamson Tea Kenya Ltd

47. Wpp Scan group Plc.

APPENDIX II: DATA COLLECTION SHEET

Year	Tobin's Q	ROA	Liquidity	PNED	AUDICOM
2013					
2014					
2015					
2016					
2017					
2018					

APPENDIX III: DATA ANALYSIS SHEET

Company	Tobin's Q	ROA	Liquidity	PNED	AUDICOM
Arm Cement Plc	2.7427	0.0273	0.5950	0.6364	3.0000
Atlas African Industries Ltd Gems	0.7932	(1.0577)	9.4592	0.4286	2.0000
B.O.C Kenya Plc	1.3370	0.0643	2.1397	0.3636	5.0000
Bamburi Cement Ltd	1.7042	0.1106	2.1578	0.7273	4.0000
British American Tobacco Kenya Plc	2.0590	0.2203	1.3029	0.7000	9.0000
Car & General (K) Ltd	2.4192	0.0295	1.0963	0.8571	3.0000
Carbacid Investments Ltd	0.9516	0.1601	7.1962	0.6000	4.0000
Centum Investment Co Plc	1.2484	0.0934	1.6988	0.9000	5.0000
Crown Paints Kenya Plc	2.2061	0.0345	1.2062	0.5000	2.0000
Deacons (East Africa) Plc	1.8710	(0.1138)	1.8110	0.8333	2.0000
E.A.Cables Ltd	2.2885	(0.0078)	0.8676	0.6250	5.0000
E.A.Portland Cement Co. Ltd	1.8323	0.0988	0.7450	0.5714	4.0000
Eaagads Ltd	3.0035	(0.0124)	4.4418	0.2500	
East African Breweries Ltd	5.2144	0.1377	0.9226	0.6923	4.0000
Eveready East Africa Ltd	2.1601	(0.0408)	1.2699	0.7500	4.0000
Express Kenya Ltd	12.0172	(0.0167)	0.4518	0.6000	3.0000
Flame Tree Group Holdings Ltd	2.4042	0.0843	1.3701	0.2000	4.0000
Home Afrika Ltd	222.6528	(0.0360)	0.8532	0.8889	7.0000
KakuziPlc	1.1872	0.1019	4.2420	0.7500	4.0000
Kapchorua Tea Co. Ltd Ord	1.2904	0.0602	2.7707	0.7143	2.0000
Kengen Co. Plc	1.9135	0.0210	1.4930	0.5714	5.0000
Kenolkobil Ltd	3.2279	0.0341	1.1694	0.5714	5.0000
Kenya Airways Ltd	(127.3932)	(0.0651)	0.4767	0.7500	4.0000
Kenya Orchards Ltd	18.3213	0.7895	1.7454		
Kenya Power & Lighting Co	4.1846	0.0228	0.8944	0.7273	5.0000
Kurwitu Ventures Ltd	1.4843	(0.0582)	1.2259	0.8333	4.0000

Longhorn Publishers Plc	2.0288	0.0739	1.3745	0.7778	4.0000
Mumias Sugar Co. Ltd	0.9739	(0.1273)	0.4462	0.8333	4.0000
Nairobi Business Ventures Ltd	3.0897	(0.0319)	2.3035		
Nairobi Securities Exchange Plc	0.8588	0.1313	5.1287	0.6000	5.0000
Nation Media Group Ltd	1.2643	0.1766	2.1700	0.5000	4.0000
New Gold Etf		0.0029	1.0032		
Olympia Capital Holdings Ltd	1.1800	0.0053	1.5876		
SafaricomPlc	1.3403	0.1983	0.6132	0.6667	6.0000
Sameer Africa Plc	1.5587	(0.0120)	2.2531	0.8571	4.0000
SasiniPlc	1.0354	0.0379	3.1705	0.6667	3.0000
Standard Group Plc	1.9713	0.0315	1.1484	0.5556	4.0000
StanlibFahari I-Reit	0.0010	0.0415	8.5254	0.6250	3.0000
The Limuru Tea Co. Plc	0.7567	0.0996	6.0204	0.4000	3.0000
Total Kenya Ltd Ord	1.8626	0.0364	1.3812	0.6000	4.0000
Tps Eastern Africa Ltd	1.5462	0.0241	0.9773	0.5385	4.0000
Trans-Century Plc	7.4986	(0.0208)	0.7951	0.7778	4.0000
Uchumi Supermarket Plc	3.9131	(0.0958)	0.5090	1.0000	4.0000
Umeme Ltd	26.0347	0.0478	0.8278	0.8000	4.0000
Unga Group Ltd	1.1685	0.0527	2.1083	0.8750	4.0000
Williamson Tea Kenya Ltd	1.3327	0.0678	3.5867	0.7143	2.0000
Wpp Scan group Plc	1.2719	0.0567	2.6026	0.8571	