INFLUENCE OF CORPORATE GOVERNANCE ON THE PERFORMANCE OF CONTAINER FREIGHT STATIONS IN MOMBASA COUNTY, KENYA

FAHMI KASOZI

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DECLARATION

This Research Project is my original work and has not been presented for examination to any other University

Signature………………………………. Date……………………………………………

Fahmi Kasozi

D61/65196/2013

This Research Project has been submitted for examination with my approval as the University Supervisor

Signature……………………………… Date……………………………………………

Dr. Mose Joseph Aranga

Lecturer

School of Business

University of Nairobi

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DEDICATION

I nominate this Research Project to my father, Nuh Galiwango for aspiring me to acquire knowledge.

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TABLE OF CONTENTS

LISTOF FIGURES

LIST OF TABLES

ABBREVIATIONS AND ACCRONYMS

CEO : CHIEF EXECUTIVE OFFICER

CFS : CONTAINER FREIGHT STATIONS

CG : CORPORATE GOVERNANCE

KEBS : KENYA BUREAU OF STANDARDS

KPA : KENYA PORTS AUTHORITY

KRA : KENYA REVENUE AUTHORITY

ROA : RETURN ON ASSETS

ROI : RETURN ON INVESTMENT

NSE : NAIROBI SECURITIES EXCHANGE

SD : STANDARD DEVIATION

SGR : STANDARD GAUGE RAILWAY

UAE : UNITED ARAB EMIRATES

ABSTRACT

Corporate governance has logically turned out to be critical for enterprises in developing and developed nations around the globe. Compelling corporate governance has been distinguished to be basic to fiscal exchanges particularly in developing and progress economies. The purpose of the study was to determine the influence of corporate governance on the performance of Container Freight Stations. The study sought to establish the influence of corporate governance on the performance in container freight station in Mombasa County, Kenya. The study made use of cross-sectional survey design to be able to address the objective. A semi-structure questionnaire distributed to 14 container freight stations to collect primary data on corporate governance practices. Data collected from the directors, senior management and supervisors analyzed using frequencies, means, percentages and SD, which displayed using figures and tables. Multiple regression was adapted to quantify the relation Corporate governance and organizational performance. The study observed that number of committees influenced the performance of Container Freight Stations in County Government of Mombasa however; the study showed that corporate governance committee in existence enhances organizational performance. The study further showed that the size of the board had no direct impact on organizational performance however, Expertise, experience certain in larger boards, and increase in resource availability impacted on the performance of Container Freight Stations. The study also established that boards that have more executive than non-executive directors' benefit to the firms' performance. The study concluded that there is a strong relation between corporate governance and Organizational Performance of Container Freight Stations s in County Government Mombasa where the regression analysis showed that there is a strong correlation (0.838) between corporate governance and organizational performance in Container Freight Stations and corporate governance accounts for 62.2% of organizational performance of Container Freight Stations. This study suggests that shareholders should encourage the implementation for board committees, Board diversity, Board Independence and Board Education as these translate to improved organizational performance. Accuracy of the results depended entirely on the respondent and their attitude and understanding of the subject matter, unwillingness for respondents to share their sentiments. Time and finances were a major drawback in the study, which resulted in delays. The study focused on the Influence of Corporate governance on organizational performance through the Value of Return on assets, future studies can be done to assess the influence of corporate governance on the performance of Container Freight Stations using other measures such as ROI, Market share and customer retention ratio.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Corporate governance has logically turned out to be critical for enterprises in developing and developed nations around the globe. Compelling corporate governance has been distinguished to be basic to fiscal exchanges particularly in developing and progress economies (Dharwadkar, George, & Brandes, 2000). Corporate governance is a means of conveying the welfares of investors and managersand guaranteeing operation of firms onprofit of financiers (Mayer, 1997). Corporate governance inadequacies are recognized as noteworthy in explanationof financial scandals and corporate failures. Good practices of corporate governance occur when the atmosphere where the corporate runs is fair, firms take responsibility for their actionsand processes are transparent. Gregory proposed that corporate governance aids in swelling the firms'sensitivity to societal needs and prospectsas well as inrefining the lasting performance of firms.

The studywas anchoredby the Agency theory and stewardship theory.Agencytheory is characterized as one where a single person or more persons involves someone else to execute activities in their place, thus allocating some powers to the agent to make decisions (Jensen & Meckling, 1976; Ross, 1973). Jensen and Meckling (1976) forwarded that partition of proprietorship and managerial control, in which managers, as choice specialists in the interest of proprietors of the firm, do not bear a generous offer of the riches impacts of their choice. Stewardship theory perceives a scope of non-monetary thought processes in managerial conduct; these incorporate the prerequisite for acknowledgment and accomplishment, the intrinsic actualization of effective implementation, esteem for power and the attitude for hard work. Managers are seen as intrigued by accomplishing superior and fit for utilizing an abnormal state of carefulness to represent the shareholders' benefit (Donaldson and Davis, 1991).

Mombasa County's CFSs were investigated in this study. Several guidelines have been developed by the KPA, KRA and KEBS to encourage good practices in Corporate Governance by CFSs to adequately respond to the increasing relevance in both the growing and emerging economies and for the promotion of regional and domestic growth. They also recognize the contribution of good governance in maximization of the value of shareholders, capital formation, protection of the rights of investors and corporate performance. Corporate governance viewed progressively as the sign of a well-run organization thus motivating this studyto find out its influence on performance and how governance is communicated and estimated.

1.1.1 Corporate Governance

Corporate Governance is the positioning of ideas, methods and activities by which, an organization synchronizes and well ordered. Corporate Governance in a general sense includes orchestrating the desires of an organization's various partners, for instance management, investors, clients, lenders, suppliers, network and the legislature. Since corporate governance additionally offers the composition for accomplishing goals of an organization, it incorporates essentially of management, from activity designs and inner controls to performance estimation and corporate revelation. Corporate Governance is mechanisms between organizations and inside that may affect behaviors in a particular way (Scott, 1992; Williamson, 1996).

Corporate Governance is the tool used by the stakeholders to oversee management and to safeguard the interests of the insiders (Adams & Mehran, 2003). The structure of governance chosen by an organization is founded on resolutions to decrease any impending exchange problems shaped by bounded rationality, on the one hand and the threat of opportunism on the other hand (Barney &Hersterly, 1996). There are differing instruments executed that guard the partners' advantages. Such corporate governance components include, board diversity, size of the board, board of directors' scholasticachievement and practice and size of audit team (Sanda, Mikailu, &Garba, 2005). Jarrel and Morin (2001) describe it as a structure that monitors and safeguards the interests of various market actors; the actors include staff, managers, shareholders, suppliers, the board of administration and the clients depending on the type of organization in question.

Corporate Governance is the instrument utilized by the stakeholders to administer management and to defend the interests of the insiders (Adams & Mehran, 2003). The structure of governance picked by a firm is established on goals to diminish any approaching trade issues formed by limited discernment, from one viewpoint and the danger of advantage on the other viewpoint (Barney &Hersterly, 1996).

There are varying instruments executed that monitor the partners' interest. Such corporate governance segments incorporate, board sex assorted variety, board measure, top managerial staff instructive capability and experience and size of review advisory group (Sanda, Mikailu, & Garba, 2005). Jarrel and Morin (2001) portray it as a structure that screens and shields the premiums of different market on-screen characters; the performing artists incorporate staff, chiefs, investors, providers, the leading group of organization and the customers relying upon the sort of firm being referred to.

1.1.2 Organizational Performance

Organizational performance is a method for evaluating advancement towards stated goals intended as a communication and management tool rather than to act as a reward / punishment mechanism, but rather. Itis the capacity of afirm to realize the duty through strong governance, persistent rededication and sound management in order to triumph over set targets. Firm performance initiative aids the organizations to alleviate the factors deterring the realization of their duty. This enterprise is out to help societies in all sectors of the economy, government and business.

A universal measurement of organizational performance is still debatable subjectto different stand points on which outputs to use to gauge the efficacy of a firm and achievement is defined as per purpose and theory of the study (Carton & Hofer, 2006). Some use financial measures as a criterion to judge the success or fail of a decision or action. Studies done by Richard, Devinney, Yip, and Johnson, (2009) reveal 3 outcome areas that constitute organizational performance; Financial performance, which include ROA, Profits, ROI, Market share, return of the shareholder that entails total shareholder return and Performance of the merchandise market in sales and the added economic value. There are challenges in using these measures as most managers are do not allow access their financial records by researchers, most available studies have relied on apparent results than concrete.

The motivation behind performance measurement is to aid in resolve on options and to meet the results of the Action Plans and Strategic Plan with an understanding. Strategic Plans and Action Plans normally have a common terminus. The most difficult responsibility of directors is to identify indicators that show positive movement towards realizing targets (Carton, 2004;Pokorná & Částek, 2013). Carton (2004) and Pokorná & Částek (2013) posits that the accomplishment of an organization has been assessed by the utilization of money related measures.

1.1.3 Container Freight Stations in Mombasa

Container Freight Station is where containers are aggregated / segregated also packing and unpacking of cargo takes place. Couper (1986) posits CFS as an office where bundles of load are laden into containers after being grouped. As demonstrated by Wali (1996), CFSs are workplaces set up with the ultimate objective of container taking care of and capacity between cargo centers and ocean ports. A portion of the mandate of CFSs incorporate warehousing for empty and loaded containers, stripping of import containers, de-stuffing or stuffing of export containers and in addition scrutiny and appraisal of freight by conventions specialists.

The CFSs are an essential piece of the logistics chain in connection to the development of containerized cargo for exports and imports. CFSs are engaged with export/import exchange at both the embanking and disembarking ports. Amiwero (2005) defines a CFS as a typical client office with available experts, settled establishments and offering administration in dealing with and storage of import / export for a short period. Empty and laden containers controlled and transferred under customs and different organizations skillful to clear merchandises for domestic use, warehousing, impermanent admissions, re-export, transitory capacity for forward travel and out export.

Kombo and Tromp (2006) found out that other than creating space, different advantages acknowledged from CFSs incorporate decrease in levels of demurrage and pilferage inside the port and quicker customs leeway as office is reachable to the generation and consumption. Fixation focuses on long separation cargoes and its unitization, benefit as a travel office, issuance of bill of filling by carriage lines in this way continuing full risk of consignments. CFSs in this way are endeavoring to give seamless and financially perceptive answers for whatever import needs clients may require consequently making them one of the strongest transportation chain connections.

1.2 Research Problem

Corporate governance affects the strategies organizations pursue and hence determine the firm's performance. Failure by the firm's top management in employing good governance structures leads to poor formulation ofstrategies, which have adverse consequences on firm performance. The quality of Corporate Governance in making strategic decisions determines the commitment to operation of these strategies, which later influence the performance of a firm. The performance dimension concentrates on strategy and creation of value all of which are dependent upon good corporate governance and strategic planning. The value of deliberate decision-making defines the content of a firm's plans and its commitment to their execution (Dooley & Fryxell, 1999) which impactstheir performance. This therefore motivates researchers to determine the influence of corporate governance on performance of container freight stations.

There are however a number of challenges that face the Container Freight Stations' business concept in Kenya. For instance, the emergence of satellite ports of the Mombasa Port and the policies sanctioned on the CFSs to have SGR accessibility hence has led to decrease of business of those disadvantaged geographically. This therefore has prompted BODs use of good Corporate Governance practices to increase organizational performance of CFSs and remain in business, which has been largely affected by the emergence of the SGR and the Government's vision of setting up a dry port in Naivasha. According to Ethics and Anti Corruption Commission (EACC), fraud and corruption have been significant problems of large corporations, which are rationalized to poor Corporate Governance practices prompting the study of BOD composition (Education, Board Size, Committees, Experience, Diversity, Independence, Meetings)

Several studies have been carried out both locally and globally concerning Corporate Governance and its relation to firm performance. Corruption cases have sparked debates in varying legal and business sectors resulting in faithlessness of investors both from within and without Kenya (Honghui, 2017). Scandals due to poor corporate governance have been noted in organizations like Uchumi supermarkets (Honghui, 2017) which shows that Kenyan firms in order to mitigate some risks of doing business there is need to draw attention to corporate governance. Preceding studies have focused on financial institutions neglecting other service and other sectoral institutions prone to issues of corporate governance. According to Peters and Bagshaw (2014) higher business performance results from a well governed business. Also, poorly governed businessesface lower stock returns in comparison to those with good governance (Gompers, Ishii, & Metrick, 2003).

Corporate governance remains a choice area of study for many management students and practitioners. Honghui (2017) in his study of the impact of Corporate Governance to determine its influence on performance of organizationsitemized on the Nairobi Securities, he resolved that a strong affiliation between the performance of the firm and Corporate Governance at the NSE listing. At the NSE listing, corporate governance accounted for 52.3% of the firm performance of the companies. Maigua (2013) in her studyon Corporate Governance's influence on financial performance of insurance companies, established that a weak relationship existed between the firms' fiscal performance and Corporate Governance practices under study and, number of dependent directors,the Board sub-committee members number and the age of the company affects positively the fiscal performance of insurance firms.

Based on the above studies, they analyzed the following variables; size of the board, board diversity, education, experience, board independence, and how performance of firms itemized on the NSE and insurance companiesis affected. However, there is limited study known of the CFS business concept; their governance composition and how it affects theirperformance. Consequently, this study endeavors to respond to the question: What is the influence of corporate governance on organizational performance of CFSs?

1.3 Research Objective

To determine the influence of corporate governance on the performance of Container Freight Stations in Mombasa County, Kenya.

1.4 Value of the Study

The study is importantto the companies in the shipping industry (i.e. Container Freight Stations and Inland Container Depots to understand the influence of Corporate Governance on organizational performance, which is of prime importance to the requirement of strong decision makers with wide range of knowledge and abilities crucial to the success of shareholders and stakeholders. The recommendations of the study are helpful to the regulators providing deeper knowledge on Corporate Governance structures resulting in the private and public economic growth and national development.

The study's findings would provide better insight on Corporate Governance theories & practices. The study contributed to the existing knowledge between Corporate Governance and organizational performance of CFSs. Future researchers are likely to gain from this research, as it will enable in gap identification. On the Corporate, governance pointers from empirical results will bebeneficial to the Kenya Ports Authority and the business community in informed decision-making and framing policies. The decision makers in varied categories of management in CFSs will benefit fromdata on corporate governance as a fundamental enabling factor of evolvingfinancial and economic viewpoints of firms and the completely shipping industry improving their performance.

The study will be of significance to all institutions using Corporate Governance practices since it provides them with knowledge on the best use of Corporate Governance. C.E.Os and BODs will be empowered with information on the best practices of Corporate Governance.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides a review of previous work done linking to concepts of Performance and Corporate Governance. A review of Agency and stewardship-based theories that explain further about the above-mentioned concepts is also give herein.

2.2 Theoretical Foundation

There are four main theories available that can explain about influences Corporate Governance on the performance of Container Freight Stations, include stewardship theory, agency theory, stakeholder theory and resource dependence theory. For this review two theories have been selected; agency theory and stewardship theory.

2.2.1 Agency Theory

Corporate governance has an origin in this theory thus pragmatic studies on Corporate Governance have been initiated on this standpoint (Filatotchev & Wright, 2011). Agent-principal associationsstem froman agent hired by a principal to accomplish their place (Jensen & Meckling, 1976).

Firm owners assume that managers in a firm are agents guided by a principle inclined in the direction of maximization of stakeholders' wealth. Three factors exist that disturb the agent – principal relationship; conflicting interest regarding the principle and the agent, where agents may dispense the principles as they seek to maximize their own value. Asymmetry in information between the boss and the representative may lead to taking advantage of the other by either party to enrich themselves, and to ensuring that the agent complies with the principal's interests that create difficulty in monitoring the agent's efforts too expensive.

Empirical and theoretical literature focuses on four problematic areas in agency association, include moral peril, gaining upkeep, and time horizon and risk avoidance. McColgan (2001) contends that the extent of each kind of organization struggle will vary starting with one firm then onto the next, as will the viability of governance mechanisms in decreasing them. As has been demonstrated, and afterward frequently addressed once more, each kind of mechanism of governance is critical in decreasing organizational expenses of the division of control and ownership. A detailed understanding is what was needed to understand variability of these devices essential for a few organizations and inadequate in others. Managerial familiarity with the takeover risk maybe prompt entrenchment at subordinate echelons, as it ensures possible in adequate market for company regulation in management penalization.

MColgan (2001) noted that managers of firm'sincentive to enjoy privileges reduceas theirownershipshare in the company increasesor as they start-owning shares in a company. For such managers investing shareholders' funds will be in projects that they are best suitableinas per their ownabilities and knowledge. Nevertheless, such investments are likely to strengthen the value of the organization; they also increase the cost of substituting such managers due to augmented effects of entrenchment (Jensen & Meckling, 1976). In the Container Freight Stations' agency problem encompassesat any given time, more than two parties; the government / regulator, management and shareholders). The regulators involve KPA, KRA and KEBS among others.

2.2.2 Stewardship Theory

Stewardship theory substitutes non-existence of confidence in agency theory by incorporating veneration of authority and liking to virtuous behaviors geared at boosting firm performance (Clarke, 2004). Satisfying performance is underlined in the manager's desire and this produces intention that drives them to achievetheir jobs goals. Managers are seen as being driven by: desires to achieve, desires to apply accountability and authority that build their image among their seniors and peers alike (Donaldson & Davis, 1991). The managers' ultimate objective in any organization is principally to exploit shareholders' wealth. Management perform exemplarily well when this objective can be realized when firms follow their lead. Davis *et al* (1997) posits that managers in their own mind will go about as mindful stewards of the firm's assets under control. Moreover, it posits that organizations require structures to permit synchronization of objectives to be met fore top-notch performance.

Stewardship theory not only emphasizes on the CEOs' incentive but also somewhat on facilitative endowing structures synthesizing the incumbent roles of the chairperson and those of the CEO of the company that enhance efficiency resulting in achievement of superior performance. The theorists argue that smaller sized board encourage improved involvement and social solidity whereas larger sized board inhibits its capacity to reach agreements on vital resolutions (Muth & Donaldson, 1998; Yermack, 1996). They further argue that: boards dominated by executives should be preferred by firms because of their knowledge depth, capacity to access present-day operating data and their technical know-how and allegiance to the organization that possibly sway performance positively.

2.3 Empirical Literature

Many research works done previously and currently onthe influence of governance onorganizational performancein diverse contexts, with the studies yield conflicting results, and there has been no consensus agreed upon yet. This section discusses global, regional and local studies regarding the sway of governance on organizational performance.

According to Isik and Ince (2016), there is a wide recognition thatthesizeoftheboard is a significantin-house system for Corporate Governance and thus has a significant role in the organization executive. Due to this, the impact of the size of board on organizational financial performance is a commonly discussed subject in corporate governance. On the contrary, the agency theory argues that the superior organizational performance can be linked to small board size.

A study by Hsu (2010) in the United States between 2000 and 2004 assessed the affiliation between financial performance and characteristics of the board of United States firms showed a substantial correlation at the board level. Performance findings where Tobin's Qwas used showed that the board member quality was positively linked to performance. Ujunwa (2012) posits that the quantity of members of the board with Doctorates (PhD) credentials has positively influenced Nigerian companiesenumerated on the stock exchange. As perthe previous two studies, scholastic credentialsproduced positive impactson performance of organizations. On the same breath, an organization that does well financially has diverse board membership, with a bias on academic qualifications. Similarly, Darmadi (2013) in his study on the effect of the educational credentials of members of the board, including the CEO, on the financial performance of organizations listed in Indonesian; indicated that organizations that have board members with university degrees as the minimum qualification in varyingdisciplines enhances organizational performance. This is because the board is capable of tackling different performance perspectives as opposed to a non-diversified board, which has atunnel performance perspective.

Abu-Tapanjeh (2018) measured the association between great corporate financial performance and governance mechanism in Jordanian corporations using multivariate regression method. The findings of the examination validate the notion that the board structure affects monetary performance positively. Rose (2007) additionally examined the effect of feminine board inclusivity on firm financial performance of organizations based in Denmark. The outcome demonstrates that sex assorted variety has huge effect on firm performance. Alfajiri and Moustafa (2007) used cross-sectional regression investigation strategy in studyinghow board attributes affected performance of corporation in United Arab Emirates (UAE). Results showed that the board size insignificantly affects firms' performance. The outcomes additionally uncovered that state ownership had an association with business performances whereas the institutional proprietorship had an insignificant association.

Kyereboah-Coleman, (2007) in his examination in Africa on firm performance and Corporate Governance, utilizing accounting and market focused performance measures. Results exhibit that the heading and the level of effect of Corporate Governance is liable to the performance measure being broke down. In particular, output demonstrated that independent and large boards improve organizational value and that consolidating slots of chair and CEO of the board negatively affects corporate performance. Discoveries likewise demonstrated that Chief Executive Officer's incumbency at the work place upgrades a corporation's benefit whiles board action has a contrary influence on cost-effectiveness. The magnitude of audit committee and the recurrence of their gatherings affect constructively on performance measures based on the market which institutional shareholding upgrades advertise valuation of organizations. Lastly, outcomes call attention to the fact that both nation and area qualities influence the effect of Corporate Governance on performance.

In Ghana, Adusei, (2011) found that board sizes influenced bank performance. The study argued that the smaller board sizes had influenced positively on the performance of the organization where ROE was used as a performance measure. In Europe, Agoraki, Delis, & Staikouras, (2009) found that larger board sizes can affect bank performance. This proposes that the smaller the size of the board; the likelihood increases the performance of the bank. Despite these results, there are others that have found no relationship between organization performance and board size (Adams & Mehran, 2003; Belkhir, 2009). In the United States, Belkhir (2009) conducted a study among 174 savings and bank institutions and did not find any indication of a link between size of the board and performance where Tobin's Q was used to ascertain performance.

Busta (2007) posits that there was a connection between board composition and ROA. The result showed that the size of the board had an influence but this was insignificant. The data collected from 125 commercial banks that pointed out that there was an affirmative association between ROI and market-to-book ratio was negatively associated with ROA but this was insignificant. Abdul Samad and HadiZulkafli, (2007) posits that in 2004 there was no noteworthy link between performance and board size in 9 Asian markets among 107 banks. The performance measures used were Tobin's Q, ROA, board composition, and size.

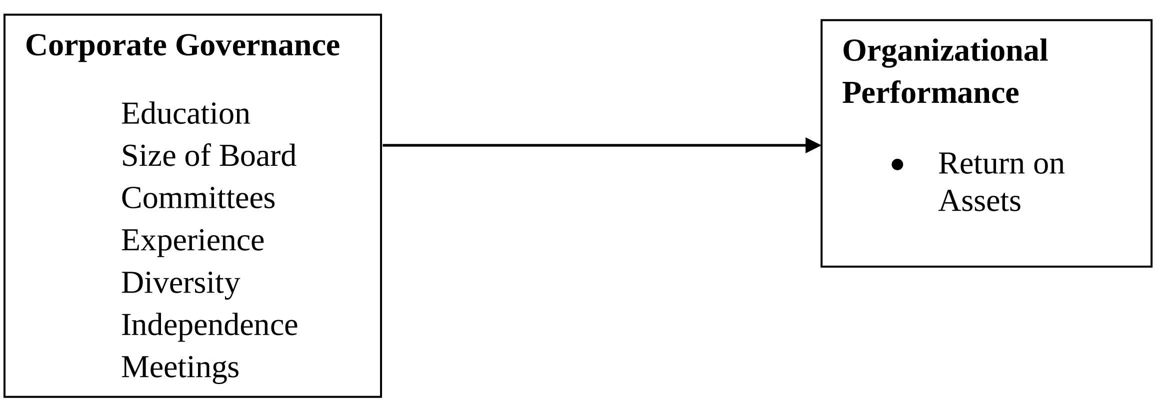
Mwika (2012), study on the Kenyan Capital Markets employing qualitative research approach and results showed that Kenya's amended company laws advocate for stronger protection of investors but at the same time it shows a gap in the governance codes that gives managers an incentive to abuse minority shareholders and other stakeholders. Mwika (2012) in conclusion says that positive Corporate Governance practices go a long way in improving a company's financial performance, overall good public image and survival through Corporate Social Responsibility practices. Otieno (2011) investigated on the association between practices of the Kenyan local airlines' financial performance and corporate governance. A census of all 30 domestic airlines in Kenya was considered for the study. The study employed a questionnaire. Qualitative data collected and analyzed using SPSS software. The study established existence of a strong correlation between airlines' financial performance and corporate governance. Better financial performances are experienced by airlines with strong corporate governance practices with a degree of variation of ROA at 81%.

2.4 Summary of Literature Review and Knowledge gap

The theories of company governance reviewed in this chapter include; Stewardship theory (Davis et al, 1997) and Agency theory (Jensen & Mackling, 1976). This chapter has also looked at the factors of financial performance of firms. It has also displayed results obtained by other researchers who studied the effects of Corporate Governance on the performance of firms. Many studies have revealed that good Corporate Governance is of significance in the attainment of the desired firm performance. Most researches done on Corporate Governance effects onperformance were carried out by considering ownership structures and boards as Corporate Governance dimensions. Research has been conclusive on the influence of governance tools on the performance of CFS firms in the CGM, Kenya.

2.5 Conceptual Framework

Figure 2.1 presents the Conceptual Framework



Independent variable **Dependent variable**

Figure 2.1: Conceptual Framework

From Figure 2.1, Corporate Governance is depicted as the independent variable with six measures. Board diversity will be measured by the degree to which a board is constituted comprise a broad range of backgrounds and interests. The directors' number will be measured using logarithm to minimize the size factor of the board. Board impartiality computed by the quotient of the non-executive directors to the summation of board directors. Organizational performance as response variable to be measured by the Return On Assets. Return On Assets is the annual net revenue to aggregate resources.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section enumerates the methodology, which was employed to the study. It defines the research design, the population of the study, methods that were used for sampling and, data collection and analysis tools and method.

3.2 Research Design

A descriptive cross-sectional survey design was employed in solving the research problem.It is a scientific method for investigation where data is dissected post gathering with the aim of portraying current conditions, connections concerning or terms a specific particular field issue (Mugenda & Mugenda, 2003). According to Burns and Grove (2003), descriptive research is premeditated thus giving a glimpse of situations as they naturally transpire.

A descriptive study aims at finding out the where, how and what of events (Cooper & Schindler, 2003). Appropriateness of this design may allow thescholar to utilize quantitative and qualitative data to establish the influence of Corporate Governance on the performance of CFSs in Mombasa County.

3.3 Population of the Study

Parahoo (2007) describes population as the unit's summation from which information is gathered, for example organizations, events, artifacts or individuals. Burns and Grove (2003) define population as all the constituents legible for inclusion in a study.

The population of interest for this study was from the licensed 14 listed CFSs in Mombasa County, Kenya. For primary data collection purpose, the study focused particularly on senior level managers and board of directors of all CFSs. The researcher believed these were the most informed on the various structures of Corporate Governance and thus three respondents were selected from the firms listed.

3.4 Data Collection

Secondary and primary data were employed in this study. Financial statements and other relevant yearly reports for a 5-year timeframe (2013 – 2017) were to be used to extract secondary data. One semi-structured questionnaires are to gather primary data by use of the Likert scale and open-ended questions. Selected respondents were; board members, senior level managers and supervisors of the CFSs. This is because they are involved in the organizations' management and have abroad understanding of the affairs of the companies.

Three respondents from each organization were chosen upon which questionnaires were administered. The respondents picked were from top management and middle management as they are well informed on the company's affairs, structures and composition and they are involved in the organization's management. Given a census if 14 CFSs under study, 3 respondents from each company were picked coming to a total of 42 respondents. The semi-structured questionnaire was administered. The closed ended consisted of more structured responses to bring out recommendations that are more tangible. The ratings on various attributes were tested using closed ended questions to help in the reduction of responses that are related to obtain more responses that are varied.

Additional facts that could not be obtained by the closed ended questions were captured using the open-ended questions to aid in gaining a better comprehension of the influence of corporate governance on organizational performance. The scholar administered the research instrument to the target population. A registry of the questionnaire was kept to ensure all questionnaires distributed to respondents were returned.

3.5 Data Analysis

SPSS software analyzed the descriptive data while the qualitative data done bymultiple regressionanalysis. Quantitative data examined using multiple regression analysis because of the dependent alongside many independent variables. Tables were used to present the quantitative data findings.

Multiple regression analysis employed in ascertaining presence of affiliation between the dependent and independent variable(s). the firm performance was the dependent variable while the independent variables were; Education, board size, committees, experience, diversity, independence and meetings held annually. The multiple regressions model used represented below;

$$P = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + e$$

Where;

P = Performance of CFSs (ROA)

α = constant (total assets)

β_i = Beta coefficient of variable $i$measuring level of receptivity of P to change i.

X_1 = Education

X_2 = Board size

X_3 = Committees

X_4 = Experience

X_5= Diversity

X_6 = Independence

X_7= Meetings held Annually

e = Error term

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This division presents research as envisioned in the methodology. The objective of the study was to determine the influence of corporate governance on the performance of Container Freight Stations in Mombasa County,Kenya, are enlisted solely from the questionnaire, which was the data collection instrument.

4.2 Response Rate

42semi-structured questionnaires administered to the various CFS employees (BOD, Top management and Middle management). Subsequently, 34 filled in questionnaires were received back.81% (Table 4.1) was the translatedresponse rate, which is considered adequate to act as a representative.

Table 4.1: Questionnaire response rate

Response rate	**Respondents**	**Percentage**
Not Received	8	19
Received	34	81
Total	**42**	**100**

Source: Primary Data

4.3 Demographic Characteristics

The analytical data sought by the study included the socio-demographic of the respondents. This included their duration of working, gender and position they occupied in the organization.

4.3.1 Working Duration

The study sought to find out the duration of service the various respondents have offered to the 14 CFS in the County Government of Mombasa. Table 4.2 presents the findings.

Table 4.2: Period of Work

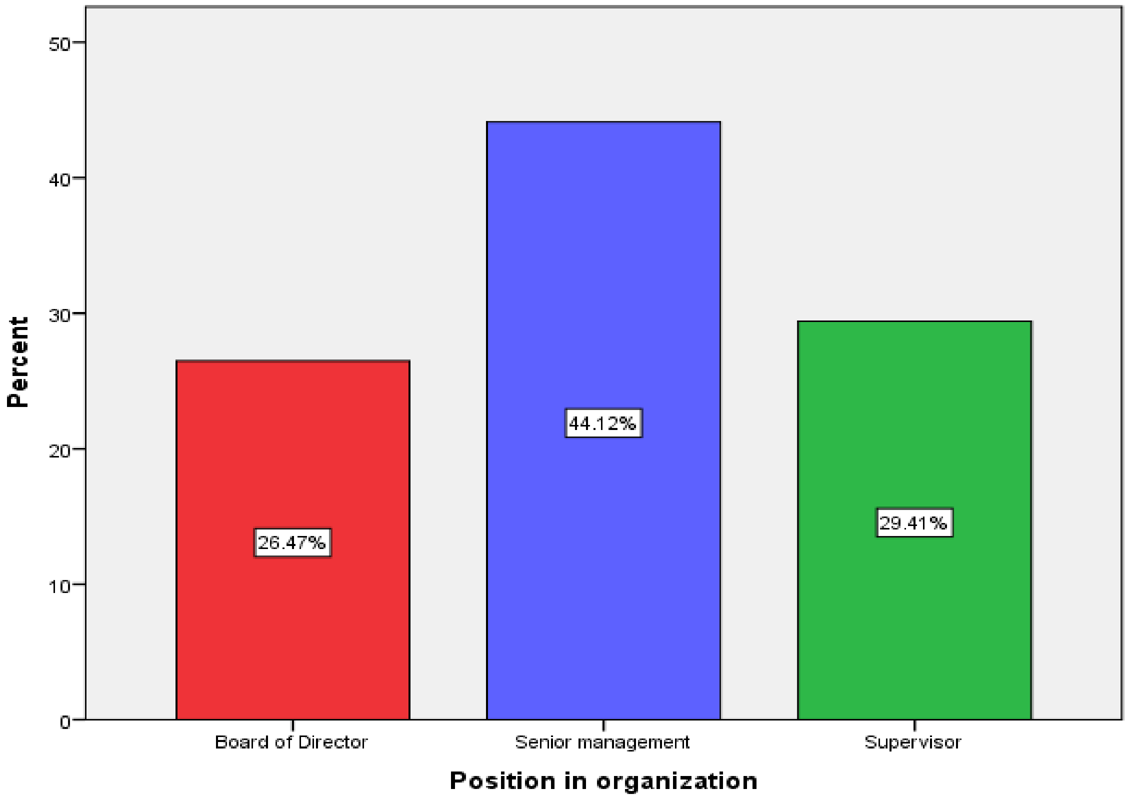
Working Period	Frequency	Percent
< 5 years	3	8.1
Between 5 and 10 years	19	55.8
>10 years	12	36.1
Total	**34**	**100**

Source: Primary Data

From Table 4.2, the majority (55.8%) of the respondents have served in the various organizations for periods between 5 and 10 years. 36.1% of the respondents have served for a period of more than 10 years whereas only 8.1% have served for less than 5 years. This clearly showed that the experience in the various firms enabled the respondents to be able to express Corporate Governance issues.

4.3.2 Respondents' Position

The study pursued to find out the various positional representations of the respondents. Figure 4.1 shows the findings of the respondents' job positions.



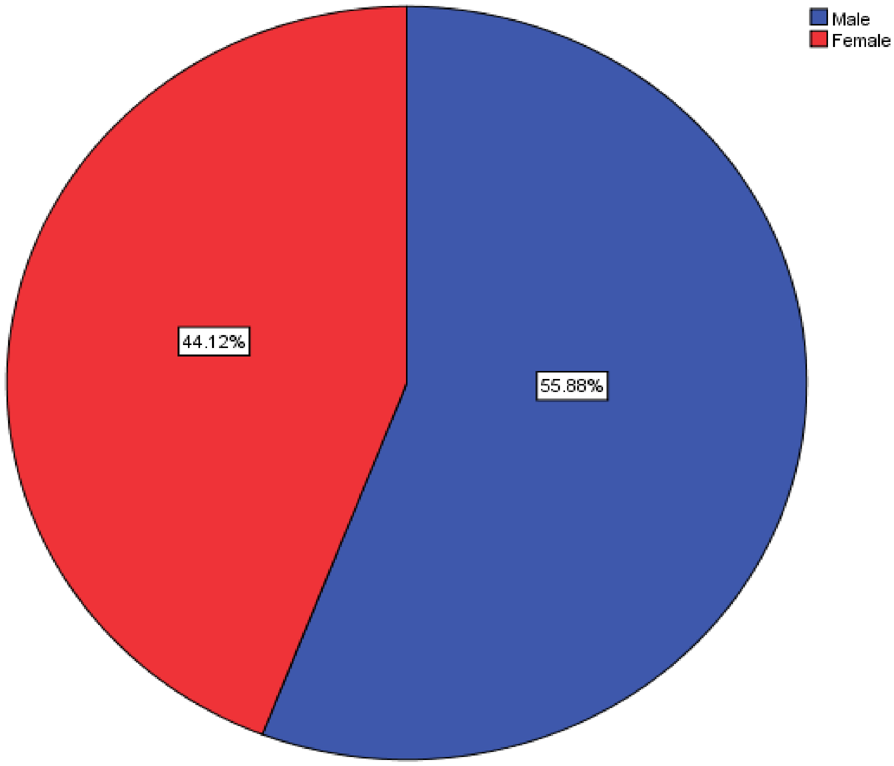
Source: Primary Data

Figure 4.1: Respondents' Position

Figure 4.1 reveals that most of the respondents were in the senior management level with 44.12%. Supervisors and board of directors had 29.41% and 26.47% respectively. These showed that the relevant persons were tapped into to be able to give relevant data concerning their organizations.

4.3.3 Respondents' Gender

The study sought to understand the gender dynamics in CFS in Mombasa County. The findings are enumerated in Figure 4.2.



Source: Primary Data

Figure 4.2: Gender of respondents

The Figure 4.2 shows that minority (44.12%) of the respondents are female while the majority (55.88%) are males. This without a shadow of doubt show that the distribution of questionnaires was free from prejudice and that the organizations have parity in the highest leadership spots of CFS.

4.4 Reliability Test

When all the items under corporate governance were analyzed, Internal consistency as shown by Cronbach's alpha coefficient was acceptable (0.699). Cronbach's alpha coefficient showed acceptable internal consistency for the scores (Table 4.3). Even though the value is <0.7. Zalma, Safiah, Ajau and Khairil Anuar (2015), "0.7 should not be the only standard used to assess reliability, whereby the shorter scale, with the lower alpha value, actually demonstrates higher interrelatedness among items". The results show that the questionnaire is reliable in determining the Influence of Corporate

Governance on the Performance of Container Freight Stations in the County Government of Mombasa.

Table 4.3: Internal Reliability

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.699	.701	8

4.4 Corporate Governance

The study further explored the lengths to which Corporate Governance influences the performance of CFS. Respondents were required to give their views on a 5 level Likert scale from 'strongly disagree' to 'strongly agree'. Interpretation obtained by use of the mean scores.

4.4.1 Response Score on Number of Committees

The respondents were requested to establish how the number of committees influenced operational performance in CFS. The results are listed in table 4.4.

Table 4.4: Number of Committees

Number of Committees	**Mean**	**Std. Deviation**
A Corporate governance committee in existence	4.06	1.496
Independent committees center of interest is to ameliorate an organization's and performance	4.38	1.045
Corporate governance committees are not effective against risk they are just over loaded	3.09	1.676
The presence of independent commissions influences performance of the organization	4.24	1.281
Total	**3.94**	**1.375**

Source: Primary Data

Table 4.4 on Number of Committees, aggregated mean of 3.94, (SD= 1.375) was noted which implies that the respondents agreed that number of committees impacts on the performance of CFS to some extent. The respondents fully agreed that 'a corporate governance committee in existence', enhanced organizational performance (*M*= 4.06, *SD*= 1.496), 'Independent committees center of interest is to ameliorate an organization's and performance', enhances performance (*M*= 4.38, *SD*= 1.045), 'The presence of independent commissions influences performance of the organization' enhances performance (*M*= 4.24, *SD*= 1.281) while they were undecided on 'Corporate governance committees are not effective against risk they are just over loaded' and whether it enhances or deteriorates performance (*M*= 3.09, *SD*= 1.676).

4.4.2 Response Score on Board Size

The study sought to establish how the board size influenced organizational performance in CFS. Table 4.5 presents the results.

Table 4.5: Board Size

Board Size	**Mean**	**Std. Deviation**
Do smaller boards mean good performance?	2.79	1.684
More adept provision of resources is experienced in larger size boards.	2.85	1.598
Difficulty in reaching a consensus is always present in Large board of directors because of conflicting ideas	3.09	1.401
Performance is improved because of increase resource availability and good governance of management	4.06	1.347
Expertise and experiences are certain in a larger	4.18	.968

board		
Total	**3.39**	**1.400**

Source: Primary Data

Table 4.5 on Board size presented aggregated mean of 3.39, (*SD*= 1.375) was noted which implies that the respondents were undecided on matter pertaining to board size. However, 'Expertise and experience certain in larger boards' and 'Improved performance due to increase resource availability and oversight' there was agreement that they influenced (*M*= 4.06, *SD*= 1.347 and *M*= 4.18, *SD*= 0.968 respectively) on the performance of CFS to some extent. They were undecided on 'Adept provision of resources experienced in larger size boards' (*M*= 3.09, *SD*= 1.409). They disagree that 'Small board mean good performance' (*M*= 2.79, *SD*= 1.684) and 'Difficulty to reach consensus in large boards' (*M*= 2.85, *SD*= 1.598) had an impact on performance.

4.4.3 Response Score onMeetings

The respondents were required to establish how the number of meetings held annually influenced organizational performance in CFS. The results are listed in Table 4.6.

Table 4.6: Number of meetings held annually

Number of meetings held annually	Mean	Std. Deviation
There is turn out of directors' meeting	2.47	1.354
All directors' meetings have relevance to the organization's accreditation	3.68	1.492
Director's meetings are chaired by members with relevant eligibility	3.44	1.618
Non gazette members have been attending meetings	2.24	1.615
Total	**2.96**	**1.520**

Source: Primary Data

Table 4.6 on Number of meetings held annually, aggregated mean of 2.96, (SD= 1.520) was noted which implies that the respondent'sundecided on matter pertaining to number of meetings held annually. However, 'Expertise and experience certain in larger boards' and 'Improved performance due to increase resource availability and impacts on the performance of CFS to some extent. They disagree that 'There is turn out of directors' meeting' (*M*= 2.47, *SD*= 1.354) and 'All directors' meetings have relevance to the organization's accreditation' (*M*= 2.24, *SD*= 1.615) had an influence on performance. The respondents were undecided on 'Director's meetings are chaired by members with relevant eligibility' (*M*= 3.44, *SD*= 1.618) and whether it is enhanced performance or not.

4.4.4 Response Score on Independence

The respondents were requested to establish how board independence influenced performance in CFS. The results are listed in Table 4.7.

Table 4.7: Board Independence

Board Independence	**Mean**	**Std. Deviation**
Resource allocation is mandate of board	3.74	1.524
Board delegation to subcommittees or subordinates	4.32	.806
Board takes decisions independently	3.53	1.542
Executive directors'summation is bigger than non-executives	3.94	1.071
Executive directors are better positioned in running the business due to deeper knowledge and experience	3.68	1.121
Total	**3.84**	**1.213**

Source: Primary Data

Table 4.7 on Board Independence showed, aggregated mean of 3.84, (SD= 1.213) was noted which implies that the respondents agreed that board independence impacts on the performance of CFS to some extent. The respondents strongly agreed that 'Board delegation to subcommittees or subordinates' enhanced performance (*M*= 4.32, *SD*= 0.806).They agreed also that 'Board takes decisions independently' enhances performance (*M*= 3.53, *SD*= 1.542), 'Executive directors are better positioned in running the business due to deeper knowledge and experience' enhanced performance (*M*= 3.68, *SD*= 1.121), 'Resource allocation is mandate of board' (*M*= 3.74, *SD*= 1.524) and 'Executive directors summation is bigger than non-executives' (*M*= 3.94, *SD*= 1.071) enhanced performance of CFS.

4.4.5 Response Score on Diversity

The study sought to establish how board diversity influenced performance in CFS. Table 4.8 presents the attained results.

Table 4.8: Board Diversity

Board Diversity	**Mean**	**Std. Deviation**
A mix of skills is always considered in appointing board members to steward the organization	4.21	.808
Politics has always been seen in the appointment of board members in this organization	4.32	.768
Organization's board vets' members on academic qualifications before appointment	3.29	1.661
Inclusion of all stakeholders in the board appointment	3.59	1.635
Genders are well represented in the Board	3.53	1.461
Stewarding the organization require all board members to have relevant industry experience	3.59	1.373
Total	**3.75**	**1.284**

Source: Primary Data

Table 4.8 on Board Diversity, aggregated mean of 3.75, (SD= 1.284) was noted which implied that the respondentswere in agreement that board diversity influences the performance of CFS to some extent. The respondents strongly agreed that 'Politics has always been seen in the appointment of board members in this organization' (*M*= 4.32, *SD*= 0.768) and 'A mix of skills is always considered in appointing board members to steward the organization' (*M*= 4.21, *SD*= 0.808), enhanced performance. They agreed that 'Inclusion of all stakeholders in the board appointment' (*M*= 3.59, *SD*= 1.635), ‘Stewarding the organization require all board members to have relevant industry experience’ (*M*= 3.59, *SD*= 1.373) and ‘Genders are well represented in the Board’ (*M*= 3.53, *SD*= 1.461). They were undecided on ‘Organization’s board vets’ members on academic qualifications before appointment’ and whether it enhances or deteriorates performance (*M*= 3.29, *SD*= 1.661).

4.4.6 Response Score on Experience

The study sought to establish how board experience influenced performance in CFS. Table 4.9 shows the outcome.

Table 4.9: Board Experience

Board Experience	**Mean**	**Std. Deviation**
Board members with experience in the financial services sector contribute the most during board meetings.	3.71	1.508
Board members without accounting and finance skills contribute the least in board meetings.	3.76	1.327
Internationally experienced Board members impacts the effectiveness of the board positively	3.59	1.438
Internationally experienced Board members are more attuned to opportunities to compete globally.	3.85	1.209
Multi-industrially experienced board members have expansive understanding of the industry	4.12	1.094
Total	**3.81**	**1.315**

Source: Primary Data

Table 4.9 on Board Experience showed aggregated mean of 3.81, (SD= 1.315) was noted which implies that board experience influenced the performance of CFS to some extent. The respondents agreed that ‘Multi-industrially experienced board members have expansive understanding of the industry’ enhance organizational performance (*M*= 4.12, *SD*= 1.094), ‘Internationally experienced Board members are more attuned to opportunities to compete globally’ enhanced performance (*M*= 3.85, *SD*= 1.209), ‘Board members without accounting and finance skills contribute the least in board meetings’ enhances performance (*M*= 3.76, *SD*= 1.327), 'Board members with experience in the financial services sector contribute the most during board meetings' enhances performance (*M*= 3.71, *SD*= 1.508) and 'Internationally experienced Board members impacts the effectiveness of the board positively' enhances performance (*M*= 3.59, *SD*= 1.438).

4.4.7 Response Score on Education

The study examined on how board education influenced performance in CFS.Table 4.10 lists the results.

Table 4.10: Board Education

Board Education	**Mean**	**Std. Deviation**
Open mindedness of the member is relative with level of education.	4.21	1.122
The productiveness of the board member during directors' meetings is directly proportional to their level of education.	4.24	1.046
A board member's impact on the board oversight responsibilities is pegged on their level of education.	3.82	1.381
Their education level influences the decision-making hierarchy.	4.15	1.105
The level of education of a member of the board influences the decision of other members	4.12	1.149
Total	**4.11**	**1.161**

Source: Primary Data

Table 4.10 on Board Educations showed aggregated mean of 4.11, (SD= 1.161) was noted which implies that board education impacts on the performance of CFS to some extent. The respondents agreed that 'The productiveness of the board member during directors' meetings is directly proportional to their level of education' enhance performance (*M*= 4.24, *SD*= 1.046), ‘Open mindedness of the member is relative with level of education.’ enhances performance (*M*= 4.21, *SD*= 1.122), ‘Their education level influences the decision-making hierarchy’, enhances performance (*M*= 4.15, *SD*= 1.105) , ‘The level of education of a board member influences the decision of other board members’ enhances performance (*M*= 4.12, *SD*= 1.149) and ‘A board member’s impact on the board oversight responsibilities is pegged on their level of education’ enhances performance (*M*= 3.82, *SD*= 1.381).

4.5 Response Score on Organizational Performance

The study further established on how the respondents viewed their organizational performance concerning ROA. Table 4.11 gives the results

Table 4.11: Organizational Performance

Organizational Performance	**Mean**	**Std. Deviation**
Experienced a reduction in operational costs	4.06	1.013
Investment payback period of less than 3 years and thus good ROA	4.12	1.149
Improvement in income margins	4.15	1.105
Total	**4.11**	**1.089**

Source: Primary Data

From Table 4.11 on Organization Performance, aggregated mean of 4.11, (SD= 1.089) was noted which suggests that the respondents agreed that there was growth concerning ROA. The respondents agreed that they have ‘Experienced a reduction in operational costs’ (*M*= 4.06, *SD*= 1.013), ‘Improvement in income margins’ (*M*= 4.15, *SD*= 1.105) and that they also have noted ‘Investment payback period of less than 3 years and thus good ROA’ (*M*= 4.12, *SD*= 1.149).

4.6 Multiple Regression Analysis

At 0.05 significance level, Corporate Governance practices have a combined productive influence on the organizational performance of CFSs as shown in Table 4.12. Regression analysis was undertaken using Corporate Governance activities vis-à-vis ROA. From the table of regression co-efficient an equation is established.

$$ROA = -0.235X_1 + 0.134X_2 - 0.014X_3 + 0.131X_4 - 0.181X_5 - 0.251X_6 + 0.987X_7 + e$$

Table 4.12: Coefficients

Model		**Unstandardized Coefficients**		**Significance**
		B	**Std. Error**	**T-test**
1	**Constant**	1.498	.825	
	Board Size	-.235	.172	.000
	Number of Committees	.134	.134	.000
	Number of Meetings Annually	-.014	.137	.000
	Board Independence	.131	.174	.000
	Board Diversity	-.181	.182	.000
	Board Experience	-.251	.184	.000
	Board Education	.987	.182	.000

From the Table 4.12 representing the coefficient model, it infers that an increase (1%) in the committee numbers, board independence and board education results in an increase of 0.134%, 0.131% and 0.987% respectively on ROA and the vice versa is true. Conversely, an increase (1%) in the size of the board, annual meetings held, board diversity and experience results in a reduction of ROA by 0.235%, 0.014%, 0.181% and 0.251% respectively.

Table 4.13: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.838[a]	.702	.622	.51129

a. Predictors: (Constant), Board Education, Number of Committees, Number of Annual Meetings, Board Size, Diversity, Independence, and Experience

Summary of the model shows a strong correlation (R= 0.838) between organizational performance and corporate governance practices. Table 4.14 shows that 62.2% of the organizational performance of the CFS can be accredited to corporate governance (R-Square = 0.622).

Table 4.14: Analysis of Variance

ANOVA[a]						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	16.030	7	2.290	8.760	.000[b]
	Residual	6.797	26	.261		
	Total	22.827	33			

a. Dependent Variable: Return on Assets

b. Predictors: (Constant), Board Education, Number of Committees, Number of Annual Meetings, Board Size, Board Diversity, Board Independence, Board Experience

Analysis of Variance (ANOVA) was used to check the goodness of fit of the model. It was tested at p<.05 significance level.The findings (Table 4-14) show that the model is dependablein establishing the correlations since p=.000.

4.7 Discussion of Findings

From the findings, the degree to which the various CG practices influence performance of the Container Freight Stations in Mombasa County. Not all the factors were found to affect the firm's output.The study aggregated means established that the number of committees (*M*= 3.94, *SD*= 1.375), board independence (*M*= 3.84, *SD*= 1.213), board diversity (*M*= 3.75, *SD*= 1.284) board experience (*M*= 3.81, *SD*= 1.315) and board education (*M*= 4.11, *SD*= 1.161) were agreed on to have an influence on the performance of CFS. However, board size (*M*= 3.39, *SD*= 1.375) and number of meetings held annually (*M*= 2.96, *SD*= 1.520) it was not clear to how they influenced the performance of Container Freight Stations in Mombasa County.

In comparison with the ANOVA statics, significance level the multiple regression model had a P value of 0.000 suggesting that the data was suitable for reaching rational deductions regarding the populace parameters as the P-value was <5% implying that the number of committees, board independence, diversity, experience and education influence performance of CFSs. The value of significance was <0.05 demonstrating that the model was ideal. The results depict that a strong relationship (R=0.702) exists between CG and Organizational Performance. The adjusted R-Square value was 0.622, which implies that 62.2% of the variance in the firm's organizational performance can be revealed by corporate governance while the remaining percentage is explained by other factors not represented by the study.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This section provides thesummary, recommendations and conclusions drawn from the study's findings donetodeterminetheinfluence of corporate governance on organizational performanceof CFS.

5.2 Summary

The study set out to establish the influence corporategovernancepractices had on organizational performance inCFSfirms. A regression analysis was conducted to provide concrete evidence. The CG practices considered included: board education, board experience, board independence, board size, number of committees, number of meetings held annually and board diversity.

From the regression analysis a strong correlation (R = 0.838) existed between performance and CG. This was responsible for a variance of 70.2 % in the performance of the firm.

5.3 Conclusion

This study examines the influence of corporate governance on the performance (ROA) of CFS in Mombasa County, Kenya. Thus, the study ventured into the influence of CG activities (independent variables) on organizational performance. In conclusion, CG practices affect the performance of CFS. Principally, number of committees, board independence, diversity and education affect organizational performance of CFS in Mombasa County positively. It can be concluded that CG possibly leads to increase in organizational performance of CFSs in the County Government of Mombasa.

5.4 Policy Recommendations

A regular review of the CG structure to be incorporated in the strategic plans of CFS since good CG has proven to affect performance positively. The managers also should be motivated to practice good CG for the betterment of the firms and profit realization in general.

5.5 Limitation of Study

Accuracy of the results depended entirely on the respondent and their attitude and understanding of the subject matter. Time and finances were a major drawback in the study, which resulted in delays.

The information collected was confidential to the companies. This resulted in some respondents being unwilling to share their sentiments with the sole reason that they did not want to paint an ugly picture of their organizations. To proceed on, an assurance had to be given to enable the data collection.

5.6 Suggestions for Future Studies

This study focused on the influence of corporate governance on organizational performance through the usage of Return on Assets value as the dependent variable. Further study can be done to assess the influence of CG on firm performance using different measures of organizational performance in CFS.

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APPENDICES

APPENDIX 1: Research Questionnaire

This questionnaire seeks to gather data on organizational performance and corporate governance of container freight stations in Mombasa County from the year 2013 – 2017. All the information collected will purely be used for academic reasons and high confidentiality upheld.

PART A. BIOGRAPHIC DATA

1. Gender

a) Male ☐ Female ☐

2. Position held in the organization

   a) Board of Director ☐
   b) Senior management ☐
   c) Supervisor ☐

3. Duration of working for the organization

   a) Less than 5 years ☐
   b) Between 5 and 10 years ☐
   c) More than 10 years ☐

PART B: CORPORATE GOVERNANCE AND ORGANIZATIONAL PERFORMANCE.

Do you agree with the corporate governance statements as in your organization? Use a check mark (✓) or an X in befitting column.

Rating Scale:

1. Strongly Disagree (1)
2. Disagree (2)
3. Neither Agree nor Disagree (3)
4. Agree (4)
5. Strongly Agree (5)

SECTION A: BOARD SIZE

Number of Directors

	1	**2**	**3**	**4**	**5**
Do smaller boards mean good performance?					
More adept provision of resources is experienced in larger size boards.					
Difficulty in reaching a consensus is always present in Large board of directors because of conflicting ideas					
Performance is improved because of increase resource availability and good governance of management					
Expertise and experiences are certain in a larger board					

SECTION B: NUMBER OF COMMITTEES

Number of committees established by the board…

	1	**2**	**3**	**4**	**5**
A Corporate governance committee in existence					
Independent committees center of interest is to ameliorate an organization's and performance					

Corporate governance committees are not effective against risk they are just over loaded					
The presence of independent commissions influences performance of the organization					

SECTION C: NUMBER OF MEETINGS HELD ANNUALY

How often are board meetings held in a year in your organization?

	1	2	3	4	5
There is turn out of directors' meeting					
All directors' meetings have relevance to the organization's accreditation					
Director's meetings are chaired by members with relevant eligibility					
Non gazette members have been attending meetings					
The amount of director's meetings has an influence on an organization's performance					

SECTION D: BOARD INDEPENDENCE

	1	2	3	4	5
Resource allocation is the board's mandate.					
The board assigns duties and tasksto its subordinates					
The board takes decisions independently					
Executive directors' summation is bigger than non-executives					
Internal directors are at an advantage in performing the firm's affairs since they are knowledgeable with the organization's					

business					

SECTION E: BOARD DIVERSITY

	1	2	3	4	5
A mix of skills is always considered in appointing board members to steward the organization					
Politics has always been seen in the appointment of board members in this organization					
Organization’s board vets’ members on academic qualifications before appointment					
Inclusion of all stakeholders in the board appointment					
The board constitutes both genders					
Stewarding the organization require all board members to have relevant industry experience					

SECTION F: BOARD EXPERIENCE

	1	**2**	**3**	**4**	**5**
Board members with experience in the financial services sector contribute the most during board meetings.					
Board members without accounting and finance skills contribute the least in board meetings.					
Internationally experienced Board members impacts the effectiveness of the board positively.					
Internationally experienced Board members are more attuned to opportunities to compete globally.					
Multi-industrially experienced board members have expansive understanding of the industry					

SECTION G: BOARD EDUCATION

	1	**2**	**3**	**4**	**5**
Open mindedness of the member is relative with					

level of education.					
The productivenessof the board member during directors' meetings is directly proportional to their level of education.					
A board member's impact on the board oversight responsibilities is pegged on their level of education.					
Their education level influences the decision-making hierarchy.					
The level of education of a member of the board influences the decision of other members					

Do you think your board is effective? Why or why not?..
..
...

SECTION H: RETURN ON ASSETS

	1	2	3	4	5
The firm has experienced a reduction in operational costs					
The firm has experienced investment payback period of less than 3 years and thus good ROA.					
The firm has experienced an improvement in income margins					

APPENDIX I1: Container Freight Stations in Mombasa County

1. African Liner Agencies
2. Awanad Enterprises Limited
3. Boss Freight Ltd Kenya
4. Compact Freight System Limited
5. Consolbase Ltd (F.F.K)
6. InterpelCfs
7. Focus Cfs
8. Kencont Logistics Services Limited
9. Makupa Transit
10. Mitchell Cotts Freights Kenya Limited
11. Mombasa Island Cargo Terminal
12. Container Freight Company Limited
13. Portside Freight Terminal Ltd
14. Autoports Freight Terminals