St. Paul's University Repository

CORPORATE GOVERNANCE AND ORGANIZATIONAL PERFORMANCE MODERATED BY ORGANIZATIONAL FACTORS: A SURVEY OF LISTED COMPANIES AT NAIROBI SECURITIES EXCHANGE, KENYA

BY

GEOFFREY GICHANGI KARUU

PBAM/LMR/5127/18

ST. PAUL'S UNIVERSITY

A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS AND LEADERSHIP STUDIES IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DEGREE OF DOCTOR OF PHILOSOPHY IN BUSINESS ADMINISTRATION AND MANAGEMENT (STRATEGIC MANAGEMENT) OF ST. PAUL'S UNIVERSITY, KENYA

OCTOBER, 2024

St. Paul's University Repository

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

DECLARATION

I declare that this thesis is my original work and has not been presented in any other institution of learning for an academic award. The thesis has been complemented by duly acknowledged reference sources. Where text, figures or tables have been borrowed from other sources, they are duly cited using the current APA format and in accordance with anti-plagiarism regulations.

Signature: Date:

Name: GEOFFREY GICHANGI KARUU

Reg. No. PBAMLMR512718

Word Count: 64,891

We confirm that the work reported in this thesis was carried out by the candidate under our supervision as the appointed University Supervisors.

Signature: Date:

DR. JOHN MUHOHO

Signature: Date :

DR. JULIUS KAHUTHIA

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

DEDICATION

This thesis is dedicated to my wife, Esther Murangi, for her love, understanding and unqualified support that has enabled me to pursue Ph.D. studies.

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

ACKNOWLEDGEMENTS

My pursuit of a doctorate degree could not have been possible without the support of several people. However, on the onset, I wish to thank the Almighty God for His love, grace and mercy and to whom I owe good health.

I wish to give special thanks to my supervisors, Dr. John Muhoho and Dr. Julius Kahuthia for their invaluable counsel, rigorous contributions, personal commitment and patience during the PhD studies. My gratitude also goes to the lecturers who took me through course work and for laying in me a sound academic foundation for research work. My Research Assistants, Kelvin Karanja for his IT and typing support, Albert Karimi for his analytical input and John Otsola, for general research guidance, the Management of Nairobi Securities Exchange PLC for assisting in data collection, and the staff of St. Paul's University Library for their assistance in accessing numerous reading materials including journal articles and books. Dr Peter M. Gichiri in the Library is singled out for providing invaluable guidance. I appreciate my classmates for walking with me in the PhD journey, they include Ms. Jane Ngene, Dr. Alexander Maina and Elias Kiarie, they were pivotal in my studies. My many friends and relatives were a great source of encouragement.

And finally, my appreciation goes to my wife, children and grandchildren who inspired me to pursue the PhD studies.

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

TABLE OF CONTENTS

DECLARATION ..... **i**
DEDICATION ..... **iii**
ACKNOWLEDGEMENTS ..... **iv**
TABLE OF CONTENTS ..... **v**
LIST OF TABLES ..... **x**
LIST OF FIGURES ..... **xii**
OPERATIONAL DEFINATION OF TERMS ..... **xiii**
ABBREVIATIONS AND ACRONYMS ..... **xiv**
ABSTRACT ..... **xvi**
CHAPTER ONE **1**
INTRODUCTION **1**
1.1 Background of the Study 1
1.1.1 Corporate Governance 8
1.1.2 Organizational Performance 13
1.1.3 Organizational Factors 15
1.1.4 Legal and Regulatory Framework 16
1.1.5 Listed Companies at Nairobi Securities Exchange 21
1.2 Statement of the Problem 23
1.3 Research Objectives 25
1.3.1 General Objective 25
1.3.2 Specific Objectives 25
1.4 Study Hypotheses 25
1.5 Scope of the Study 26
1.6 Significance of the Study 26
1.7 Justification of the Study 27
1.8 Limitations of the Study 28
1.9 Organization of the Study 29
CHAPTER TWO **31**
LITERATURE REVIEW **31**

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

2.1 Overview....31
2.2 Theoretical Literature Review....31
2.2.1 Agency Theory....31
2.2.2 Dynamic Capabilities Theory....35
2.2.3 Upper Echelons Theory....36
2.2.4 Institutional Theory....38
2.2.5 Edgar Schein Theory....39
2.2.6 Balanced Scorecard Model....41
2.3 Empirical Literature Review....45
2.3.1 Corporate Governance and Organizational Performance....45
2.3.2 Corporate Leadership and Organizational Performance....46
2.3.3 Organizational Structure and Organizational Performance....48
2.3.4 Strategic Management Process and Organizational Performance....51
2.3.5 Organizational Culture and Organizational Performance....53
2.3.6 Organizational Factors, Corporate Governance and Organizational Performance....56
2.4 Summary of Literature Review and Research Gaps....59
2.5 Accountability Principle and Organizational Performance....72
2.6 Conceptual Framework....73
CHAPTER THREE....77
RESEARCH METHODOLOGY....77
3.1 Overview....77
3.2 Research Philosophy....77
3.3 Research Design....78
3.4 Study Population....79
3.5 Census survey....80
3.5.1 Census Frame....81
3.5.2 Respondents' Selection Procedure....82
3.6 Data Collection Instruments....83
3.7 Pilot Testing....83

ST. PAUL'S UNIVERSITY

St. Paul's University Repository
3.8 Data Collection Procedure....84
3.9 Validity and Reliability of the Instruments....84
3.9.1 Validity of Instruments....84
3.9.2 Reliability of the Instruments....85
3.10 Data Analysis....85
3.10.1 Diagnostic Tests....87
3.10.2 Hypotheses Testing....88
3.10.3 Multiple Linear Regression Model....89
3.10.4 Moderation Effect Model....90
3.10.5 Model Fit....92
3.10.6 Composite Variables/Indices Construction....92
3.11 Operationalization and Measurement of Variables....94
3.12 Ethical Considerations....97
CHAPTER 4....98
RESEARCH FINDINGS AND DISCUSSIONS....98
4.1 Introduction....98
4.2 Response Rate....98
4.3 Reliability and Validity of the Survey Items Based on the Pilot Results....99
4.4 Demographic Analysis....101
4.4.1 Demographic Profiles of the Directors....101
4.4.2 Demographic Profiles of the Companies....106
4.5 Descriptive Statistics....110
4.5.1 Corporate Leadership Construct of Corporate Governance....110
4.5.2 Organizational Structure Construct of Corporate Governance....112
4.5.3 Strategic Management Process Construct of Corporate Governance....115
4.5.4 Organizational Culture Construct of Corporate Governance....119
4.5.5 Organizational Performance....123
4.6 Diagnostic Test Results....126
4.6.1 Normality Tests....126
ST. PAUL'S UNIVERSITY

St. Paul's University Repository

4.6.2 Multicollinearity Tests....133
4.6.3 Heteroscedasticity Tests....135
4.6.4 Independence of the Moderating Variables....137
4.7 Test of Hypotheses....139
4.7.1 Test of Direct Relationship Hypotheses....140
4.7.2 Test of Hypothesis One....146
4.7.3 Test of Hypothesis Two....147
4.7.4 Test of Hypothesis Three....148
4.7.5 Test of Hypothesis Four....149
4.7.6 Test of Hypothesis Five....151
4.7.7 Summary on Test of Hypotheses....158
4.8 Analysis of Qualitative Data....159
4.8.1 Corporate Leadership....160
4.8.2 Organizational Structure....161
4.8.3 Strategic Management Process....162
4.8.4 Organizational Culture....163
4.8.5 Organizational Performance....164
CHAPTER 5....166
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS....166
5.1 Introduction....166
5.2 Summary of the Findings....166
5.3 Conclusions....167
5.4 Contributions of the Study to Knowledge....171
5.5 Recommendations and Policy Implications....172
5.6 Areas for Further Research....175
REFERENCES....177
APPENDICES....200
Appendix I: Listed Companies at the Nairobi Securities Exchange....200

ST. PAUL'S UNIVERSITY

Appendix II: Number of Directors in the Nairobi Securities Exchange Listed Companies 204
Appendix III: Questionnaire 206
Appendix IV: Introductory Letter to the Respondents 212
Appendix V: Introductory Letter to the Company Secretaries 213
Appendix VI: Recommendation Letter to Conduct Research 214
Appendix VII: Research Permit from National Commission for Science, Technology and Innovation 215
ST. PAUL'S UNIVERSITY

St. Paul's University Repository

LIST OF TABLES

Table 1 *Research Gaps*.....59

Table 2 *Target Population*.....80

Table 3 *Study Respondents*.....82

Table 4 *Decision Criteria for Moderated Relationship*.....91

Table 5 *Composite Variables/Indices Construction Table*.....92

Table 6 *Operationalization and Measurement of Variables*.....94

Table 7 *Response Rate*.....98

Table 8 *Reliability and Validity of the Survey Items*.....100

Table 9 *Respondents by Sector Based on the Existing NSE Categorization*.....106

Table 10 *Corporate Leadership*.....110

Table 11 *Organizational Structure*.....113

Table 12 *Strategic Management Process*.....116

Table 13 *Organizational Culture*.....120

Table 14 *Organizational Performance*.....123

Table 15 *Tests of Normality Results*.....127

Table 16 *Collinearity Statistics*.....133

Table 17 *Heteroscedasticity Tests*.....135

Table 18 *Collinearity Statistics of the Moderating Variables*.....138

Table 19 *Chi-Square Test of Independence*.....139

Table 20 *Correlation Coefficients*.....140

Table 21 *Model Summary*.....142

Table 22 *ANOVA for Organizational Performance and Predictor Variables*.....143

Table 23 *Table of Regression Coefficients*[a].....144

Table 24 *Model Summary*.....152

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

Table 25 *ANOVA*[a] 153

Table 26 *Coefficients*[a] 154

Table 27 *Model Summary* 155

Table 28 *ANOVA*[a] 156

Table 29 *Coefficients*[a] 156

Table 30 *Summary of the Test Results for the Study Hypotheses* 158

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

LIST OF FIGURES

Figure 1 *Elements of Edgar Schein Theory*.....40

Figure 2 *Strategy Map for the Balanced Scorecard Approach*.....42

Figure 3 *Conceptual Framework*.....75

Figure 4 *Road Map of the Current Study's Mixed Methods Approach* 79

Figure 5 *Visualization of Model 2.1*.....90

Figure 6 *Visualization of Model 2.2* 91

Figure 7 *Respondents' Category of Directorship*.....101

Figure 8 *Gender of the Respondents*.....103

Figure 9 *Age Category of the Respondents*.....103

Figure 10 *Highest Level of Education of the Respondents*.....104

Figure 11 *Duration of Service in the Company by the Respondents*.....105

Figure 12 *Company Age*.....107

Figure 13 *Company Size*.....108

Figure 14 *Histogram for Corporate Leadership* 128

Figure 15 *Normal Q-Q Plot of Corporate Leadership* 129

Figure 16 *Histogram for Organizational Structure* 129

Figure 17 *Normal Q-Q Plot of Organizational Structure* 129

Figure 18 *Histogram for Strategic Management Process*.....130

Figure 19 *Normal Q-Q Plot of Strategic Management Process*.....130

Figure 20 *Histogram for Organizational Culture*.....131

Figure 21 *Normal Q-Q Plot of Organizational Culture*.....131

Figure 22 *Histogram for Organizational Performance*.....132

Figure 23 *Normal Q-Q Plot of Organizational Performance*.....132

Figure 24 *Histogram for Regression Standardized Residuals* 136

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

OPERATIONAL DEFINITION OF TERMS

Corporate Governance: Refers to the systems and processes by which a company is directed and controlled. Corporate Governance in this study comprised of the following constructs: corporate leadership, organizational structure and culture, and strategic management process.

Corporate Leadership: Refers to the actions and decisions of the executives in a company. The board of directors comprises the top leadership of a company.

Listed Companies: Refers to the companies that are listed at a securities exchange market. In this study, listed companies refers to the companies listed on the Nairobi Securities Exchange. The exchange facilitates trading in securities.

Organizational Culture: Refers to the shared values and belief systems that bind the management and the employees of an organization together. It is largely influenced by the tone set by the top management as well as the experiences the employees go through in an organization. In this study, organizational culture covered four components, teamwork, code of conduct, adaptability and core values.

Organizational Factors: Organizational factors are attributes or characteristics of an organization that influence its behavior, structure and processes. In this study, organizational factors consisted of the age and the size of a company.

Organizational Performance: It is a measure of how well an organization attains established goals and objectives within a stipulated timeframe. In this study, organizational performance encompassed revenue, profit, customer satisfaction, customer loyalty, employee satisfaction, employees' retention and technology adoption.

Organizational Structure: Refers to the established reporting and accountability set up within an organization. In this study, organizational structure denoted reporting relationships, communication channels, formalization and centralization.

Strategic Management Process: It entails the formulation, implementation and evaluation of long term plans of an organization and it is usually conducted at the top management level of an organization. In this study, the key indicators of the strategic management process included

ST. PAUL'S UNIVERSITY

environmental analysis, strategy formulation, strategy implementation and strategy evaluation and control.

ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
BoD	Board of Directors
BPM	Business Performance Measurement
BSC	Balanced Scorecard
CBK	Central Bank of Kenya
CEO	Chief Executive Officer
CG	Corporate Governance
CI	Confidence Interval
CL	Corporate Leadership
CMA	Capital Markets Authority
DCT	Dynamic Capabilities Theory
GDP	Gross Domestic Product
GOK	Government of Kenya
ICGK	Institute of Corporate Governance of Kenya
ICPAK	Institute of Certified Accountants of Kenya
IPO	Initial Public Offer
ICS	Institute of Certified Secretaries
KPI	Key Performance Indicator
Ksh	Kenya shilling
LAMPE	Leadership, Authority, Administration, Power and Environment
MV	Moderator Variable
NACOSTI	National Commission for Science, Technology and Innovation

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

NSE	Nairobi Securities Exchange
OC	Organizational Culture
OECD	Organization for Economic Co-operation and Development
OF	Organizational Factors
OKRs	Objectives and Key Results
OP	Organizational Performance
OS	Organizational Structure
PLC	Public Limited Company
PM	Profit Margin
RBV	Resource Based View
ROA	Return on Assets
ROE	Return on Equity
SMEs	Small and Medium Enterprises
SMP	Strategic Management Process
SPSS	Statistical Package for the Social Sciences
TMT	Top Management Teams
UET	Upper Echelons Theory
US	United States of America
VIF	Variance Inflation Factor

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

ABSTRACT

A company is fundamentally oriented towards sustainable profit and growth primarily for the benefit of its shareholders. However, there is a broader responsibility towards other stakeholders. Corporate failures have been witnessed both locally and around the globe. The ramifications of corporate failures have been widely felt particularly for companies which are listed on securities exchanges, and include, decline in shareholders' wealth, reduction of job opportunities and negative effects on economies of countries, among others. Some of the failures have been linked to poor corporate governance. A securities exchange is one of the most important vehicles used in mobilising resources from the public for investments in many parts of the world. The performance of companies listed at a securities exchange therefore is of great interest to investors. In Kenya, there has been concern over the performance of listed companies at the Nairobi Securities Exchange. Consequently, this study sought to evaluate the effect of corporate governance on organizational performance of the companies listed at Nairobi Securities Exchange. The study dealt with four determinants or components of corporate governance; corporate leadership, organizational structure, strategic management process and organizational culture, and their effect on organizational performance of the listed companies at the securities exchange, while controlling the influence of organizational factors. The study was anchored on a number of theories; the agency theory, dynamic capabilities theory, upper echelons theory, institutional theory, Edgar Schein theory and the balanced scorecard model. Pragmatism that supports the use of both qualitative and quantitative methods, was the philosophical foundation used by the researcher in the study. A mixed methods research design was used to deploy both closed and open-ended questions. The study used census approach on a study population of the sixty listed companies at the securities exchange as at 30th June, 2022. The study collected primary data using semi-structured questionnaires which were tested for validity and reliability. Nvivo software was used to extract insights from qualitative data while quantitative data was analysed using SPSS version 29 for descriptive and inferential statistics progressively. Tables and figures were used to present findings for ease of understanding. The study found that corporate leadership ($p<0.05$), organizational structure ($p<0.05$), and strategic management process ($p<0.05$) had significant effect on organizational performance while organizational culture ($p>0.05$) had an insignificant effect. It was also found that organizational factors ($p>0.05$) did not have a moderating effect in the relationship between corporate governance and organizational performance. These findings were expounded by qualitative findings: leadership qualities and practices, shape company success or failure significantly; geographical challenges, rigidity, agility, communication, delegation and family influence affect companies; and strong leadership, clear communication, alignment, adaptability, and systematic strategic management drive success. The study recommends further investigation of leadership competencies and styles across different organizational contexts with a focus on cross-cultural dimensions, exploring the global applicability of organizational structure and performance while considering industry-specific dynamics and cultural influences. It also recommends the examination of the relationship between strategic management process and organizational performance through longitudinal studies, analyzing the connection between organizational culture and performance across diverse contexts, and exploring why certain organizational factors have differing effects in various contexts, emphasizing the importance of industry-specific variables and diverse business environments.

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

A company is legally owned by shareholders and is fundamentally oriented towards profit and growth (Friedman, 1970). However, there is a broader responsibility towards other stakeholders. Shareholder benefits, whether in the form of dividends or capital appreciation, are acknowledged as essential. However, the narrative extends beyond this point to emphasize that companies should also consider the well-being of employees, customers, creditors, and the society at large. This aligns with contemporary corporate social responsibility principles, as highlighted by Freeman (2015). There are far-reaching consequences of company failures, particularly when companies are listed on securities exchanges. These repercussions extend beyond mere financial losses for shareholders, encompassing a decline in overall shareholders' wealth, and include a decrease in employment opportunities and negative effects on the broader economies of countries. This recognition underscores the interconnectedness of the corporate world with the larger economic landscape. In order for a company to thrive in the long term, it is crucial for it to meet the expectations of all stakeholders (Freeman, 1984).

In the dynamic milieu of global financial markets, the efficacy of corporate governance mechanisms stands as a pivotal determinant of organizational performance, dictating the trajectory of listed companies in exchanges worldwide (Shleifer & Vishny, 1997). Within the context of the Nairobi Securities Exchange (NSE), a burgeoning financial hub amidst Africa's economic evolution, the intricate interplay between corporate governance frameworks and organizational performance warrants meticulous evaluation. This study embarks upon a rigorous evaluation, seeking to bridge the gap in scholarly discourse by scrutinizing the granular dimensions of corporate governance and its ramifications on the performance metrics of listed entities within the NSE.

Corporate governance, the cornerstone of sustainable business practices, epitomizes the amalgamation of principles, mechanisms, and structures delineating the strategic direction and operational oversight of companies (Committee on the Financial Aspects of Corporate Governance, 1992). Against the backdrop of burgeoning globalization and increasing market complexities, the efficacy of corporate governance practices emerges as a critical facet determining organizational viability and resilience in contemporary business landscapes.

ST. PAUL'S UNIVERSITY

Despite its undeniable significance, the nexus between corporate governance paradigms and organizational performance remains inadequately expounded, particularly within the realm of the NSE. The imperative for this study stems from the discernible inadequacy in scholarly literature, wherein comprehensive investigations elucidating the precise impact of corporate governance on the performance dynamics of NSE-listed companies are conspicuously limited. While extant studies offer insights into broader corporate governance frameworks, the unique contextual details inherent to the NSE warrant a specialized inquiry, necessitating a focused examination of corporate governance mechanisms in the light of organizational performance metrics within this locale.

The current study underscores the necessity of mitigating factors that could hinder sustained profitability and resilience by a company. This is particularly emphasized for companies listed on securities exchanges where adherence to robust corporate governance becomes paramount. Sustained profitability is depicted as not only as a financial goal but also as a means to ensure the overall well-being of stakeholders. Inadequate corporate governance practices have been identified as contributing factors to some instances of company failures. This aligns with the overarching objective of the current study, which is to evaluate the effect of corporate governance on organizational performance of companies listed at the NSE. By addressing corporate governance practices, the study aimed to contribute to the mitigation of risks that could lead to business failures. The study set the stage for understanding the intricate relationship between corporate governance and organizational performance and the broader impact of company failures on stakeholders and the economy. The study, within this context, sought to evaluate how corporate governance practices influence the performance of the companies that are listed at the NSE.

ST. PAUL'S UNIVERSITY

Corporate failures and scandals of global blue chip companies, including Enron in 2001 (Lang, 2003) and Worldcom in 2002 (Sidak, 2002) in the US, Parmalat in 2003 in Italy (Rinkus, 2016) and Satyam Computers in 2009 in India (Bhasin, 2016) underscore the importance of good corporate governance. In addition, fraudulent and corrupt behaviour by corporate managers and the presence of rubber stamp board of directors have significantly attracted attention on the issue of corporate governance. Enron and WorldCom, two US corporate giants filed for Chapter 11 bankruptcy in 2001 and 2002 respectively. Enron's and WorldCom values of assets at bankruptcy were US $63.4 billion and US$107 billion respectively, the latter being higher than the Kenya's GDP of US$98.84 in 2020 (Kenya National Bureau of Statistics, 2021). The

failure of the two companies was attributed to malpractices by their senior executives. Parmalat, an Italian conglomerate, at the height of its crisis in 2003, had 214 subsidiaries in 48 different countries. The company's fraud lasted for over a period of 13 years, from 1990 to 2003, during which period, its executives used a wide range of unethical techniques to extend fraud. Satyam, an Indian corporate giant, was grounded by its founders in 2009 as a result of manipulating the company's financial statements. The founders manipulated account books by creating fake invoices hence inflating revenue, falsifying cash and bank balances, showing non-existent interest on fixed deposits and showing ghost employees, among other malpractices. The fraud is said to have shattered dreams of investors, shocked the Indian government and regulators and led to the questioning of the role of external auditors and corporate governance norms in India.

There is evidence that the 2007-8 global financial crisis was largely attributed to weak corporate governance (Nier & Merrouche, 2010). The 2007-2008 financial crisis prompted a significant debate on corporate governance (Alrayes, 2019). Carpenter (2015) attributed the Toshiba accounting scandal of 2015 to governance issues which negatively affected its performance. In this case, the operating profit of the company was overstated by US $ 1.2 billion. Arora (2012) opines that scandals and scams in the corporate world have amplified the need for strong corporate governance in organizations. Jan and Sangmi (2016) support this view by noting that the series of past corporate failures resulted from poor governance.

The focus on organizational performance has made corporate governance to be a major topic in strategic management (Ngulumbu & Aduda, 2016). Corporate governance is the system by which a company is directed and controlled (Committee on the Financial Aspects of Corporate Governance, 1992). It defines the relationship between a company and interest groups and determines a company's strategic direction and performance (Todorovic, 2013). Tricker (2015) viewed corporate governance as the way power is exercised over corporate entities. Madhani (2009) avers that good corporate governance is a key driver to sustainable corporate growth and long-term competitive advantage.

As a consequence of weaknesses in corporate governance, there are examples of companies in Kenya that either had to shut down or accumulated enormous debts as a result of poor corporate governance. For example, Kenya Airways PLC, a company listed under commercial and services segment, Uchumi Supermarkets PLC, also listed under commercial and services segment, and Mumias Sugar Company PLC, listed under manufacturing and allied segment,

ST. PAUL'S UNIVERSITY

lost Kshs.53 billion, Kshs.7 billion and Kshs.51 billion in the financial years 2013 to 2017 respectively (NSE Handbook: 2013-2017). The three companies have continued to make substantial losses subsequent to 2017. The Kenyan Government, after mulling over nationalisation of Kenya Airways PLC, planned a major bail out (Business Daily, December 24 2021). Consequently, the airline was allocated Kshs. 26.5 billion for bailout in the 2021/22 Kenyan Government Supplementary Budget. In addition, the Kenyan taxpayers had to pay Kshs. 38.86 billion in the financial year starting 1st July, 2022 to keep the cash-strapped airline in the skies and clear its due interest payments on state-guaranteed loans (Ambani, 2022). In this regard, the airline hired Seabury Consulting to drive its revival plan (Business Daily, February 03 2022). In line with this, the Debt and Privation Committee of the Kenya National Assembly has demanded a new revival strategy for the struggling airline (J Mutua, 2024). Uchumi Supermarkets PLC, in a survival strategy, closed down most its operations while Mumias Sugar Company PLC has tried unsuccessfully, a number of turnaround strategies. At peak performance, the three companies were the market leaders at the NSE.

The interaction between the independent, dependent, and moderating variables in the context of corporate governance and organizational performance within the NSE encompasses a complex interplay of multifaceted dimensions. At the core of this intricate relationship lies the dependent variable of organizational performance, serving as the ultimate metric for evaluating the efficacy of corporate governance mechanisms. Organizational performance is contingent upon a myriad of factors, including corporate leadership, organizational structure, strategic management processes, and organizational culture, which collectively constitute the independent variables. The current study set out to establish if corporate leadership, delineates the strategic direction and decision-making ethos of companies, and whether it exerts a direct influence on organizational performance outcomes, with adept leadership fostering agility, innovation, and adaptive capabilities within organizations. Likewise, the study set out to establish if organizational structure, embodying the formal arrangement of roles, responsibilities, and reporting lines shaped the performance trajectories of NSE listed companies.

This study also set out to establish if strategic management processes of NSE listed companies play a pivotal role in aligning organizational objectives with market imperatives, thereby influencing performance outcomes. Concurrently, the study set out to determine if organizational culture, encapsulating the shared values, norms, and beliefs permeating

ST. PAUL'S UNIVERSITY

organizational ethos, influences employee behaviours, decision-making processes, and organizational resilience, shaped performance outcomes. This study hypothesized that the relationship between these independent variables and organizational performance is contingent upon organizational factors acting as moderating variables. The intricate interplay between independent variables, dependent variable, and moderating variables delineated a complex ecosystem wherein corporate governance dynamics exert a multifaceted influence on organizational performance within the NSE landscape.

Drawing upon established theoretical foundations in corporate governance and organizational performance, agency theory, dynamic capabilities theory, upper echelons theory, institutional theory, Edgar Schein theory and the balanced scorecard model, this study constructed a comprehensive conceptual framework to underpin its investigation. At its core, the conceptual framework delineated corporate governance as the focal point, encapsulating the independent constructs of corporate leadership, organizational structure, strategic management processes, and organizational culture. The dependent variable, organizational performance, served as the ultimate yardstick for evaluating the efficacy of corporate governance mechanisms. Additionally, the moderating variable of organizational factors elucidated the contingent nature of organizational performance outcomes, highlighting the contextual intricacies inherent to the NSE-listed companies. Employing a mixed methods research approach, the current study amalgamated qualitative and quantitative methodologies to glean holistic insights into the intricate interrelationships between corporate governance dynamics and organizational performance within the NSE ecosystem.

In contemporary day and age, corporate governance can be a source of competitive advantage and an essential long-term success factor for a company. Sustainable governance postulates that the board of directors considers economic, social and environmental expectations in a coordinated way. This mitigates the traditional difference between insider and outsider systems of corporate governance (Salvioni et al., 2016). Good corporate governance is of great importance for capital markets which are established as vehicles for companies to raise capital for their investments. Businesses of all sizes are employing the concept of corporate governance to develop strategic plans for their operations. There are theoretical reasons to assume that improved corporate governance leads to better corporate performance which could take the form of reduction in cost of capital in a company and increased cash inflows accruing to investors (Reddy et al., 2010). The impact of corporate governance on corporate

ST. PAUL'S UNIVERSITY

performance is significant. Cash flows mediate the relationship between corporate governance and corporate performance (Faruqi et al., 2019). Studies done in this area have reported mixed findings (Afonina, 2015; Nurhaslia, 2016). Finkelstein et al. (2009) are of the opinion that mixed findings are a result of too many intervening individuals and processes within an organization. The quality of corporate governance and its standards in a system determines the development and progression of both individual companies and an economy as a whole (Faruqi et al., 2019).

In the 21st century, corporate governance has become a matter of public attention and concern as more and more corporations experience operational challenges (Minja, 2016). In Japanese business schools, for example, governance is a top agenda (*Financial Times report*, January 3,2020). It has been noted that well governed companies post superior performance and that good corporate governance is of essence to companies (Miring'u & Muoria, 2011). There is also evidence from many researches that link good corporate governance to economic benefits for companies (Todorovic, 2013). Good corporate governance is considered crucial in regulating companies and enhancing their performance (Otman, 2014).

At the global level, Singapore is well known for its exceptional system of corporate governance (Young et al., 2008). In countries such as the United States and Sri Lanka, corporate governance practice is highly regulated (Tshipa & Mokoteli, 2015). In Canada, Romania, South Africa and the United Kingdom, corporate governance practice is less regulated (Agrawal & Cooper, 2016). A number of studies have been carried out on the effect of corporate governance on organizational performance. In a study done in Malaysia, Chatterjee and Nag (2015) assessed how the composition of the board influences company performance. The study focused on companies in India and China. The study found that, for Indian companies, the separation between the CEO and the Chairperson had a positive impact on the companies' Return on Equity (ROE). As for Chinese companies, the proportion of independent directors on the board had significant influence on the ROE of the companies. However, the auditors' quality and board size were not found to have any impact on the ROE of the companies of either country. Cuomo et al. (2016) in their study sought to explain the relationship between corporate ethical practices and corporate financial performance in the banking sector in Italy. They found a reverse causality between the applications of corporate ethical practices.

In Spain, De Haes et al. (2017) explored how different codes of corporate governance influence company success and performance. The study established that effectiveness and

ST. PAUL'S UNIVERSITY

performance of boards were largely influenced by corporate governance mechanisms. In Sri Lanka, Delima and Ragel (2017) found that business ethics formed one of the determinants of corporate governance with positive influence. Sultan (2018), in a study of listed companies in Pakistan, noted that the presence of non-executive directors and the number of meetings conducted by the board members had an influence on performance of a company. Using data from listed companies in Indonesia, Hutomo and Pudjiarti (2018) found a significant relationship between corporate governance and company performance. Singh et al. (2018), in a study conducted in Pakistan, found that the size of the board, the number of board committees as well as ownership concentration had a direct and significant influence on organizational performance.

In the African region, Ozuomba et al. (2016), in a study carried out in Nigeria, found that communication between the management and subordinates and involvement of staff in meetings of the board influenced performance. In South Africa, in a study on small and medium sized companies, Hove-Sibanda et al. (2017) found that implementation of corporate governance mechanisms resulted in improved performance. In Kenya, Wanjugu et al. (2015), in the study of the influence of ownership structures and corporate governance reforms on profitability and market value of former government owned and subsequently privatized companies in Kenya, found that government ownership and board composition positively affected returns on assets (ROA) while women directors had a negative effect on ROA. Amoll (2015) investigated the effect of the board of directors' composition on performance of companies listed on NSE. In the study, it was found that board composition was vital to performance of the companies. Luyima (2015) studied the influence of corporate governance and performance of companies in the insurance sector in Kenya. In the study, it was found out that corporate governance structures, pillars and principles all influenced company performance.

In a study on corporate governance and its influence on performance in respect of state corporations in Kenya, Wanjala (2016) noted that the diversity of the board, the attributes of the CEO, together with the activities conducted by an audit committee, all had significant influence on performance of the state corporations. In a study on the composition of the board of directors of listed companies at the NSE and its effect on organizational performance, Ngulumbu and Aduda (2016) found out that the size of the board, the gender balance and the existence of board committees were factors that significantly influenced organizational

ST. PAUL'S UNIVERSITY

performance. In a study of corporate governance and its effect on performance with respect to the dairy co-operatives in Kenya, Wathanga (2017) found that corporate governance had effect on organizational performance.

A study by Mandala et al. (2017) investigated the effect of board structure on the performance of financial institutions in Kenya and sought to find out what the intervening and mediating influence of the tenure of the CEO and the companies' characteristics on this relationship might be. It was found that the board structure had an independent and significant influence on the performance of financial institutions. It was also found that CEO tenure did not have a significant intervening effect on the relationship. However, the characteristics of the companies had a significant moderating effect. not clear In addition, it was found out that the joint effect of board structure, the CEO tenure and the companies' characteristics was significant. Grace et al. (2018), in a study of the banking sector in Kenya, found that the skills of the board and the committees had an influence on company performance. In a study by Wairange (2019) on the link between corporate governance failures and the collapse of major private companies in Kenya, it was found that the collapse of the companies was due to corporate governance failures in the day to day running of the respective companies.

In conclusion, this study endeavoured to unravel the intricate tapestry of corporate governance dynamics and organizational performance within the NSE. By bridging the existing gap in scholarly literature and offering empirical insights into the contextual details shaping corporate governance practices and their ramifications on organizational performance metrics, this study sought to engender meaningful discourse and catalyse pragmatic interventions aimed at fostering corporate governance excellence and organizational resilience within the NSE landscape.

ST. PAUL'S UNIVERSITY

1.1.1 Corporate Governance

Corporate governance stands as a pivotal subject of theoretical and empirical inquiry within the realm of corporate management, persistently exploring its ramifications on organizational performance. Effectively implemented corporate governance methodologies are indispensable for optimizing business efficacy. The primary objective of corporate governance is to ameliorate organizational performance through structured initiatives that foster operational and market efficiency while concurrently fostering sustained business expansion by curtailing resource misappropriation (Guluma, 2021). The crux of corporate governance lies in

facilitating a proficient and effectual management framework conducive to ensuring the enduring prosperity of a company.

Shahwan (2015) observes the multifarious interpretations of corporate governance across different contexts, revealing its lack of universally standardized meaning. Mollah and Zaman (2015) contend that corporate governance functions as a safeguard mechanism shielding external shareholders from the undue appropriation by insiders within a company. McCaheryet al. (2016) perceive corporate governance as mechanisms delineating the dissociation of ownership from control, albeit this separation engenders intrinsic challenges within the agency relationship. In an ideal scenario, management is presumed to earnestly commit its expertise and competencies to optimize shareholder wealth, yet this idealism starkly contrasts the realities of heightened conflicts of interest prevailing between management and shareholders. Jensen (2017) underscores corporate governance as the nexus between the shareholders and the board of directors pivotal in maximizing corporate value and performance.

The conceptual breadth of corporate governance underscores its manifold definitions, which converge upon establishing frameworks for the management and oversight of companies to achieve profitability and efficiency (Garzón, 2021). Corporate governance definitions hinge upon various explanatory models, including the financial governance model, contract-based governance model, cognitive governance model, decision-making framework, and best practices. Generally, these best practices encompass the equitable remuneration and protection of investors, fair compensation for employees' contributions, provision of quality products and services to customers, timely payment to suppliers, assurance to creditors, and adherence to societal obligations such as tax compliance. Additionally, definitions of corporate governance diverge are based on whether they are externally mandated or internally embraced. External governance pertains to regulations imposed by legal frameworks and institutional networks, while internal governance refers to voluntarily adopted practices within each company.

Allen (2017) posits corporate governance as a regulatory framework aimed at mitigating conflicts of interest between management and shareholders, delineating the roles and relationships among management, board of directors, and shareholders. It encompasses the allocation of power, organizational structure, and delineation of responsibilities and rights among stakeholders, including management, board members, and shareholders. Corporate governance delineates the mechanisms and protocols essential for steering the interactions between shareholders, management and board members. Each of these entities holds a pivotal

ST. PAUL'S UNIVERSITY

role in shaping organizational performance (Hussain et al., 2018), with shareholders providing capital for investment projects, management overseeing day-to-day operations, and the board of directors exercising oversight to ensure actions align with shareholder wealth maximization goals (Zagorchev & Gao, 2015). Hussain et al. (2018) further elucidate corporate governance as the supervisory process aimed at enhancing organizational performance, grounded in principles of equity, stakeholder responsibility, operational transparency, and decision-making autonomy. In the context of this study, corporate governance is construed as the institutional frameworks and procedural mechanisms governing the direction and oversight of a company.

There are many determinants of corporate governance. The term determinant denotes a pivotal factor or variable that exercises a substantial influence upon the outcome of another variable. In the realm of corporate governance, a multifaceted interplay of determinants shapes the operational landscape of organizations. These determinants encompass the composition of the board of directors, corporate leadership dynamics, organizational structural configurations, the strategic management process, and the prevailing organizational culture, among other factors (Clacher et al., 2008). A body of scholarly research has extensively explored the ramifications of the board of directors' structure on organizational performance with focal areas of inquiry spanning board size, the presence of external directors, directors' equity holdings, their backgrounds and experiences, CEO functional duality, board power dynamics, and various board attributes (Finkelstein et al., 2009). However, the findings stemming from these studies have yielded diverse outcomes. The authors posit that the heterogeneous outcomes are attributable to myriad intervening variables and processes interposed between boards and performance metrics, a plethora of contingent factors that may modulate the relationship between boards and performance outcomes, as well as a confluence of diverse influences impinging upon company performance, precluding the emergence of a singularly robust direct association.

ST. PAUL'S UNIVERSITY

Existing research evidence underscores the pivotal role played by the structural dimensions of the board of directors, corporate leadership dynamics, organizational structural configurations, the strategic management process, and the prevailing organizational culture in shaping the landscape of corporate governance. Numerous empirical investigations have been undertaken in these domains illuminating their significance in the organizational environment. For instance, a study conducted by Chai et al. (2017) in Malaysia examined the impact of various determinants of corporate governance on organizational performance. The findings

underscored the influence of audit quality, board independence, and CEO duality on organizational performance. Notably, the presence of a diverse cadre of independent non-executive directors on the board was found to engender decision-making diversity, thereby enhancing organizational performance.

The current study examined the nexus between corporate governance and organizational performance within the context of companies listed on the NSE. Core components or determinants of corporate governance under examination were corporate leadership dynamics, organizational structural configurations, the strategic management process, and the prevailing organizational culture. In addition, the interplay between corporate governance and organizational performance was subjected to moderation by organizational factors of the company's size and age, deemed crucial yet relatively under-explored, thus warranting their inclusion in the study.

1.1.1.1 Corporate Leadership

Corporate leadership epitomizes the orchestration of efforts through human capital to realize organizational objectives. The realization of long-term strategic goals, as articulated during the strategic management process, hinges significantly upon effective leadership within an organization (Davis et al., 2018). Leadership serves as the conduit for articulating and disseminating the organization's vision and mission statements amongst its workforce, constituting a direct conduit to performance outcomes. Within this context, various leadership styles may be deployed contingent upon situational exigencies to optimize outcomes (Visser et al., 2017). Effective leadership endeavors to galvanize the workforce towards the attainment of organizational objectives. Conversely, ineffective leadership poses formidable barriers hindering organizational goal achievement. The mantle of corporate leadership primarily resides with the board of directors, tasked with steering major policy decisions such as the appointment and termination of the CEO and other senior executives (Finkelstein et al., 2009). Consequently, the board assumes a pivotal role in preserving the organizational focus on operational imperatives. Within the ambit of this study, corporate leadership encompasses facets such as effective communication, shared vision articulation, directional coherence, as well as coaching and mentorship initiatives.

1.1.1.2 Organizational Structure

The organizational structure of a company refers to the framework that outlines how activities are directed in order to achieve the goals of the organization. It determines the flow of

ST. PAUL'S UNIVERSITY

information, roles, responsibilities, and authority within company (Robbins et al., 2017). It also delineates the allocation of power and responsibilities within an organization's hierarchical framework, constituting a network of roles and relationships (Clauß, 2017). Organizational structures can influence how companies operate and their ability to achieve objectives.

Organizational structures play a pivotal role in elucidating employee roles, responsibilities, and hierarchical positions, thereby facilitating organizational coherence. Moreover, organizational structures influence the flow of information across different organizational levels and functional domains. Typologies of organizational structures encompass hierarchical, matrix, horizontal/flat, divisional, and hybrid organizational structures (Kono, 2016). Within the context of corporate governance, organizational structures delineate the roles and responsibilities of the management team, shareholders, and the board of directors, thereby serving as a cornerstone of governance frameworks (Naranjo-Valencia et al., 2016). In this study, organizational structure encompasses dimensions such as reporting relationships, communication channels, formalization and centralization.

1.1.2.3 Strategic Management Process

Strategic management encapsulates the formulation of long-term organizational blueprints, typically orchestrated at the upper echelons of organizational hierarchy (Wheelen et al., 2017). A cogent strategy constitutes a backbone for organizational success, underpinning the operational efficacy of an organization. The strategic management process unfolds across four cardinal stages, namely, environmental analysis, strategy formulation, strategy implementation, and strategy evaluation and control. Environmental analysis encompasses the investigation of both external and internal environmental factors, discerning viable opportunities and latent threats, alongside identifying organizational competencies (Rosemann & Brocke, 2015). Strategy formulation stages involve the delineation of organizational vision and mission statements, coupled with a SWOT analysis to discern organizational strengths, weaknesses, opportunities, and threats. Subsequent stages entail the execution of formulated strategies to achieve organizational goals and objectives (Ansoff et al., 2019). Evaluation and control mechanisms serve to validate whether strategy performance aligns with preconceived plans (Thompson et al., 2015). In this study, the strategic management process encompasses environmental analysis, strategy formulation, strategy implementation, and strategy evaluation.

ST. PAUL'S UNIVERSITY

1.1.2.4 Organizational Culture

Organizational culture epitomizes a tapestry of shared values and belief systems that coalesce organizational members into a cohesive unit (Robbins & Judge, 2011). Organization culture exerts a profound influence on employee behavior and, by extension, organizational performance. It manifests as a system of shared meanings, beliefs, ideologies, values, symbols, language, rituals, assumptions, and myths that evolve over time, steering and coordinating member behavior (Bhuiyan et al., 2020).

A robust organizational culture fosters a collective sense of identity amongst employees, galvanizing concerted efforts towards the attainment of organizational objectives. Notably, organizational culture shapes inter-employee interactions and external engagements thereby significantly impacting organizational performance (Jiang et al., 2018). Within this study, organizational culture encompasses dimensions such as teamwork ethos, adherence to a code of conduct, adaptability, and the embodiment of core values.

1.1.2 Organizational Performance

Silitonga and Widodo (2017) aver that organizational performance is the degree to which an organization's activities are carried out in order to meet an organization's objectives, goals, purpose and vision. It is the work done by individuals or groups of individuals inside an organization in line with their authority and duty in order to achieve the relevant organization's objectives legitimately, without breaking the law, and in accordance with established morals and ethics. It depicts the organization's efforts to achieve objectives which are impacted by the organization's resources. The authors assert that performance is a criterion that may be used to evaluate the effectiveness of groups and individuals. Appearance, demonstration, or accomplishment are common translations of the term performance. The term performance comes from the phrases, work performance or real performance, both of which relate to the actual performance or achievement that must be attained. A set of actions connected to an organization's or organizational unit's goals is referred to as performance. According to Silitonga and Widodo (2017), to better comprehend the elements that might impact an organization's performance, the resources could be physical, such as human resources, or non-physical, such as legislation, information, and policies. The concept of organizational performance also shows that every organization provides services and/or goods to the public and that performance can be measured by looking at existing performance indicators to see if the organization is doing a good job and whether or not the established goals have been met.

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

The concept of organizational performance has garnered substantial attention within the domain of strategic management research, primarily serving as a dependent variable in evaluating the aggregate impact of various strategic endeavors undertaken by organizations (Taouab & Issor, 2019). McCahery et al. (2016) expounds upon organizational performance as a metric delineating how an organization's management effectively deploys available resources over a specified temporal span to generate value for shareholders. Hussain et al. (2018) characterize organizational performance as the culminating outcome of all operational activities and procedural workflows within an organization. Taouab and Issor (2019) articulate organizational performance as the latent capacity and adeptness of an organization in judiciously harnessing existing resources to accomplish predetermined objectives consonant with the organizational agenda, mindful of their relevance to stakeholders.

The trajectory of organizational evolution and progression towards the attainment of predefined objectives is invariably contingent upon performance assessment, thereby underscoring its pivotal significance in organizational endeavors, given the perpetual quest for efficacy and efficiency (Buallay et al., 2017). Nonetheless, the absence of consensus regarding performance metrics, dimensional constructs, and precise conceptual demarcations has engendered scholarly discourse, instigating deliberations on the constituents of organizational performance and optimal methodologies for its quantification. However, Arora and Sharma (2016) contend that organizational performance assessment can be methodically structured around seven cardinal domains: financial viability, innovation, efficiency, customer satisfaction, quality, productivity, and effectiveness.

An organization, as delineated by Stevenson and Waite (2011), embodies a collection of individuals united by a shared purpose, often directed towards commercial pursuits. Setting forth predefined goals and objectives for delineated temporal intervals serves as a navigational compass guiding day-to-day operations towards the realization of envisioned future states, whether on a monthly, quarterly, or annual basis. Subsequently, at the culmination of the stipulated period, organizations gauge actual performance in relation to the envisaged benchmarks through the prism of business performance metrics. Business Performance Measurement (BPM) denotes the managerial and analytical apparatus deployed by organizational management to assess performance in relation to the predetermined benchmarks (Team, 2016).

ST. PAUL'S UNIVERSITY

Corporate performance measurement, encapsulating the confluence of information gathering, analysis, and reporting pertinent to organizational performance, assumes multifaceted forms, often manifesting as Key Performance Indicators (KPIs). KPIs, quantifiable indices, serve as barometers elucidating the organization's efficacy in realizing critical business objectives. Selection of KPIs is contingent upon organizational objectives and may encompass diverse metrics encompassing revenue, gross profit margin, net profit, return on assets, return on equity, market share, stock prices, and the Balanced Scorecard (BSC) paradigm. The BSC, conceived by Kaplan and Norton (1992), epitomizes a management framework delineating and aligning organizational vision and strategy across four essential dimensions: financial, learning and growth, customer, and internal processes. Integral to its efficacy is the amalgamation of financial and non-financial metrics to instantiate a results-oriented management paradigm, underpinned by causal linkages and strategic mappings accentuating inter-component interdependencies. Widely embraced across diverse organizational typologies, the BSC emerges as a potent enabler fostering strategic alignment, thereby engendering organizational and human performance augmentation (Cano et al., 2017).

Central to the BSC paradigm is its role in orchestrating seamless alignment of organizational resources: human, informational and organizational capital with overarching strategic imperatives (Chen et al., 2011). Garrison et al. (2020) expound upon the BSC as an integrated framework harnessing performance metrics to delineate and support organizational strategy throughout the hierarchical strata. Implicit within the BSC framework is the imperative for top management to translate strategic imperatives into discernible performance metrics amenable to employee comprehension and influence for enhanced performance outcomes.

The nexus between corporate governance and organizational performance finds resonance within the rubric of good governance principles, encapsulating compliance with legal obligations, safeguarding shareholder interests against malfeasance, and fortifying internal control frameworks to forestall business exigencies (Ahmed & Shafiq, 2014). Conversely, deficient governance structures proffer fertile grounds for managerial self-aggrandizement, thereby precipitating conflicts of interest deleterious to organizational performance (Agrawal & Cooper, 2016). The literature on corporate governance's impact on organizational performance presents a dichotomous panorama, with some studies positing a positive correlation (Delima & Ragel, 2017; Todorovic, 2013), while others elucidate a negative relationship (Okoth & Litunya, 2019). The divergence underscores the cardinal interplay between governance mechanisms and organizational performance, wherein effective

ST. PAUL'S UNIVERSITY

governance fosters transparency and accountability, thereby bolstering investor confidence and organizational resilience.

1.1.3 Organizational Factors.

Organizational factors are attributes or characteristics of an organization that influence its behavior, structure, and processes. Age and size are key attributes that shape the way a company operates and adapts to its environment. The age of a company often affects its culture, structure, and strategy (Cameron & Quinn, 2006). Older organizations might have more established routines, a stronger culture, and potentially more rigid structures. Younger organizations might be more flexible, innovative, and less bureaucratic. The age of a company can influence how it responds to change and how it manages internal processes. Pervan et al. (2017) argued that age has an inverse relationship with financial performance.

The size of a company affects its complexity, decision-making processes, and the degree of formalization in its operation (Daft, 2015). Larger companies often have more formalized structures and processes while smaller companies might be more agile and less formal. The size of an organization influences its resources, market reach and overall strategic approach. According to Hung et al. (2021), the size of a company has an effect on performance. The larger the company in terms of branch network and employee base, the greater is its ability to perform in financial terms. This view is consistent with Doucoure' and Diagne (2020) who observed that size and age are key organizational factors that inform financial performance of a company. Wachinga (2016) noted that organizational factors have a positive relationship with performance of a company.

From the foregoing discussion, it is evident that organizational factors are multi-dimensional in nature and their influence on performance of companies provides contradictory results. This study used firm size and age as moderating factors in the relationship between corporate governance and organizational performance as they were considered to be critical influencing factors. In addition, in listing of companies at NSE, their size and age are major considerations. A company may want to grow in order to boost performance and compete in the market and firm size is a significant element in determining a company's profitability. On the other hand, older companies have a stable capital structure as well as more resources and social experiences and are therefore able to devote more resources to research and development activities thereby improving their competitiveness and value (Liu, 2020).

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

1.1.4 Legal and Regulatory Framework

Legal and regulatory framework plays a crucial role in the study of corporate governance and organizational performance in various ways. The framework establishes rules that companies must adhere to in terms of governance practices. These rules often include requirements for accountability, transparency and the protection of stakeholders' interests. Studying corporate governance involves understanding how companies comply with these rules, and the implications of non-compliance. A legal framework defines the roles, responsibilities, and rights of various stakeholders within a company, including shareholders, board members, executives, employees, and other relevant parties. Understanding a legal framework is therefore essential for analyzing how power and decision-making authority are distributed within organizations, which directly impacts their performance. A regulatory framework creates bodies which enforce compliance with governance rules through monitoring, investigations, and penalties for violations. The effectiveness of these enforcement mechanisms influences corporate behavior and, consequently, organizational performance. Legal and regulatory framework therefore relates directly to corporate governance and organizational performance, the variables under the current study. In addition, Nairobi Securities Exchange, which is the context of the study, is created and regulated by a legal and a regulatory framework and therefore becomes necessary to delve into the same.

In essence, a legal and regulatory framework can shape corporate behavior by incentivizing or mandating certain governance practices. For example, laws requiring independent board oversight or disclosure of financial information can influence how companies operate and make decisions. In addition, a robust legal and regulatory framework can enhance investor confidence by providing assurances of fairness, transparency, and protection of their interests. Investor confidence is crucial for attracting investment and maintaining a stable financial environment, which ultimately contributes to organizational performance. As a consequence, a background of the legal and regulatory framework becomes integral to the study of corporate governance and organizational performance as it establishes the rules, expectations, and enforcement mechanisms that govern corporate behavior and influence outcomes. In this study, it was imperative that the interplay between a limited liability company, its shareholders, the board of directors, the other stakeholders, and the need for good corporate governance practices was highlighted.

ST. PAUL'S UNIVERSITY

At a global level, legal and regulatory changes have been made in an effort to safeguard companies from failures arising from poor corporate governance practices. A significant legislation in the US in this respect, is the Sarbanes-Oxley Act of 2002 (Sarbanes-Oxley Act, 2002). The need to tighten legislation in the US was partly due to the failure of Enron and Worldcom, two US corporate giants. The Act led to amendments of the Securities Act of 1933, Securities Exchange Act of 1934, Investment Advisors Act of 1940 and Retirement Income Security Act of 1974, among others. The US Congress passed the Sarbanes-Oxley Act to address the loss of confidence in financial reporting and corporate ethics (Ferrell, et al., 2015). The purpose of the Act was to review legislative audit requirements and to protect investors by improving the accuracy and reliability of corporate disclosures.

The legal and regulatory framework for companies in Kenya is provided for mainly under the Companies Act (Companies Act, 2015) and The Capital Markets Act (The Capital Markets Act, 2000). A limited liability company is a legal entity whose ownership is separated from the management team (Clauß, 2017). The shareholders invest their resources in a company and exercise their voting rights during the annual general meetings. On the other hand, the management team is responsible for daily operations of a company to ensure that the wealth of shareholders (the funds and resources invested) are used in the most efficient and optimal way so as to generate value. The management acts on behalf of shareholders which introduces the principal agency relationship (Boatright, 2017). Without an efficient system to monitor the affairs and operations of the management, the team may be motivated to satisfy their personal goals at the expense of the goals of the shareholders. This results into a conflict of interest which is best dealt with by having a board of directors (Kono, 2016). The board of directors helps in regulating and monitoring the activities, decisions and operations of the management team to ensure the latter strive to maximize the wealth of shareholders.

There are two broad types of directors, executive and non-executive directors. The underlying difference is, unlike the executive directors, non-executive directors are not involved in the daily operations and activities of a company. In order to effectively carry out their duties, the boards of directors of many companies appoint board committees with proper constitution of members. The directors of a company carry out several duties including institution of succession plans with regard to senior and key personnel including the CEO of a company (Molnar, 2017). In Kenya, the directors are appointed at an annual general meeting (AGM) of a company in accordance with the Companies Act, 2015. An external auditor and a nominating

ST. PAUL'S UNIVERSITY

committee may also be appointed during the same meeting. An external auditor is the shareholders' watchdog appointed under the Act. A nominating committee evaluates the board members, and examines the skills and characteristics needed in board candidates. The external auditor and the nominating committee are appointed so as to enhance the corporate governance of a company. In order to safeguard the interests of the company, the scope of the directors' responsibilities is expanded to include the directors' responsibilities statement which forms part of the respective financial statements under Section 636(1) of the Companies Act 2015. The statement accompanies the audited financial statements of the respective company for an accounting period.

A director of a company, in order to promote the success of a company in accordance with Section 143(1) of the Companies Act 2015, should have regard to the following: long term consequences of any decision of the directors; the interests of the employees of the company; the need to foster the company's business relationships with suppliers, customers and others; the influence of the operations of the company on the community and the environment; the desirability of the company to maintain a reputation for high standards of business conduct; and the need to act fairly among the directors and the members of the company. The board of directors is ultimately responsible for the actions and decisions of a company. However, senior management performs an important role in governance by providing the day-to-day leadership.

The Capital Markets Authority (CMA) guidelines on corporate governance practices by public listed companies (Capital Markets Authority, 2002) have generally taken a non-prescriptive approach in dealing with corporate governance. In paragraph 2.1 of the guidelines, the board of directors should establish relevant committees and delegate specific mandates to such committees as may be necessary. However, the board is obliged to specifically establish an audit and a nominating committee. In paragraph 3.1.3(ii) of the guidelines, the recommended best practice in the appointment and qualifications of directors requires the nominating committee to "consider only persons of calibre, credibility and who have the necessary skills and expertise on issues that are necessary to promote the company's objectives and performance in its area of business". On the question of adequacy of numbers of non-executive directors on the board, the recommendation given in paragraph 3.1.2(ii) of the guidelines is that, "The independent and non-executive directors should form at least one third of the membership of the board". An independent director has more restrictions on the involvement in the administrative or managerial operations of the company than an ordinary non-executive

ST. PAUL'S UNIVERSITY

director. The independent and non-executive directors should oversee the senior management who include the CEO and the other executive directors. Consequently, the board plays an important role in the affairs of a company. The guidelines are supported by the Sixth Chapter of the Constitution of Kenya 2010, on leadership and integrity for state officers. The Chapter deals with the responsibilities of leadership and the conduct of state officers. It advances ethical leadership which is crucial for the success of the Kenyan government structures as it entails leading by example and setting high standards of honesty and integrity (John, 2022). The same could be said of company structures.

The history of concern over corporate governance practices in Kenya dates back to 1999 when the principles of corporate governance were first authored by the Private Sector Corporate Governance Trust (Private Sector Initiative for Corporate Governance, 1999). Subsequent to this, the Public Service Commission and the State Corporations Advisory Committee of the Kenyan government issued a code for governance for state corporations (Public Service Commission & State Corporations Advisory Committee, 2015). The code was issued in order to entrench good corporate governance in parastatals. The role of good governance, is also recognized in the CMA guidelines to corporate governance practices for public listed companies in Kenya (Capital Markets Authority, 2002). The guidelines were followed by the issuance of the code of corporate governance practices for issuers of securities to the public (Capital Markets Authority, 2015). The code sets out the principles and specific recommendations on the structures and processes which companies should adopt in making good corporate governance an integral part of their business dealings and culture. .Jacoby (2007) posits that corporate governance is the heart of success in organizations. In this regard, the CMA was right in issuing a code to guide NSE listed companies on corporate governance practices.

There is anecdotal evidence that over time, companies have increasingly become important vehicles for pooling resources for investment. Consequently, the relationship between companies and investors has become a major centre of economic interest. A company is an entity made up of persons, natural or legal, or a mixture of both, formed for carrying on commercial activities. The owners, the shareholders, who form a new company or buy into an existing company have a common purpose. They unite in order to focus their various talents and organize their collectively available skills or resources to achieve specific corporate objectives. Companies are created under law as separate legal entities from the shareholders. In Kenya,

ST. PAUL'S UNIVERSITY

under the Companies Act 2015, companies may trade as private or public limited companies. A private limited company limits the number of members or shareholders to fifty. A public limited company has normally a large number of shareholders and may offer shares to the general public, for example on a securities exchange. Companies provide a critical medium for investment in the world. This is exceptionally important where companies are listed on a securities exchange.

The CMA expects good corporate governance practices by the companies that are listed at the NSE. However, the key concern facing some of the listed companies at the NSE is the financial distress witnessed in the past that could be attributed to weak corporate governance mechanisms. Examples of listed companies at NSE currently facing financial challenges, in addition to Mumias Sugar Company PLC, Kenya Airways PLC, and Uchumi Supermarkets PLC, are East African Portland Cement Company PLC (Ngotho, 2022) and Athi River Mining Company PLC (Mwaniki, 2022). Yermack (2017) attributes poor organizational performance to weak corporate governance mechanisms and structures in companies. Mandala et al. (2017) are of the same opinion as they hold the view that most of the fraud related cases that have led to the failure of major world and local corporates have been attributed to the members of the boards of directors and senior management, a matter that has raised the question on the ability of members of the boards to monitor the management of those companies. Strong corporate governance practices in the listed companies at the NSE should increase investor confidence and spur trading at the securities exchange. Poor corporate governance practices may lead to under- performing companies, the consequence of which is to undermine investor confidence and the ultimate reduction of activities at the securities exchange.

ST. PAUL'S UNIVERSITY

1.1.5 Listed Companies at Nairobi Securities Exchange

The history of trading in shares in Kenya dates back to 1920s when the country was still a British colony (NSE, 2020). The first stock exchange was floated in 1922 at the Exchange Bar within Stanley Hotel in Nairobi. However, at the time, the stock market had not been formalized as no rules and regulations had been put in place. In 1949, Francis Drummond & Co Ltd was set up as the first stock brokerage company in East Africa. The efforts of the company culminated into formation of Nairobi Stock Exchange Ltd in July 1953. However, it was in 1954 that the exchange became functional as a voluntary association of registered stockbrokers under the Societies Act. In July 2011, the stock exchange changed its name to become the Nairobi Securities Exchange PLC.

NSE is a market where securities are transacted and has grown and expanded across other countries in East Africa through cross-listing of securities. NSE facilitates listing of local and other regional companies so that they are able to access sources of funds including equities and bonds. By facilitating the transaction in securities, NSE helps companies to raise finances used to fund their projects. NSE is recognized as one of the enablers under the Economic Pillar of the Kenya Vision 2030 Blueprint. Consequently, the government of Kenya has undertaken to enhance the role of NSE in the country's growth of capital markets (State Department for Planning, 2007). As at 30th June, 2022, there were 62 companies listed on NSE, including two cross-listed from Uganda and Rwanda.

The listed companies and the stockbrokers at the NSE are guided by the regulations of the Capital Markets Authority (CMA). The CMA is responsible for regulation including licensing of the capital market intermediaries and safeguarding the interests of shareholders. On the other hand, the NSE monitors the securities market to ensure that it works efficiently, fairly and transparently (Katambani, 2014). Over the years, NSE has raised reporting requirements for companies listed at the securities exchange; for example, the publication of periodic financial reports. In November 2021, NSE issued a guidance manual on Environmental, Social and Governance (ESG) reporting by listed companies (NSE, 2021). The guidance assists listed companies to address the shift in the assessment of corporate performance to a more holistic view on both financial and non-financial performance. This helps companies to be more accountable for their impacts while increasing their competitiveness in the global marketplace. Embedding ESG into organizational strategy, operations and performance management is expected to generate significance value to stakeholders and build organizational resilience. Thus, NSE exercises some control on the management of listed companies to ensure that incidences of malpractices are minimized and to strengthen their corporate governance practices.

NSE is a major player in the economy of Kenya. Its market capitalization as at 19th October, 2021 was Kshs.2.7 trillion (*Market Snapshot - Nairobi Securities Exchange, NSE*, 19th October, 2021) which was 31% of country's 2020 GDP estimated at Kshs.8.7 trillion (CBK, 2020) and 75% of the 2021/22 of the annual government budget estimated at Kshs.3.6 trillion (Parliamentary Budget Office, Kenya, 2021). The activities at the NSE are mainly dependent on the performance of the individual companies that are listed at the securities exchange. Current and potential investors at the exchange and other stakeholders have therefore an

interest on how the companies are governed. Companies that are listed on securities exchanges play an important role in the growth of an economy by facilitating investment. The companies that are listed at NSE cut across major sectors of the economy including financial, telecommunication, manufacturing, energy and petroleum that largely support employment in Kenya (NSE, 2020). A securities exchange is critical for an economy as it marshals capital for investments from a wide range of investors.

The performance of companies listed at a securities exchange is of great concern to investors. As per the CMA, pursuant to the Fifth Schedule to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2002, listed companies at the NSE must issue a profit warning beforehand, if they expect that their full year earnings after tax are projected to drop by at least twenty-five (25) percent. The profit warning is meant to give existing and prospective shareholders a guide to a company's performance. An article in the Business Daily of 1st April, 2019 reported that fifteen companies listed at the NSE issued profit alerts in the nine month period July 2018 to March 2019 (Business Daily, 2019). During the same time, the profits of the companies dropped by Kshs.14 billion. The article attributed the reduction in profitability to a tough economic environment and corporate governance malpractices. The consequence of the reduction in the profits by the companies had an effect on the value of the respective shares. At the same time, issuance of profit warnings can lead to instability at the NSE, the consequence of which is erosion of investor confidence. Perhaps that may partly explain why there were very few Initial Public Offers (IPOs) at NSE in the five year period to 2019 ("Kenya Needs Privatization to Spark Wave of IPOs," 2019).

ST.PF

Mwaniki (2022) stated that nearly 97 per cent of the equities accounts used for trading at NSE were dormant during the period of two years to February 2022. Mwaniki (2022) opined that this may have been due to apathy among retail investors who entered the market during the 2000 IPO's boom. PricewaterhouseCoopers, a business advisory firm, reported that, of the African countries, Kenya recorded the worst performance in IPOs in the six year period to the beginning of 2022 (Mwenda, 2022), the last Kenya's IPO having taken place in 2015 (Amboko, 2022). NSE had the second lowest returns to investors among its African peers during the half year to 30th June, 2022 (Mwaniki, 2022c). In addition, Morgan Stanley Capital International (MSCI) Index ranked the exchange as the worst performing bourse in Africa in dollar returns during the first nine months of 2023 (Mwaniki, 2023). The decline of activities at the NSE is partly a reflection of poor performance of the listed companies at the securities exchange.

St. Paul's University Repository

1.2 Statement of the Problem

Corporate governance has garnered significant attention in contemporary discourse due to its critical role in shaping organizational outcomes. In light of escalating concerns surrounding global and local corporate failures, the NSE serves as a crucial context for examining the intricate interplay between corporate governance frameworks and organizational performance. While extant literature offers insights into broader corporate governance paradigms, a noticeable deficiency exists in scholarly investigations, specifically addressing the impact of corporate governance on the performance dynamics of NSE-listed companies. This deficiency underscored the necessity for a meticulous evaluation into the precise impact of corporate governance mechanisms on organizational performance metrics, thereby informing strategic interventions to mitigate risks associated with inadequate governance practices.

In response to the escalating concerns surrounding global and local corporate failures, the significance of corporate governance has reached unprecedented levels. At global level, failures of Enron, Worldcom, Parmalat and Satyam Computers, blue chip companies, got international attention. At the local level the closure or insolvency of local entities, notably, Kenya Airways PLC, Uchumi Supermarkets PLC and Mumias Sugar Company PLC, alongside financial institutions such as Imperial Bank and Chase Bank, underscores the urgent need for enhanced corporate governance practices. The collapse of Imperial Bank, put under receivership by the Central Bank of Kenya (CBK), was attributed to unfavorable business conditions, while Chase Bank faced similar consequences due to questionable banking practices, including substantial unsecured loans to directors, elucidated by Wawerũ (2021), as indicative of poor governance practices. Furthermore, the distressing financial predicament of Nakumatt Holdings Limited, a major Kenyan retailer, highlights the detrimental impact of inadequate retailer management on corporate stability (Cytonn Investments, 2016). In 2016, a noteworthy 13% of companies listed on the NSE encountered severe corporate governance issues, leading to adverse consequences such as financial losses for investors, unemployment, failure to meet financial obligations, and a deleterious effect on Kenya's GDP.

Corporate governance, as evident in the 2021 Capital Markets Authority (CMA) report, underscores the pivotal role of robust corporate governance practices in enhancing operational efficiency and strategic accomplishment for listed companies at the NSE (Capital Markets Authority, 2021). Nevertheless, the weighted average score reported by the 49 assessed companies was deemed 'good', with a caveat that certain companies were excluded from the

ST. PAUL'S UNIVERSITY

St. Paul's University Repository
assessment prompting the CMA to contemplate disciplinary measures against recurrent violators of reporting requirements. The repercussions of underperformance by listed companies extend beyond immediate financial losses to encompass broader societal and economic ramifications. The imperative to rectify corporate governance deficiencies becomes evident as financially distressed companies grapple with meeting their obligations, constrained by limited cash flows and creditor pressures.

The nexus between corporate governance and organizational performance has been a contentious subject in academic discourse (Allen, 2017; Finkelstein et al., 2009; Lang, 2003; Ngulumbu & Aduda, 2016). Disparities persist in reconciling divergent perspectives on this relationship, thereby necessitating a more granular examination. Scholarly inquiries by Quttainah et al. (2017), Manduku (2017), Apollo et al. (2018), Gomera et al. (2018), Njiru and Nyamute (2018), Lung'atso and Otuya (2019), and Aluoch (2023) have addressed facets of corporate governance, albeit with distinct focus and within varied contexts, contributing to the overall body of knowledge. Scholarly inquiries have addressed facets of corporate governance within varied contexts, contributing to the overall body of knowledge. However, a definitive examination of the impact of corporate governance on the performance metrics of NSE-listed companies remains scarce.

Notable research gaps exist in comprehensive research specifically evaluating the impact of corporate governance on the performance of companies listed at the NSE. Despite extensive research on the NSE focusing on board composition and financial performance, there is a notable lack of studies utilizing the Balanced Scorecard (BSC) for performance evaluation. This study aims to fill this gap by adopting the BSC framework, which integrates financial and non-financial indicators to provide a more comprehensive view of organizational performance. Addressing the identified research gap was imperative not only for enhancing the understanding of corporate governance dynamics but also for formulating effective strategies to reverse the declining performance trend observed among some of the NSE-listed companies. This study sought to fill this research gap by establishing definitive links between corporate governance practices and the performance metrics of NSE-listed companies. Recognizing the multifaceted nature of organizational issues, this research took cognizance of the moderating influence of company size and age on the relationship between corporate governance and organizational performance, aligning with recent scholarly insights that advocate for a detailed understanding of these complexities (Liu, 2020).

ST. PAUL'S UNIVERSITY

St. Paul's University Repository

1.3 Research Objectives

The study was guided by the general as well as specific objectives.

1.3.1 General Objective

The general objective of the study was to evaluate the effect of corporate governance on organizational performance of listed companies at Nairobi Securities Exchange, Kenya.

1.3.2 Specific Objectives

The specific objectives of the study were:

i. To assess the effect of corporate leadership on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.
ii. To evaluate the effect of organizational structure on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.
iii. To evaluate the effect of strategic management process on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.
iv. To assess the effect of organizational culture on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.
v. To evaluate the moderating effect of organizational factors on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

1.4 Study Hypotheses

The study tested the following hypotheses:-

H_{01}: Corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{02}: Organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{03}: Strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{04}: Organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

ST. PAUL'S UNIVERSITY

H_{05}: Organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

1.5 Scope of the Study

The study investigated four key determinants or components of corporate governance and their effect on organizational performance of companies that are listed at NSE. It specifically focused on the effect of corporate leadership, organizational structure, strategic management process and organizational culture on organizational performance of the companies that are listed at the NSE. It also assessed the moderating effect of organizational factors on the relationship between corporate governance and organizational performance. The study was done on the 60 companies listed on the NSE as at 30th June, 2022. The companies are spread over the following sectors: agricultural, automobiles and accessories, banking, commercial and services, construction and allied, energy and petroleum, insurance, investment services, investments, manufacturing and allied, and telecommunication and technology. The respondents were the chairpersons of the companies' boards of directors. The study used primary data that was collected using questionnaires which had both closed and open-ended questions. In addition, secondary data, obtained from the repositories of the respective companies was used.

1.6 Significance of the Study

The primary focus of the study was on the performance of the companies that were listed at the NSE as at 30th June, 2022. The study is important to the stakeholders of the listed companies at the securities exchange since it gives findings on the considerations that should be made in order for the companies to improve on corporate performance. The stakeholders include current and potential shareholders of the companies, boards of directors, employees, customers, creditors and the general public. The study should also have significant importance to regulatory bodies including the Nairobi Securities Exchange (NSE), the Capital Markets Authority (CMA) and the Registrar of Companies' Office since the institutions are charged with the responsibility of formulating the law, rules and regulations that govern the operations and functioning of the companies listed at the NSE.

The other stakeholders who would be interested with the study include the Institute of Corporate Governance of Kenya (ICGK), the Institute of Certified Secretaries (ICS) and the Institute of Certified Public Accountants of Kenya (ICPAK). ICGK was established to

ST. PAUL'S UNIVERSITY

propagate, promote, deepen and entrench corporate governance principles and practices of accountability, transparency, integrity, responsibility and excellence in both public and private organizations. The objective of the institute is to enhance board effectiveness and promote excellence in sustainability-driven governance by strengthening directors' professionalism (Trustees (Perpetual Succession) Act, 1981). ICS is dedicated to the promotion, growth, development and regulation of governance in Kenya (Certified Public Secretaries Act, 1988) while ICPAK develops and promotes internationally recognised accountancy that upholds public interest through effective regulation, research and innovation (Accountants Act No.15 of 2008, 2008).

The members of Parliament of Kenya should also have an interest in the current study. The Parliamentarians have the responsibility of formulating and enacting legal and regulatory framework of companies in Kenya. For the academia, this study contributes to the growth of literature on corporate governance and company performance. Some companies that are listed at NSE have registered poor corporate governance leading to poor organizational performance. This study therefore plays a key role in informing future discourse on appropriate corporate governance practices for better company performance.

1.7 Justification of the Study

A number of the companies that are listed at the NSE have faced challenges over the years with regard to their performance. The companies include the National Bank of Kenya Limited (delisted from NSE in November 2021), Uchumi Supermarkets PLC and Kenya Airways PLC (Business Daily, April 1, 2019). It is worth noting that listed companies at the NSE are drawn from different sectors of the economy and persistent financial losses have far reaching implications on the overall growth of the Kenyan economy. Most importantly, some of these listed companies such as Athi River Mining Limited (Mwaniki, 2022) and East African Portland Cement Company PLC (Ngotho, 2022), also had issues with their performance despite hopes that they would support the realization of President Uhuru Kenyatta's Big-Four Agenda (Housing, Health, Agriculture and Manufacturing). Housing, in the Big-4 Agenda is, to a large extent, pegged on performance of the cement manufacturing companies that had issues with their performance. Thus, policy attention should focus on salvaging the performance of the listed companies for realization of the aforementioned Agenda and consequently contributing positively towards the growth of the Kenyan economy as a whole.

ST. PAUL'S UNIVERSITY

Extant literature suggests that strong corporate governance mechanism would translate to better performance of a company (Delima & Ragel, 2017; Todorovic, 2013). This means that better performance of listed companies at NSE require careful consideration of their corporate governance mechanisms. Comprehensive analysis on the link between corporate governance and the success of NSE-listed companies has not been undertaken effectively resulting in a research gap. This research is critical in generating evidence for establishing linkages between corporate governance and performance of the companies listed at the NSE. This knowledge base is pertinent in resolving issues that contribute to the declining performance of a number of the companies listed at NSE.

1.8 Limitations of the Study

This study was on corporate governance and its effect on corporate performance. Corporate governance is a wide topic and the researcher is cognizant of the fact that there are several determinants or components of corporate governance. However, the study limited itself to four key corporate governance determinants; corporate leadership, organizational structure, strategic management process and organizational culture. The selected determinants are apparent to the researcher, from the extant literature, to be the least researched at NSE. The study also limited itself to the 60 listed companies at NSE as at 30th June, 2022. The limitation was mitigated by including all the listed companies in the study hence ensuring a wide range of participants.

In terms of limited access to information, this study sought information from the chairpersons of the boards of directors of the listed companies. The researcher anticipated difficulties in gaining access to the chairpersons. The targeted respondents were not always willing to provide requested information fearing that they could be exposing their companies' governance practices which could be misused to the detriment of the respective companies. Some of the respondents cited victimization by their companies if they took part in the study. To overcome this, the researcher, facilitated by the management of NSE, sent an introduction letter to each of the respondents confirming that the information requested was to be used purely for academic purposes.

This study employed questionnaires as a form of self-report approach, consisting of a collection of carefully organized questions. The questionnaires included both open and close-ended questions and participants recorded their own responses. The researcher was aware that there was a chance that the participants could not answer all of the questions accurately. Another

ST. PAUL'S UNIVERSITY

concern was that the respondents could have misinterpreted the questions. To offset this, all the respondents received a comprehensive introduction letter outlining the study's goals. A preliminary overview of each section assisted the respondent in comprehending each study component.

The outbreak of COVID-19 pandemic made it difficult for physical administration of research instruments. Additionally, the available time limited optimal data collection. This hindered the process of data collection. To overcome this challenge, the researcher adopted mixed methods of instrument administration as preferred by the respondents ranging from telephone administration and emails. Some respondents were reluctant to take part in the study citing busy schedule at work. To accommodate this, the researcher allowed respondents adequate time to fill in the questionnaire at their own free time and revert. This ensured that the respondents had ample time to participate in the study without jeopardizing their work schedules.

1.9 Organization of the Study

The study is organized into five chapters. The first chapter is introduction of the study, covering background of the study, problem statement, the general and specific objectives of the study, study hypotheses, scope of the study, justification of the study, significance of the study and limitations of the study. The second chapter is on theoretical literature review, empirical literature review, conceptual framework and a summary of the literature and research gaps in a table. The third chapter is on research methodology, covering: overview, research design, target population, sample size determination and techniques, data collection instruments and procedure, validity and reliability of instruments, data analysis, operationalization and measurement of variables, and ethical considerations. Chapter four presents research findings and discussions. Chapter five presents the study summary, conclusions, recommendations for consideration, contributions of the study to knowledge and areas for further research.

ST. PAUL'S UNIVERSITY

CHAPTER TWO

LITERATURE REVIEW

2.1 Overview

This chapter reviews the theories that form the basis of the study. The theories are presented under the theoretical review. The chapter also reviews empirical studies on the effects corporate governance has on organizational performance. It critiques the existing thoughts, and analyses research gaps on the effects that corporate governance has on organizational performance of companies listed at the Nairobi Securities Exchange. It also presents the developed conceptual framework.

2.2 Theoretical Literature Review

Drawing upon established theoretical foundations in corporate governance and organizational performance, agency theory, dynamic capabilities theory, upper echelons theory, institutional theory, Edgar Schein theory, and the balanced scorecard model, this study constructed a comprehensive conceptual framework. The framework delineated corporate governance as the focal point, encapsulating independent constructs; namely, corporate leadership, organizational structure, strategic management processes and organizational culture. Organizational performance served as the dependent variable, while organizational factors were the moderating variables, elucidating the contextual intricacies inherent to NSE-listed companies.

2.2.1 Agency Theory

The Agency Theory, formulated by Jensen and Meckling (1976), is a prominent framework within economics and management that investigates the relationship between principals (typically owners or shareholders) and agents (typically directors, managers or employees) within an organization. The theory espouses a granular expose of the dynamics of delegation and control mechanisms employed by principals to mitigate the inherent conflicts of interest arising from the divergent objectives of principals and agents. These conflicts emerge due to the agency relationship, wherein agents, acting on behalf of principals, may pursue their own self-interests rather than maximizing the principals' utility. Central to Agency Theory is the concept of asymmetric information, where agents possess more information about their actions and decisions than principals. This information asymmetry creates opportunities for agents to engage in opportunistic behaviors, such as shirking responsibilities, pursuing personal gains, or making suboptimal decisions, which may not align with the principals' interests.

ST. PAUL'S UNIVERSITY

In the context of the current study, Agency Theory was used in providing a framework for understanding how the alignment of interests between principals (shareholders) and agents (management) affects organizational outcomes. Agency Theory suggests that effective corporate leadership can mitigate agency conflicts and enhance organizational performance (Jensen & Meckling, 1976). The implication of this theory for the current study was the framing of the hypothetical assumption that, corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. In addition, Agency Theory suggests that the design of organizational structures influences the extent of agency problems (Fama & Jensen, 1983; Hillman & Dalziel, 2003). This implies that companies with clear hierarchies, separation of ownership and control, and appropriate incentive structures are likely to perform better due to reduced agency costs. The implication of this theory for the current study was the framing of the hypothetical assumption that organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

The Agency Theory further postulates that effective strategic management processes can align management actions with shareholder interests leading to improved organizational performance (Eisenhardt, 1989; Jensen & Meckling, 1976). This implies that companies with robust strategic planning, implementation, and evaluation processes are expected to perform better. The implication of this theory for the current study was the framing of the hypothetical assumption that strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. Agency Theory also emphasizes the role of organizational culture in shaping behavior and decision-making (Jensen & Meckling, 1976). This implies that a strong ethical culture that prioritizes shareholder value and accountability is likely to lead to better organizational performance. The implication of this theory for the current study was the framing of the hypothetical assumption that organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

Agency Theory suggests that the impact of corporate governance mechanisms on organizational performance may vary with company size. Larger companies may face more complex agency problems, but they also have greater resources to implement effective governance mechanisms. Therefore, company size may moderate the relationship between corporate governance and organizational performance. Similarly, company age can moderate

ST. PAUL'S UNIVERSITY

the relationship between corporate governance and organizational performance. Newly listed companies may face different governance challenges compared to established ones (Hillman & Dalziel, 2003; Jensen & Meckling, 1976). The implication of this theory for the current study was the framing of the hypothetical assumption that organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance.

The application of Agency Theory in studying the effect of corporate governance on organizational performance provides a robust framework for understanding the dynamics between principals (shareholders) and agents (management teams) within an organization. This theory, delineates the inherent conflicts of interest that may arise when agents, acting on behalf of principals, pursue actions divergent from the principal's interests. In the context of corporate governance, where shareholders entrust their resources to management teams, Agency Theory illuminates the potential of conflicts of interest to arise due to the separation of ownership and management control.

Arora and Sharma (2016) expounded on the principal-agent relationship in corporate governance, highlighting shareholders as principals and the management teams as agents. Despite the expectation that agents act in the interest of principals to maximize shareholder wealth, conflicts of interest can lead agents to pursue actions for personal gain, as noted by Hussain et al. (2018). The central role of the board of directors, as underscored by Abdallah and Ismail (2017), is pivotal in mitigating these conflicts. Eisenhardt (1989) emphasizes that Agency Theory elucidates the necessity for robust monitoring and control mechanisms, which the board provides, to safeguard shareholders from management's conflicting interests. Kiel and Nicholson (2003) corroborate this stance, emphasizing the importance of establishing adequate checks and balances within corporate governance structures. The application of Agency Theory in studying corporate governance underscores the importance of aligning management actions with shareholder interests, necessitating effective monitoring and control mechanisms. By addressing conflicts of interest and incentivizing directors appropriately, organizations can enhance their governance structures to foster sustainable performance and value creation.

It is crucial to acknowledge criticisms of Agency Theory. Rowe (1982) critiques its assumption of inherent incompatibility between freedom and responsibility, suggesting limitations in its application. Nonetheless, Agency Theory remains pertinent in understanding and addressing

ST. PAUL'S UNIVERSITY

conflicts of interest within corporate governance frameworks. From a practical standpoint, understanding the theory enables organizations to refine their corporate governance strategies to align with shareholder interests. By recognizing the potential for conflicts of interest, companies can implement mechanisms to monitor and incentivize directors effectively, as suggested by the theory. This aligns with the argument put forth that directors require appropriate incentives to ensure actions consistent with shareholder interests. Moreover, by leveraging Agency Theory, companies can refine their internal policies to address predictors of poor performance, thus enhancing overall organizational effectiveness. This underscores the theory's utility in guiding governance practices to optimize organizational performance and shareholder value.

Agency Theory significantly shaped the research objectives of the current study by providing a robust theoretical framework to explore the relationships outlined in the specific objectives. Regarding the first objective on corporate leadership, the Agency Theory suggests that effective corporate leadership is crucial for mitigating agency conflicts between principals (shareholders) and agents (management). This theory posits that strong leadership can align the interests of management with those of the shareholders, thus improving organizational performance. By integrating Agency Theory, the current study was able to examine how different leadership styles influenced the extent to which agency problems were minimized, leading to enhanced performance. Regarding the second objective on organizational structure, the Agency Theory posits that the design of organizational structures can either exacerbate or reduce agency problems. Clear hierarchies, separation of ownership and control, and well-defined roles can lead to better monitoring and control, reducing the likelihood of opportunistic behavior by agents. This theory guided the researcher's analysis of how various organizational structures impact organizational performance.

Regarding the third objective on strategic management processes, the Agency Theory asserts that effective strategic management processes help align management's actions with the interests of shareholders thereby enhancing organizational performance. The theory helped the researcher to explore whether companies with robust strategic planning, implementation, and evaluation processes perform better. Regarding the fourth objective on organizational culture, the Agency Theory highlights the role of organizational culture in influencing behavior and decision-making. A strong, ethical organizational culture that emphasizes accountability and prioritizes shareholder value can mitigate agency conflicts. This perspective helped to shape the

ST. PAUL'S UNIVERSITY

current study's analysis of how different cultural attributes within listed companies at NSE influence their performance. Regarding the fifth objective on the moderating effect of organizational factors, the Agency Theory suggests that organizational factors such as company size and age can moderate the relationship between corporate governance and organizational performance. Larger or older companies might have more complex agency issues but also possess more resources to implement effective governance mechanisms. This theory provided a framework of the current study's investigation into how these organizational factors influence the effectiveness of governance practices and their subsequent impact on performance.

2.2.2 Dynamic Capabilities Theory

The application of Dynamic Capabilities Theory (DCT) in the study of the effect of corporate governance on organizational performance is paramount in understanding how organizations navigate complex and turbulent business environments. Developed by Teece et al. (1997), DCT elucidates how organizations cultivate, deploy, and safeguard their diverse resources in the face of continual environmental changes. Wang and Ahmed (2007) define dynamic capabilities as the adeptness to integrate, reconfigure, renew, and recreate capabilities and resources, thereby gaining a competitive advantage amidst the dynamic business landscape. One pertinent aspect of DCT is its emphasis on the continual adaptation of organizational capabilities to match the evolving external and internal environments. As highlighted by Teece et al. (1997), dynamic capabilities encompass the acquisition and accumulation of novel capabilities and skills aimed at orchestrating and deploying resources efficiently. This underscores the significance of corporate governance mechanisms in facilitating the development and deployment of dynamic capabilities within organizations.

DCT posits that the value of dynamic capabilities is contingent upon their alignment with both external and internal contextual factors (Asija & Ringov, 2021). Corporate governance, serving as a critical internal factor, plays a pivotal role in shaping organizational strategies and decision-making processes. By fostering transparency, accountability, and effective risk management, corporate governance frameworks can enhance an organization's capacity to identify and capitalize on emerging opportunities while mitigating potential threats. Further, the evolution of DCT from the Resource-Based View (RBV) underscores its relevance in contemporary organizational studies. While RBV provided valuable insights into the strategic management of resources, it often overlooked the dynamic nature of the business environment

ST. PAUL'S UNIVERSITY

(Priem & Butler, 2001; Teece, 2014). In contrast, DCT acknowledges the perpetual flux within the business landscape and advocates for the continual renewal and reconfiguration of organizational capabilities to maintain competitiveness. In essence, the application of DCT to the study of corporate governance and organizational performance offers a holistic framework for understanding how governance practices influence the development, deployment, and protection of dynamic capabilities within organizations.

DCT has significantly advanced the understanding of how companies achieve competitive advantage in dynamic environments. However, due to its complexity, measurement challenges, context dependency, overemphasis on change, and insufficient focus on managerial decision-making, it has received substantial criticism (Adner & Helfat, 2003; Ambrosini & Bowman, 2009; Eisenhardt & Martin, 2000; Wang & Ahmed, 2007; Winter, 2003). Addressing these issues could enhance the theory's applicability and robustness in guiding strategic management practices. By aligning governance mechanisms with strategic management processes and organizational culture, firms can effectively navigate turbulent environments, enhance their adaptive capacity, and ultimately improve performance in the long run. Thus, integrating DCT into corporate governance research provides valuable insights into the mechanisms underlying organizational success and resilience amidst dynamic market conditions (Teece, 2007).

2.2.3 Upper Echelons Theory

The Upper Echelons Theory (UET), initially proposed by Hambrick and Mason (1984), provides a framework for understanding how the backgrounds, experiences, and personal attributes of top leadership influence strategic decision-making within organizations. This theory suggests that the perspectives and decisions of top executives are shaped by their unique set of experiences, values, personalities, and other human characteristics. As Hambrick (2018) emphasizes, understanding the strategists themselves is essential for comprehending organizational strategy. Pfeffer and Davis-Blake (1986) further elaborate on the UET by emphasizing the role of individual attributes in shaping strategic decisions and ultimately influencing organizational performance. Key individual attributes such as values, education, experience, tenure, age, functional background, and international exposure play pivotal roles in shaping strategic decisions at the top leadership level. Consequently, research into corporate governance and organizational performance often employs UET as a theoretical lens to investigate how these personal attributes impact decision-making processes and subsequent organizational outcomes.

ST. PAUL'S UNIVERSITY

Neely et al. (2020) highlight the significance of UET in stimulating research on how executive personalities and experiences influence perceptions, decisions, and behaviors, ultimately affecting various corporate outcomes. This underscores the relevance of UET in exploring the nexus between corporate leadership and organizational performance. Dhaouadi (2018) contributes to the understanding of UET by demonstrating how demographic characteristics of Top Management Teams (TMT), such as age and tenure, impact company performance. Specifically, Dhaouadi's findings suggest that longer tenure among senior TMT members correlates with greater authority and entrenched positions, influencing decision-making processes within organizations. This insight allows researchers to apply analytical approaches that consider demographic characteristics when examining the effects of corporate leadership on organizational performance.

According to Hambrick and Mason (1984), the UET suggests that the characteristics of top executives, such as their demographics, experiences, values, and cognitive styles, influence decision-making and organizational outcomes. This assertion served as a guiding principle in framing the characteristics of top executives within NSE listed companies; for example, directors' demographic profiles including tenure, education and age. Furthermore, the UET suggests that the relationship between top executives' characteristics and organizational outcomes may be moderated by contextual factors such as company size and age. The theory postulates that, the impact of CEO characteristics on organizational performance may differ between small and large companies or between young and mature companies (Hambrick, 2007) . This assertion gave direction to the current study in examining how company size and age moderate the relationships between corporate leadership, organizational structure, strategic management process, organizational culture, and organizational performance.

UET provides valuable insights into the influence of top executives on organizational outcomes. However, its critiques highlight the need for a more holistic approach. The theory is said to assume simplistic assumptions, places overemphasis on individual characteristics, and lacks learning adaptability, and generalizability (Carpenter et al., 2004; Finkelstein et al., 2009; Hambrick & Mason, 1984). An integrated approach is suggested as offering a more comprehensive understanding of how executive characteristics interact with the broader environmental and organizational elements to shape organizational performance. In the context of studying the effect of corporate governance on organizational performance, UET offers a valuable framework for investigating how the personal attributes, experiences, and

ST. PAUL'S UNIVERSITY

backgrounds of top leadership influence strategic decisions and, consequently, organizational outcomes. By considering the personalized interpretations of strategic circumstances by top executives, researchers can gain deeper insights into the mechanisms through which corporate governance practices, shape organizational performance.

2.2.4 Institutional Theory

In applying Institutional Theory to the study of the effect of corporate governance on organizational performance, it is imperative to recognize the fundamental tenets of this theoretical framework as elucidated by contributions by Scott (1987), Meyer and Rowan (1991) , and Powell and DiMaggio (1991). Institutional Theory posits that organizations do not exist in isolation but are embedded within broader social contexts that shape managerial decision-making processes. Central to this perspective is the notion that organizational behavior is not solely driven by economic imperatives but is heavily influenced by social norms, values, and institutional pressures.

A key principle of Institutional Theory is the understanding that organizational actions and structures are guided by prevailing institutional logics, which represent collectively held beliefs and activity patterns within a given social context (Greve & Argote, 2015). These institutional logics serve as normative frameworks that inform managerial decision-making and organizational practices. Therefore, in the context of studying corporate governance and its impact on organizational performance, Institutional Theory provides a lens through which governance mechanisms are shaped by broader institutional forces and how they, in turn, influence organizational outcomes. Moreover, Institutional Theory highlights the importance of recognizing the role of environmental contingencies in shaping organizational behavior (Crubellate, 2007). In the context of corporate governance, this implies that governance structures and practices are not adopted in a vacuum but are influenced by external institutional pressures, regulatory frameworks, industry norms, and stakeholder expectations. By considering these external influences, researchers can gain insights into how variations in corporate governance practices impact organizational performance outcomes.

The concept of institutional logics offers a framework for understanding the normative underpinnings of corporate governance practices within organizations. Corporate governance can be viewed as a manifestation of institutional logics governing managerial decision-making norms at the organizational level. By analyzing the alignment between institutional logics and corporate governance mechanisms, researchers can assess how well governance practices

ST. PAUL'S UNIVERSITY

reflect prevailing societal expectations and norms, and how this alignment affects organizational performance.

Institutional Theory's applicability across different contexts has been questioned. Much of the theory's development has been based on studies in specific cultural and organizational settings, primarily in Western contexts. This raises concerns about its generalizability and relevance in different cultural and institutional environments (Kostova & Roth, 2002). However, despite the criticism, the theory has widespread acceptance and use in organizational studies. The application of Institutional Theory to the study of corporate governance and organizational performance provides a comprehensive framework for understanding the complex interplay between social, normative, and economic factors that shape governance practices and their impact on organizational outcomes. By adopting this theoretical perspective, researchers can gain valuable insights into the mechanisms through which corporate governance influences organizational behavior and performance, thereby contributing to both theoretical advancements and practical implications for organizational management and policy-making.

2.2.5 Edgar Schein Theory

Edgar Schein's Theory provides a comprehensive framework for understanding the intricate relationship between leadership, culture, and organizational performance. This theory is highly relevant in the context of examining the effect of corporate governance on organizational performance as it sheds light on how the prevailing culture within a company influences its overall effectiveness. By applying Schein's Theory to the study of corporate governance, researchers and practitioners can gain valuable insights into the underlying mechanisms through which governance practices interact with organizational culture to impact performance outcomes. Schein (1980) emphasizes that organizational culture is not something that can be adopted or changed overnight; rather, it is a complex and evolving entity that is deeply rooted in the collective experiences, beliefs, and values of its members. This stance underscores the importance of recognizing the historical context and dynamics within an organization when analyzing its culture and its relationship with corporate governance mechanisms.

Schein (2010) delineates three basic levels or forms through which organizational culture manifests: artifacts, values, and assumed values as shown in figure one (1) herein below. Artifacts represent the visible manifestations of culture, such as mission statements, dress codes, and behavioral norms, which provide tangible clues about the underlying cultural norms and values. Values encompass the shared beliefs, attitudes, and thought processes of

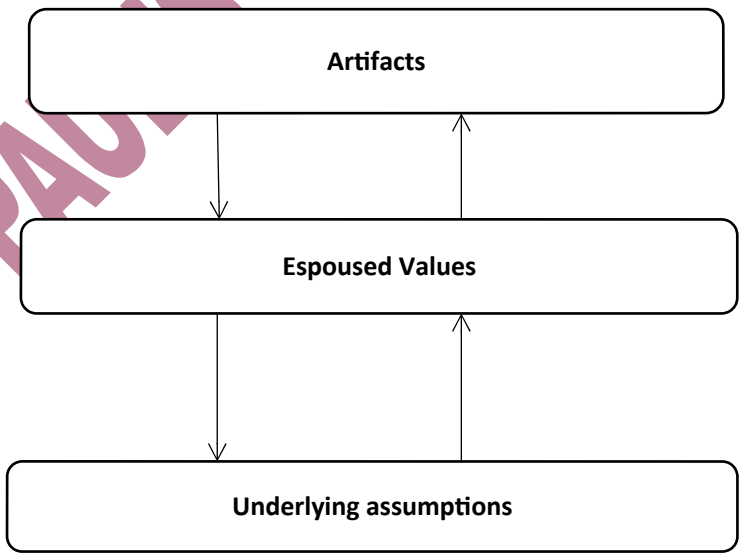
ST. PAUL'S UNIVERSITY

employees, which shape their behaviors and decision-making processes within an organization. Assumed values, though more subtle and implicit, are deeply ingrained assumptions and beliefs that guide organizational behavior and interactions.

In the context of studying the effect of corporate governance on organizational performance, Schein's framework offers a structured approach to examining how governance practices influence each level of organizational culture. For instance, effective governance mechanisms, such as clear communication channels and transparent decision-making processes, can help establish and reinforce organizational artifacts by promoting a culture of openness and accountability. Similarly, governance structures that prioritize ethical behavior and integrity can shape the underlying values of employees, thereby fostering a culture of trust and integrity within an organization. Additionally, governance practices that align with the core assumptions and beliefs of employees can help reinforce cultural norms and promote coherence between organizational values and governance principles.

Figure 1

Elements of Edgar Schein Theory



Source: Schein (2010)

By leveraging Edgar Schein's Theory, researchers can conduct in-depth analyses of the interplay between corporate governance practices and organizational culture, ultimately providing valuable insights into how governance mechanisms can be optimized to enhance

ST. PAUL'S UNIVERSITY

organizational performance. Furthermore, practitioners can use this theoretical framework to diagnose cultural issues within their organizations, identify areas for improvement in governance practices, and implement targeted interventions to foster a positive and performance-enhancing culture.

Edgar Schein's theory provides a foundational framework for understanding the intricacies of culture within a company. However, it faces criticism related to its complexity, stability bias and leadership focus, among others (Alvesson, 2002; Martin, 2002; Ogbonna & Harris, 2000).

These criticisms suggest that while Schein's model is valuable, it should be applied with an awareness of its limitations and complemented with other perspectives to gain a more holistic understanding of organizational culture. The theory provides a robust theoretical foundation for studying the effect of corporate governance on organizational performance by elucidating the intricate relationship between leadership, culture, and performance outcomes. By incorporating Schein's framework into empirical research and organizational interventions, scholars and practitioners can deepen their understanding of how governance practices shape organizational culture and drive performance excellence.

2.2.6 Balanced Scorecard Model

The balanced scorecard (BSC) was developed by Kaplan and Norton (1992). It combines financial and non-financial viewpoints to provide answers to critical questions regarding corporate performance from a holistic perspective that encompasses the customer, internal business processes, innovation and learning, and financial perspectives. The concept of merging non-financial and financial measurements may be traced back to the French management tool "tableau de board," which was first used in the 1960s. Aside from the increased knowledge gained from a range of indicators, the technique stood out for its simplicity in presenting critical data on a scorecard, which makes decision-making easier (Eisenberg, 2018). The BSC is useful in analyzing the effectiveness of boards of directors of companies.

The BSC, as a tool, is designed to improve managers' decision making by guiding their attention to a broader vision of a company's operations (Asosheh et al., 2010). The tool prepares managers to relate past performance beyond the summary of the financials and link it to the projected future performance with respect to customer growth, human resource development requirements, and enhancement of internal capabilities and procedures. Jensen (2002) and Chen et al. (2011) however argue that since most of the measurements are non-

ST. PAUL'S UNIVERSITY

parametric, the system qualifies more as a dashboard or instrument panel than a card showing scores. Chen et al. (2011) posit that financial performance is considered as the ultimate measure of a business performance. The authors identified financial performance as the dependent variable because all the aspects of an organization are normally summarized into financial figures for the sake of budgeting and forecasting. The learning and growth which comprise of the organization's intellectual property serves as the foundation on which internal processes of an organization are built to deliver the promise to the customer who pays for the organization's products and services.

The original balanced scorecard theory was founded on the idea that customer satisfaction, process optimization, and new product and service development (the three viewpoints) are at the center of any corporate organization, regardless of strategy. A sole concentration on financial facts may lead to poor managerial judgments. To analyze and lead a company on a well-informed and complete basis, financial measurements, the fourth perspective, must be reinforced by the other three views. Companies can select the metrics of perspectives most suited to their own objectives and strategies. As a result, identifying the proper key performance indicators is one of the most important responsibilities in establishing a balanced scorecard. As a result, two prerequisites must be met in order for the balanced scorecard to be useful: First and foremost, the business plan must be appropriate in light of the current economic, financial, political, and environmental restrictions. Second, a cause-and-effect relationship must exist between the strategy and the key performance metrics, as well as between the indicators and their outcomes (Eisenberg, 2018). This framework is critical in examining the cause-and-effect relationship between corporate governance and organization performance.

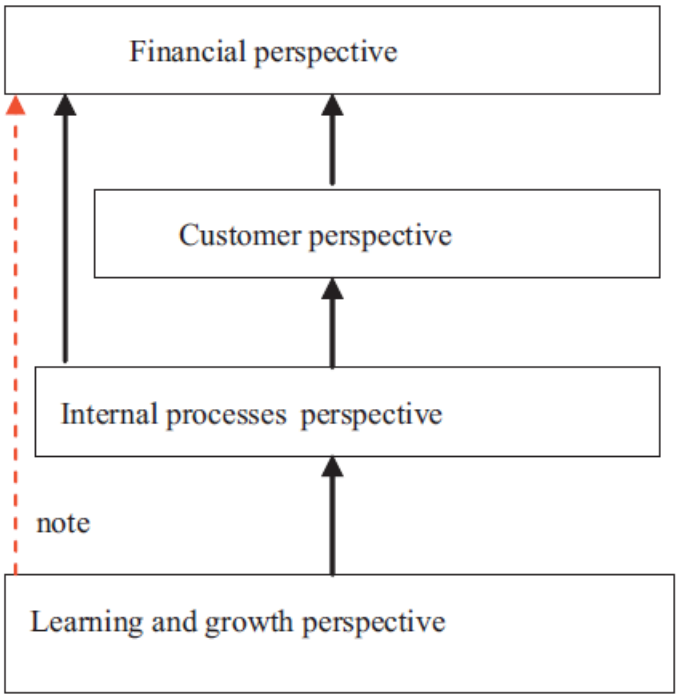
Academic literature has extensively examined the debate over corporate governance. One viewpoint is that the issues encountered by company directors, who represent shareholders, cannot be addressed by governance structure or legislation. Instead, the focus should be on improving corporate governance effectiveness by adopting a balanced scorecard that boards of directors may utilize when managing and regulating a company. Structure, rules, and efficacy are the three main methods. The balanced scorecard, if used by a real-life company, might theoretically improve board effectiveness and corporate governance (Eisenberg, 2018). Financial performance has been used for a long time as the parametric measure of an organization's success, but, stakeholder theory, as argued by Jensen (2000), has brought to the

ST. PAUL'S UNIVERSITY

fore the importance of other non-parametric parameters like customer satisfaction, business processes and organizational learning (Chen et al, 2011). Chen *et al*. (2011) assert that three non-financial indicators, customer satisfaction, business processes, and organizational learning, are the antecedents of the organizations financial performance as illustrated by figure 2 below and are the real measures of an organization's future long-term value.

Figure 2

Strategy Map for the Balanced Scorecard Approach



Source: Chen *et al.* (2011)

Azeez (2015) holds the view that a BSC can be applicable to all companies irrespective of their sizes to link the measures of performance with overall strategies in an organization. Abdallah and Ismail (2017) posit that measures of organizational performance need to be multidimensional so as to cover financial as well as nonfinancial aspects of a company. According to Garrison et al. (2020) a BSC can be utilized to improve performance by ensuring that performance measures are consistent with, and follow from, the company strategy.

Performance measures should be understandable to a significant extent by those being evaluated; the scorecard does not have too many performance measures as this can lead to a lack of focus and confusion; requiring that each responsible individual has own personal scorecard and ensuring that both the financial and nonfinancial measures are included in an organization's BSC. In addition, organizations should lay emphasis on continued improvement.

The BSC is a strategic planning and management system that is used extensively in business and industry, government and nonprofit organizations. It seeks to improve internal and external communications and monitor organization performance against strategic goals. The BSC emerged after criticisms on the other methods of measuring OP were considered as being too narrow. In the BSC framework, the ability of an organization to offer products that are of quality standards, effectiveness of delivery channels and the overall level of satisfaction of the customers are captured. The BSC combines financial and non-financial viewpoints to provide answers to critical questions regarding corporate performance from a holistic perspective.

In this study, the key measurement indicators of organizational performance include, revenue, profit, customer satisfaction, customer loyalty, employee satisfaction and retention, and technology adoption. The BSC contributes to organizational performance by providing a structured framework for aligning, measuring, and communicating strategic objectives. It helps organizations focus on both financial and non-financial aspects, fostering a holistic approach to performance management and strategic execution. There are other researchers who have used the BSC as a measure of organizational performance. For example, Saad and Daraghma (2016) used the BSC to evaluate performance of listed companies at the Palestine Exchange. Qarashay and Alzu'bi (2018) opine that the four perspectives of the BSC are effective in measuring performance in an organization. Their conclusion was drawn from a study on the effect of strategic management on organizational performance using the BSC approach to measure performance in a case study of the Nursing Department at Al-Khalidi Hospital and Medical Center in Jordan. Through the use of regression analysis they found internal process perspective to be the most affected in strategic management and that strategic management had a positive effect on performance at Al-Khalidi Hospital and Medical Center. Maina (2021) used the BSC in the study on the strategy implementation imperatives and performance of county governments in Central Region, Kenya.

ST. PAUL'S UNIVERSITY

The BSC has also been criticized as a measure of OP because of its complexity and implementation challenges (Kaplan & Norton, 1992; Niven, 2006). It also fails to capture all stakeholders, for example, the general public and suppliers. Shortcomings notwithstanding, the BSC is used a measure of organizational performance globally. This study combines financial and non-financial viewpoints in analyzing the effect of corporate governance on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The study focusses on investigating the effect of corporate governance (characterized by corporate leadership, organizational structure, strategic management process, and organizational culture) on organizational performance moderated by organizational factors, company size and age. The BSC is a measure that is in line with global trends in assessment of corporate performance to a more holistic view on both financial and non-financial performance (NSE, 2021b). To facilitate this assessment, organizations are required to disclose both financial and non-financial performance metrics to an increasingly diverse set of stakeholders.

2.3 Empirical Literature Review

In this section, a review of empirical literature based on the objectives of the study is carried out. The empirical literature review encompasses a comprehensive analysis of existing research conducted at global, regional, and local level. The scope of the empirical literature was strategically designed to ensure a holistic understanding of corporate governance practices and their impact on organizational performance across diverse contexts. This approach not only offered a comparative perspective but also situated the findings within the specific realities of the Kenyan market, providing a nuanced understanding of how corporate governance and organizational dynamics interact with organizational factors to influence performance within the unique environment of the NSE.

2.3.1 Corporate Governance and Organizational Performance

Corporate governance, a pivotal aspect of contemporary business frameworks, delves into the systems and processes through which corporations are directed and controlled. As a multifaceted domain, it encompasses the distribution of rights and responsibilities among various stakeholders, including shareholders, management, employees, and other stakeholders. The efficacy of corporate governance mechanisms is intricately linked to organizational performance, reflecting the extent to which companies achieve their strategic objectives, maximize shareholder value, and maintain sustainable growth trajectories. Empirical literature

ST. PAUL'S UNIVERSITY

in this realm scrutinizes the interplay between governance practices and key performance indicators.

Within the realm of corporate governance, scholars and practitioners alike seek to unravel the nuanced relationships between governance structures and organizational outcomes. By employing empirical methodologies encompassing quantitative and qualitative analyses, case studies and longitudinal assessments, researchers aim to disentangle the complex array of factors influencing corporate performance. This body of literature not only illuminates the impact of governance mechanisms on organizational performance but also delves into their implications for broader societal concerns, including ethical conduct, environmental stewardship and social responsibility. Through rigorous examination of governance frameworks across diverse industries and geographical contexts, empirical studies contribute invaluable insights to inform policy interventions, shape managerial practices and foster a deeper understanding of the intricate dynamics underpinning corporate governance and organizational performance.

2.3.2 Corporate Leadership and Organizational Performance

A number of studies have been carried out on corporate leadership and organizational performance. Igbaekemen and Odivwri (2015) investigated how leadership styles influence organizational performance. The study was conducted in Nigeria and it adopted desk review methodology. It was found that leadership had a significant effect on organizational performance of an organization. The study restricted itself in the area of study; leadership styles, and in methodology; desk review methodology. The current study used mixed methods design utilizing primary and secondary data. Primary data was collected using questionnaires.

Nurhaslia (2016) conducted a study to determine the effects of leadership on organizational effectiveness of the Health Department in Wakatobi District, South East Sulawesi, Indonesia. A survey method was used and the study respondents included 56 employees drawn from the sampled organizations. Data was gathered with the aid of questionnaires and multiple regression analysis was used. The analysed findings indicated that leadership affected organizational effectiveness significantly. The study concentrated on the Indonesia context. The current study focussed on the Kenyan context by examining the linkage between corporate governance and organizational performance among listed companies at Nairobi Securities Exchange in Kenya. In addition, the study by Nurshalia restricted itself to leadership as the

ST. PAUL'S UNIVERSITY

independent variable while the current study broadly had corporate governance as the independent variable.

Rohana and Abdulla (2017) carried out a study to determine the influence of leadership competencies on organizational performance. The study relied on primary data collected with the use of questionnaires. The analysis of the findings indicated that leadership competencies had significant effect on organizational performance. The study was done in Malaysia. As in the study by Nurhaslia (2016) these findings may not be replicated globally. The study restricted itself to leadership competencies as the independent variable. The study focussed on the Malaysia context. In addition, the study had leadership competencies as the independent variable. In the current study, corporate governance was used as an independent variable in the Kenyan context.

Nandasinghe (2020) carried out an empirical review to investigate the relationship between leadership and performance outcomes. The study identified leadership as a skill which enables an individual to motivate other persons to behave in a certain way so as to accomplish specified objectives. Leadership crafts vision, mission and core values which chart the direction that an organization follows. The study used secondary data collected from journals, websites, case studies and other published materials. The study was based on the Leadership, Authority, Administration, Power and Environment (LAMPE) school of thought. The findings indicated that leadership plays a critical role in the success of any organization. The study identified several ways of developing leadership in an organization including: recognition, rewards and reoriented training. A desktop review was the core approach adapted by the study while the current study adopted mixed methods design involving the collection of primary data from the companies listed at the NSE. Questionnaires were used to gather data. The current study investigated the relationship between corporate governance and organizational performance.

Tsirikas et al. (2020) examined the impact that corporate leadership has on performance outcomes measured by financial ratios by observing the mediatory role of resistance to change among employees. The focus was on how the relationship between leadership and performance was influenced by the readiness of employees to accept change. The study examined employees in shipping companies in Greece where it was established that different leadership styles had different and varied effect on employee readiness to implement changes in an organization. 213 employees of shipping companies completed questionnaires. Structural Equation Modelling was used in the analysis. Resistance to change was found to mediate on the way leadership

ST. PAUL'S UNIVERSITY

influenced performance. The study used mediation role and not the direct effect that corporate governance has on organizational performance as is the case in the current study. The study further focused on employees within shipping companies whereas the current study examines the perspectives of companies listed at the NSE. Whereas the study by Triskas et al. (2020) focused on financial performance as the dependent variable, the current study focused on the balanced scorecard as a measure for organizational performance.

Mishra et al. (2021) used a panel dataset for Indian non-financial firms listed on the National Stock Exchange (NSE) from 2010 to 2018 to explore the relationship between corporate governance characteristics and firm performance. The current study used a cross sectional approach to examine the linkage between corporate governance and organizational performance among listed companies at Nairobi Securities Exchange in Kenya.

Neralla (2022) investigated the impact of corporate governance structure on the performance of Indian-listed companies. The research analyzed financial data from the financial year 2014–2015, to 2019–2020 for companies listed on the Bombay Stock Exchange. The study focused on the following metrics: board size, board independence, board meetings and CEO duality. The current study focused on the Kenyan context by examining the linkage between corporate governance and organizational performance among listed companies at Nairobi Securities Exchange in Kenya. The metrics for the current study included, communication skills, shared vision, sense of direction and staff mentorship.

Zhu and Huang (2023) investigated the impact of transformational leadership on Environmental, Social, and Governance (ESG) performance in China. It was found that organizational innovation partially mediates this relationship. The study underscored the importance of leadership in overall performance. The current study examined the linkage between corporate governance and organizational performance by limiting itself to listed companies at Nairobi Securities Exchange in Kenya.

The successful leader will be one that promotes leadership development and encourages workers to assume their leadership role. Taqi Addin (2020) carried out an empirical review on the relationship between leadership and performance in organizations. The study acknowledged the changes brought about by globalization and competition arising from internationalization of companies. It was founded on the Full Range Model of Leadership by Tepret and Tuna (2015) which argues that effective leadership is one that has the capability of undergoing transformation with the aim of motivating junior staff, positively influencing their behavior and attitudes for improvement in performance results. The results indicated that distinguished performance is crystallized through organized complementarity between outstanding leadership and the successful management. However,

ST. PAUL'S UNIVERSITY

this is reflected in the human element in an organization besides the surrounding environment and prevailing technology. An empirical review was adopted while the current study will adopt a causal research design involving the collection of primary data from the companies listed at the NSE.

2.3.3 Organizational Structure and Organizational Performance

An organizational structure establishes the reporting and accountability structures of an establishment. A number of studies have been carried out on organizational structures and their influence on organizational performance. Ogbo et al. (2015) sought to establish the impact of structure on organizational performance of selected technical and service companies in Nigeria. The study adopted a survey design. Data was collected with the help of questionnaires. In total, 80 respondents were sampled out and issued with questionnaires of which 78 of them were filled and returned. The study variables included decentralization, span of control and task routine. The study established that all these variables had an influence on organizational performance. The study restricted itself to technical and service companies in Nigeria whereas the current study was on listed companies at Nairobi Securities Exchange in Kenya with corporate governance and organizational performance as the study variables moderated by organizational factors.

Chigozie et al. (2015) examined the effect that structure had on performance within the manufacturing sector in South-East Nigeria. Independent variables included staff training, product quality, flexibility, and employee adaption on sales turnover. Through responses collected from employees, it was found out that staff training promoted higher quality product service offering and that both adaption among staff and flexibility positively increased sales turnover. In summary, it was concluded that organization structure influenced competences of staff which in turn affected the product/service quality. Training was found to be a key parameter in enhancing performance. Unlike the current study that focuses on all sectors available at the NSE, Chigozie et al. (2015) focused on a sub-sector, manufacturing. In addition, the current study variables are corporate governance and organizational performance moderated by organizational factors.

Muturi (2015) sought to determine the effect of organizational structure on customer perspective of large manufacturing companies in Kenya. A total of 102 companies were targeted and issued with questionnaires, where 94 of them responded. A cross sectional survey was used. The study found out that organizational structure did explain variation in customer perspective of manufacturing companies in Kenya. The study was restricted to a sub-sector;

ST. PAUL'S UNIVERSITY

manufacturing, while the current study adopted a multi-sectoral approach on listed companies at Nairobi Securities Exchange in Kenya. In addition, the current study variables are corporate governance and organizational performance moderated by organizational factors.

Razia (2015) conducted a comparative analysis of organizational structure and its influence on effectiveness. The study was conducted in institutions of higher learning in Kenya. The study employed a cross sectional survey design with testing of hypotheses. A total of 365 respondents were sampled and issued with questionnaires. These respondents were drawn from Moi University (300) and Baraton University (65). The study found out that there were significant differences between public and private universities in Kenya. The study confined itself to the higher education sub-sector while the current study adopts a multi-sectoral approach on listed companies at Nairobi Securities Exchange in Kenya. In addition, the current study variables are corporate governance and organizational performance moderated by organizational factors.

Sammoudi (2016) investigated the effect of organizational structure on institutional efficiency. A random sample of 50 employees was selected from a study population of the 400 employees of the Ministry of Education and Higher Education in Palestine. A descriptive design was used and data was collected with the use of questionnaires. The findings indicated that there was inadequate cooperation in organizing activities in institutions and that organizational structure had an influence on organizational performance. This study restricted itself to the education sector in Palestine, whereas the current study took a multi-sectoral approach on the listed companies at Nairobi Securities Exchange in Kenya. In addition, the current study variables were corporate governance and organizational performance moderated by organizational factors.

Estalaki (2017) studied the effect of organizational structure on organizational efficiency. The study used a descriptive design and data was gathered with the help of questionnaires. In total, 384 respondents were sampled and included in data collection process. The data was analysed using correlation coefficient and linear regression. The findings indicated that organizational structure had significant effect on organizational efficiency. The study restricted itself to one independent variable; organizational structure and one indicator; organizational efficiency. The study was done in Iran while the current study was in Kenya. In addition, Estalaki (2017) restricted the study to one independent variable; organizational structure and one indicator; organizational efficiency. By contrast, the current study investigated the linkage between

ST. PAUL'S UNIVERSITY

multiple variables, defining corporate governance and multiple indicators, defining organizational performance, among listed companies at Nairobi Securities Exchange in Kenya.

Njiru and Nyamute (2018) sought to investigate the effect of organizational structure on financial performance of commercial state corporations in Kenya. The specific study variables included organizational size, structure formalization and structure centralization. A survey research design was used where a total of 34 companies were covered. Data was collected using questionnaires. Correlation and multiple linear regression was used in data analysis. The study found that organization size, structural formations, structure complexity, and structure centralization affected financial performance of commercial state corporations in Kenya. The study restricted itself to commercial state corporations, while the current study examined the listed companies at Nairobi Securities Exchange, Kenya, from a multi-sectoral perspective. The researchers, Njiru and Nyambute (2018) used formations, complexity and concentration in the measurement of organizational structure. In the current study, the measurement of organizational structure comprises of reporting relationships, communication channels, formalisation and centralization.

Onono (2018) sought to establish the relationship between organizational structure and performance. The study involved a case study of General Electric (GE) Africa and used structured questionnaires to collect data. The study employed a descriptive research design and a total of 290 respondents were targeted. The study used a case of one company based in Lagos, Nigeria. The study found a strong and positive relationship between organizational structure and performance. The study restricted itself to a case study of one organization - GE Africa, Nigeria operations. In contrast, the current study investigated the listed companies in Nairobi Securities Exchange, Kenya, comprising of multiple sectors.

In their study on organizational structure in the context of change management and performance of companies listed in the Nairobi Securities Exchange in Kenya, Ng'ong'a et al. (2019) sought to determine the extent to which organizational structure in the context of change management affects performance of companies listed in Nairobi Securities Exchange. The study operationalized organizational structure as a construct of specialization of managers, formalization of change process, centralization of decision, making process and configuration of change process. The current study operationalized organizational structure as a construct of reporting relationships, communication channels, formalization, and centralization.

ST. PAUL'S UNIVERSITY

2.3.4 Strategic Management Process and Organizational Performance

A number of studies have been carried out in the area of strategy and its effects on organizational performance. Afonina (2015) sought to investigate the level of strategic management tools and techniques utilization, as well as explore and identify the impact of management tools on organizational performance of companies in the Czech Republic. A total of 91 companies were covered and data was collected with the help of questionnaires. The study found that there was a positive and significant relationship between management tools and techniques utilization and organizational performance. The study focused on strategic management tools and techniques utilization in the Czech Republic. By contrast, the current study investigated the effect of corporate governance on organizational performance in listed companies at Nairobi Securities Exchange in Kenya.

Mohamud et al. (2015) sought to investigate the relationship between strategic management and organizational performance in Mogadishu, Somalia. The researchers selected 100 organizations through purposive sampling. The study employed descriptive as well as correlational design. Data was gathered with the help of questionnaires and the analysis was done descriptively as well as inferentially. The study found that strategic management had positive and significant influence on organizational performance. The study focused on small and medium enterprises in Somalia hence limiting replicability of its findings. The current study focused on Kenyan companies listed on the Nairobi Securities Exchange in a multi-sectoral setting. In addition, the study investigated the effect of corporate governance on organizational performance.

Maroa and Muturi (2015) studied the influence of strategic management practices on the performance of floriculture companies in Kenya. The study used a descriptive research design and a total of 21 companies were targeted. From these companies, 10 of them were sampled and included in the study. The selection of these 10 companies was done purposively and data was gathered with the help of questionnaires. The findings indicated that most of the companies had strategic plans, the plans were implemented as required and evaluation as well as control of the strategies was conducted. The variables included strategy formulation, implementation, evaluation and control. It was found that the variables had significant influence in how the companies performed. The study was restricted to a small sample of floriculture companies and was focused on strategic management practices in the context of floriculture companies, while the current study focused on all NSE listed companies, represented from multiple sectors. In

ST. PAUL'S UNIVERSITY

addition, the current study variables were corporate governance and organizational performance moderated by organizational factors.

Wambugu and Waiganjo (2015) carried out a study on the effect of strategic management practices on organizational performance. The study concentrated on companies in the construction industry operating in Nairobi. The study variables included organizational performance, strategic customer relationship management, strategic technical skills, strategic planning as well as financial management. The study used a cross sectional research design to attain the set objectives. A total of 67 companies were covered in the study and 5 managers were sampled from each of these companies. Data was gathered with the use of questionnaires. It was found that strategic management had positive and significant effect on organizational performance. The study by Wambugu and Waiganjo (2015) was on companies in the construction industry operating in Nairobi City County. The current study was on all the NSE listed companies spanning several sectors. In addition, the current study variables were corporate governance and organizational performance moderated by organizational factors.

Kasera (2017) conducted a study on the effects of strategic management on organizational performance. The focus of the study was on health institutions operating in Nairobi City County. The specific study variables included strategic thinking, planning as well as strategy implementation. The study used a descriptive cross sectional survey design. The population of interest in the study included the management team of the health facilities. The study sampling frame comprised of the health care facilities list. It was found that strategic management had significant effects on organizational performance of the health institutions in Nairobi City County. The study was restricted in its scope as it covered only the heath institutions in Nairobi County. The current study involved all the companies listed on the Nairobi Securities Exchange, which cover several sectors. In addition, the current study variables were corporate governance and organizational performance, moderated by organizational factors.

Agwu (2018) explored the extent to which adoption of strategic management practices among SMEs in Nigeria affected business performance in the respective organizations. Data for the study was collected using questionnaires from a total of 120 Small and Medium Enterprises (SMEs) owners. It was analysed using descriptive statistics and multiple linear regression. The findings indicated that the business strategies of the SMEs were deemed to positively contribute towards business performance. The study focus was on SMEs where business owners were mostly involved in management and leadership, while the current study focused on the listed

ST. PAUL'S UNIVERSITY

companies at the NSE, which have separate management teams from the owners of the businesses. In addition, the current study variables were corporate governance and organizational performance, moderated by organizational factors.

Qarashay and Alzu'bi (2018) studied the impact of strategic management on organizational performance at Al Khalidi Hospital and Medical Centre, Jordan. The study used the balanced scorecard (BSC) approach in measuring performance with multiple linear regression analysing the data. It was found that strategic management had positive and significant effect on organizational performance and that of the four perspectives of the BSC, internal processes were the most affected in strategic management. This study adopted a case study with the findings based on one organization as compared to the current study which looked at multiple companies in different segments at the NSE. In addition, the current study variables were corporate governance and organizational performance, moderated by organizational factors.

Drago et al. (2022) presented a systematic literature review examining the interplay between dynamic capabilities, strategic behaviour, and organizational performance, demonstrating the crucial role of understanding these elements amidst contemporary business challenges for sustaining competitiveness. Through a comprehensive analysis of 118 articles spanning from 2006 to 2021, the review elucidated the theoretical, methodological, and empirical nexus among these constructs, emphasizing the pivotal association between dynamic capabilities and competitive intensity, thereby underscoring the potential for organizations to enhance performance, through the development and deployment of dynamic capabilities in shaping strategic behaviour. The main findings of the research show that organizations can expand or modify institutional factors, shaping strategic behaviour to advance better performance. This assertion was critical in providing insights to the current study in conceptualizing the interaction between organizational factors, strategic management process and organizational performance.

ST. PAUL'S UNIVERSITY

2.3.5 Organizational Culture and Organizational Performance

A number of studies have been carried out on the effect of organizational culture on organizational performance. Mousavi et al. (2015) studied organizational culture and its influence on company performance using Iranian experience in the state bank branches. The study adopted a descriptive design and data was collected with the use of questionnaires. The study adopted the Denison Organizational Culture Model and the components used were involvement, consistency, adaptation and mission. It was found that these components of

organizational culture had an influence on company performance. The study was restricted to state bank branches in Iran focusing on the banking industry. The current study examined all sectors of companies listed on the NSE namely, agricultural, automobiles and accessories, banking, commercial and services, construction and allied, energy and petroleum, insurance, investment services, investments, manufacturing and allied, and telecommunication and technology. In addition, the study variables were corporate governance and organizational performance, moderated by organizational factors.

Oduol (2015) sought to determine the effect of organizational culture on organizational performance of selected regional banks headquartered in Kenya. The study employed a descriptive cross-sectional survey design. Data was gathered with the help of questionnaires. It was established that the banks engaged in organizational cultures in order to boost organizational performance. The study was restricted to selected regional commercial banks headquartered in Nairobi, Kenya. By contrast, the current study looked at the relationship between a number of constructs in corporate governance and various indicators defining organizational performance among listed companies at Nairobi Securities Exchange in a multi-sector setting.

Tedla (2016) carried out a study in Ethiopia and explored strategies that one corporate group used to establish an effective culture to improve performance in their organization. This was an exploratory case study where 20 senior managers were purposively selected and used in the study. Data was collected through the use of face-to-face interviews. The study adopted the Denison Organizational Culture model. The findings were that there was a defined mission that resulted into shared understanding of the managers and employees of a company. The study was exploratory, restricted in scope and used a small sample hence limiting its global replicability. The current study focused on the Kenyan context by investigating the relationship between corporate governance and organizational performance among listed companies at Nairobi Securities Exchange. In addition, the study had a large sample and adopted a mixed methods research design.

Yu-Hua (2016) analysed the link between organizational culture and organizational effectiveness. The study adopted a cross sectional design focusing on health institutions in Taiwan. The dependent variable was organizational effectiveness. In total, 900 questionnaires were sent out, of which 473 were returned validly filled. The findings were that organizational culture had a significant effect on organizational effectiveness. The current study used a mixed

ST. PAUL'S UNIVERSITY

methods research design. In addition, the current study was on the Kenyan context and investigated the effect of corporate governance on organizational performance among listed companies at Nairobi Securities Exchange in a multi-sectoral setting.

Maina (2016) sought to establish the relationship between organizational culture and organizational performance of Kenya commercial banks. The study employed a descriptive design and 42 banks were targeted. Stratified random sampling techniques were used in selecting 120 respondents. Data was gathered with the use of questionnaires. It was found that banks in Kenya had an organizational culture which shaped and determined how activities should be conducted. It was also found that staff shared similar values and belief systems and that there was a sense of identity among staff, and the overall strategic plan guided employees in an organization. The overall finding was that there was a significant positive relationship between organizational culture and organizational performance in commercial banks in Kenya. This study focused on the banking sector. In contrast, the current study investigated the effect of a range of constructs defining corporate governance and a number of indicators defining organizational performance, among companies listed at the Nairobi Securities Exchange in a multi-sector setting.

Kamaamia (2017) investigated the effect of organizational culture on organizational performance. The study was conducted using a case of the Kenya school of Monetary Studies. The study employed a descriptive survey research design. A total of 110 respondents were targeted from which 80 respondents were sampled through stratified sampling method. Data was collected with the use of questionnaires. The findings indicated that organizational culture had an influence on organizational performance. The study also pointed out the need for management to increase investment in cultures and systems in order to enhance organizational performance. The study was restricted in scope to case study in one institution and therefore limiting its replicability. The current study investigated the linkage between the broader aspects of corporate governance and organizational performance among listed companies at Nairobi Securities Exchange in a multi-sector setting.

Nikpour (2017) investigated the mediating role of employees' organizational commitment on the relationship between organizational culture and organizational performance. The study used both descriptive as well as correlational design and data was gathered with the use of questionnaires. The population constituted the employees in the education office of Kerman Province, Iran. A sample of 190 respondents was selected using Cochran's formula. The study

ST. PAUL'S UNIVERSITY

collected data with the use of questionnaires. Descriptive and inferential statistics were used to analyse the data. It was found out that organizational culture enhanced organizational performance. The independent variable in the study by Nipour was organizational culture. The current study encompassed dimensions of corporate governance as the independent variable. In addition, the main objective of the study was to investigate the effect of corporate governance on organizational performance of the listed companies on the Nairobi Securities Exchange in a multi-sector setting in Kenya.

Bashayreh (2019) studied the role of organizational culture and its effect on organizational performance among the employees of insurance companies in Jordan. The study found out that organizational culture had significant effect on organizational performance. The study adopted a descriptive design and data was gathered with the help of questionnaires. The current study used mixed methods research design. It investigated the effect of a number of constructs that define corporate governance on organizational performance, among listed companies at Nairobi Securities Exchange in a multi-sector setting in Kenya.

In Chapter 5 of Culture in Organizations: Contributions to Management Science, Sackmann (2021) investigated the correlation between organizational culture and performance, initially exploring various measurement methods for both and present research findings on the direct and indirect connections between culture and performance indicators, proposing interaction effects and non-linear relationships, ultimately questioning the assertion that strong cultures inherently enhance organizational performance. This finding was critical for the current study in providing the framework to test the efficacy of organizational culture in predicting the performance of companies listed on the NSE.

Silwal (2022) examined the association between organizational culture and organizational performance in Nepal. Organizational culture was operationalized as a construct of power distance, clan culture, uncertainty avoidance, firm innovation, and market culture. The current study operationalized organizational culture as a construct of teamwork, code of conduct, adaptability, and core values.

2.3.6 Organizational Factors, Corporate Governance and Organizational Performance

A number of studies have been carried on the relationship between organizational factors and organizational performance. Ali et al. (2016) investigated company size and its effect in relationship between management participation and organizational performance. A survey research design was used where a survey of 176 manufacturing companies in Nairobi were

ST. PAUL'S UNIVERSITY

covered. The study failed to demonstrate whether company size moderated the relationship between management participation and organizational performance. The current study sought to test whether company size moderates the relationship between corporate governance and organizational performance for companies listed at Nairobi Securities Exchange in a multi-sector setting.

Ali (2017) did a study on company size and its effect on the dimensions of strategic planning and performance of manufacturing entities in Kenya. In the study, entity size was explored as a moderator variable. A total of 191 entities were included in the study. The study did not find size to be a significant moderator variable. The present study sought to determine if the interaction between corporate governance and organizational performance was moderated by age and size of companies listed at Nairobi Securities Exchange in a multi-sectoral setting.

Pervan et al. (2017) used a case of the food industry in Croatia to link the age of an organization and organizational performance. The methodology adopted was dynamic panel data where a total of 956 companies were included in the analysis. The study considered the period 2005 to 2014. The analysis found out that company age had an inverse relationship with organizational performance. The current study was on the relationship between several components that define corporate governance and a number of indicators that comprise organizational performance, moderated by organizational factors (size and age) of listed companies at Nairobi Securities Exchange in a multi-sectoral setting in Kenya.

Omenyo and Muturi (2019) used a case of manufacturing Nairobi Securities Exchange-listed companies to explore the entity size and performance relationship. Information was obtained from secondary sources covering the period 2012 to 2018. Panel descriptive statistics were adopted for analysis of the data collected. The study found that the size of an entity had significant influence on organizational performance. The current study adopted a multi-sectoral approach on listed companies at the Nairobi Securities Exchange. In addition, it used a cross sectional survey to obtain primary data.

Reed (2020) sought to find out the effect of company age and company size on strategic agility and performance. The study was carried out in Florida, US and used the Dun & Bradstreet data base to identify survey participants. In the methodology, multiple aspects were addressed due to the nature of the study and included descriptive and quantitative analysis as well as multiple regression analysis. Leveraging survey data from the CEOs, the study found significant relationships between company age and strategic agility, and between strategic agility and

ST. PAUL'S UNIVERSITY

company performance. The current study investigated the linkage between corporate governance and organizational performance, moderated by organizational factors (age and size), among listed companies at Nairobi Securities Exchange, in a multi-sectoral setting in Kenya. In addition, the study adopted a cross sectional survey to obtain primary data.

Doucoure' and Diagne (2020) analysed the size and age effect on performance of small companies dealing with food in Senegal. This was a survey where 250 managers from the companies were included. The study found out that company size and age significantly affected company performance. The current study investigated the link between corporate governance and organizational performance, moderated by organizational factors (age and size) among listed companies at the Nairobi Securities Exchange in a multi-sectoral setting in Kenya.

Hung et al. (2021) used a case of private companies in Vietnam to provide the link between size and performance. The study was informed by data from the Annual Enterprise Survey that covered the period 2009 to 2018. Ordinary least squares (OLS) was adopted in analysing data. It was found that total assets were the greatest proxy of a company that greatly impacts on organizational performance, followed by overall labour and growth rate. The current study investigated the link between corporate governance and organizational performance, moderated by organizational factors (age and size) of the listed companies at the Nairobi Securities Exchange, in a multi-sectoral setting in Kenya. In addition, primary data was obtained by adopting a cross sectional survey.

ST. PAUL'S UNIVERSITY

2.4 Summary of Literature Review and Research Gaps

Table 1

Research Gaps

Author(s)	Purpose of the Study	Methodology	Key Findings	Research Gaps	How this study fills the research gaps
Sammoudi (2016)	To measure the effect of organizational structure on institutional efficiency in the education sector of Palestine.	A random sample size of 50 employees was selected from a population of 400. A descriptive and analytical approach was adopted in data analysis.	There is inadequate cooperation in organizing activities in institutions and that organizational structure has effect on institutional efficiency.	The study was conducted in Palestine. It focussed on the effect of organizational structure on institutional efficiency. A descriptive research design was used.	The present study was conducted in Kenya. The study focuses on the effect of corporate governance on organizational performance. Mixed methods design is used in the study.
Maina (2016)	Studied organizational culture and its influence on performance of commercial banks in	42 banks were targeted. Stratified random sampling was used	Found a significant positive relationship between organizational culture and	The study covered Kenyan commercial banks.	The present study covers all the listed companies at the NSE in a multi-sectoral setting,

ST. PAUL'S UNIVERSITY

	Kenya.	in selecting 120 respondents. Data was gathered using questionnaires.	organizational performance in commercial banks in Kenya.	The study employed a descriptive research design.	which includes banks. The study employs mixed methods research.
Yu-Hua (2016)	To analyse the link between organizational culture and organizational effectiveness focusing on health institutions in Taiwan.	900 questionnaires sent out of which 473 were validly filled and returned. A cross-sectional design adopted.	Organizational culture has significant effect on organizational effectiveness.	The study looked at organizational effectiveness as the dependent variable. The study analysed the link between organizational culture and company effectiveness.	The present study has organizational performance as the dependent variable. The study analyses the link between corporate governance and organizational performance.
Kasera (2017)	Studied the effects of strategic management on organizational performance focussing on health institutions operating in Nairobi City County.	Population was the management team of the health facilities. Descriptive cross-sectional survey design adopted.	Strategic management has significant effects on organizational performance of health institutions in Nairobi City	The focus of the study was on health institutions operating in Nairobi, Kenya. The study used a descriptive cross sectional survey design.	The present study cuts across companies in various sectors of companies listed at the NSE. This study uses

ST. PAUL'S UNIVERSITY

			County.		mixed methods research
Kamaamia (2017)	Examined the effect of organizational culture on organizational performance at the Kenya School of Monetary Studies in Kenya.	A case study of the Kenya School of Monetary Studies. 110 respondents were targeted from which 80 were sampled using stratified sampling method. Data was collected using questionnaires and analysed using descriptive and inferential statistics.	Found a significant relationship between organizational culture and organizational performance at the Kenya School of Monetary Studies.	The case study was restricted to one institution. The study examined the effect of organizational culture on organizational performance.	The present study was conducted among listed companies at NSE. The study examines the effect of corporate governance on organizational performance.
Rohana and Abdullah (2017)	To determine the influence of leadership competencies on organizational performance.	Questionnaires were used to collect primary data.	Leadership competencies have significant effect on organizational performance.	The study looked at leadership competencies. Took place in Malaysia.	The present study covers leadership as a whole. The study focuses on NSE listed companies in Kenya.

ST. PAUL'S UNIVERSITY

Estalaki (2017)	Study was on the effect of organizational structure on organizational efficiency.	384 respondents were sampled. Data analysed using correlation coefficient and linear regression.	Organizational structure has significant effect on organizational efficiency.	The study used organizational efficiency as the dependent variable. The study used a descriptive design. The study was done in Iran. The study restricted itself to one independent variable; organizational structure and one indicator; organizational efficiency.	The present study focuses on organizational performance as the dependent variable. This study uses mixed methods design. The study focuses on NSE listed companies in Kenya. It uses corporate governance as the independent variable and organizational performance as the dependent variable additionally, organizational factors are used as the moderating variables.

ST. PAUL'S UNIVERSITY

Nikpour (2017)	To investigate the mediating role of employees' commitment on the relationship between organizational culture and firm performance.	Population constituted the employees in the education office of Kerman Province, Iran. A sample of 190 respondents was selected using Cochran's formula. Descriptive and inferential statistics were used in data analysis.	Organizational culture enhances firm performance.	The mediator variable in the study was employee involvement. The study used both descriptive as well as correlational design. The study was done in Iran.	The present study uses organizational factors as moderating variable. The study uses mixed methods research. It is on Nairobi Securities Exchange listed companies in Kenya.
Agwu (2018)	To explore the extent to which strategic management practices in SMEs in Nigeria affect business performance.	120 SMEs selected. Data collected using questionnaires. Data was analysed using descriptive statistics and multiple linear regression.	The business strategies of the SMEs were deemed to positively affect business performance.	The study covered SMEs operating in Nigeria.	The current study is conducted on all the companies listed on the Nairobi Securities Exchange in Kenya. It uses corporate

ST. PAUL'S UNIVERSITY

				Used strategic management practices as the independent variable.	governance as the independent variable.
Ogbo et al. (2018)	To establish the impact of organizational structure on performance of selected technical and service organizations in Nigeria.	Survey design adopted. Data gathered using questionnaires. Sample of 80 selected out of which 78 were filled and returned.	The study found that organizational structure had an influence on organizational performance.	The study was carried out in Nigeria. The study sought to establish the impact of structure on organizational performance.	The present study was done in Kenya The study seeks to establish the effects of composite constructs of corporate governance on organizational performance. Additionally, organizational factors are used as a composite moderating

ST. PAUL'S UNIVERSITY

					variable.
Onono (2018)	Sought to establish the relationship between organizational structure and organizational performance using the case of General Electric Africa.	A case study. Descriptive research design adopted. Targeted 290 respondents.	Organizational structure has a strong and positive relationship with organizational performance.	This was a case study that used evidence from General Electric Africa. The study sought to establish the relationship between organizational structure and performance.	The present study covers all the listed companies at the NSE. The study seeks to investigate the effects of corporate governance on organizational performance. Additionally, organizational factors are used as a composite moderating variable.
Njiru and Nyamute (2018)	To establish the effect of organizational structure on financial performance of commercial state corporations in Kenya.	A survey research design was adopted. Data was collected using questionnaires. Correlation and multiple linear	Organizational size, structural formation, structure complexity and structure centralization affected financial performance of	The study used a case of commercial state corporations in Kenya. Survey research design used.	The present study is conducted among listed companies at the NSE, Kenya. This study uses mixed methods

ST. PAUL'S UNIVERSITY

		regression was used in data analysis.	commercial state corporations in Kenya.	The study examined a link between organizational structure and performance of commercial state corporations.	design. The present study investigates the effect of corporate governance on organizational performance of all the listed companies at the NSE.
Qarashay and Alzu'bi (2018)	Studied the impact of strategic management on organizational performance at Al Khalidi Hospital and Medical Centre, Jordan.	The balanced scorecard was adopted to measure organizational performance. Data was analysed using multiple linear regression.	Found that strategic management had positive and significant effect on organizational performance. Of the four perspectives of the balanced scorecard, the internal processes were the most affected in strategic management.	The study was conducted in the health care sector. The study examined the impact of strategic management on organizational performance. This study adopted a case study with the	The present study cuts across all the companies listed at the NSE, Kenya, in a multi-sectoral setting. The study investigates the effect of corporate governance on organizational performance. The study is on multiple companies in

ST. PAUL'S UNIVERSITY

				findings based on one organization.	different sectorial segments at the NSE.
Omenyo and Muturi (2019)	Explored company size and corporate performance using the case of manufacturing companies listed at NSE.	Obtained information from secondary sources, covering the period 2012 to 2018. Panel descriptive statistics was adopted in the analysis of data.	Found out that the size of a company had significant influence on performance of manufacturing companies listed at NSE.	Selected the manufacturing companies listed at the NSE, only. Company size used as an independent variable. Used secondary data only. Descriptive statistics adopted in the study.	All listed companies at the NSE included in the present study. Company size is used as an element of moderating variable. Primary data is used in the study. Used both descriptive and inferential statistics in the study.
Bashayreh (2019)	Studied the role of organizational culture and its effect on organizational	The study adopted a descriptive design and data was gathered with the	The study found out that organizational culture had significant effect on	Studied the role of organizational culture and its effect on organizational	The present study investigates the effect of corporate governance on

ST. PAUL'S UNIVERSITY

	performance among the employees of insurance companies in Jordan.	help of questionnaires.	organizational performance.	performance. The geographical scope was the insurance companies in Jordan. The study adopted a descriptive design.	organizational performance. The covers all the listed companies at the NSE in Kenya. This study uses mixed methods design.
Nandasinghe (2020)	The study examined the relationship between leadership and performance outcomes through empirical review.	The study used secondary data collected from journals, websites, case studies and other published materials.	The findings indicated that leadership plays a critical role in the success of any organization. The study identified several ways of developing leadership in an organization including recognition, rewards and reoriented training.	The study focussed on the linkage between leadership and performance outcomes through empirical review. The study used secondary data. An empirical review was adopted.	The present study investigates the effect of corporate governance on organizational performance. The study adopts a mixed methods research design involving the collection of primary data from the companies listed at the NSE.

ST. PAUL'S UNIVERSITY

Taqi (2020)	This study entailed an empirical review on the relationship between leadership and performance in organizations.	The study used secondary data.	The results indicated that distinguished performance is crystallized through organized complementarity of outstanding leadership and successful management.	This study focused on the relationship between leadership and organizational performance. The study used secondary data.	The present study investigates the effect of corporate governance on organizational performance. The study uses mixed methods design involving collection of primary data from the companies listed at the NSE.
Tsirikas et al. (2020)	The study examined the impact that leadership has on performance outcomes, measured by financial ratios by looking at the mediatory role of lack of resistance among employees in Greece.	213 employees of shipping companies in Greece completed questionnaires. Structural Equation Modelling was used in the analysis.	Found evidence of presence of mediation of resistance to change among employees on the way leadership influences performance.	The study examined the impact that different leadership styles have on performance outcomes. The study examined employees in shipping companies within Greece.	The present study investigates the effect of corporate governance on organizational performance. The study uses primary data collected from the

ST. PAUL'S UNIVERSITY

					companies listed at the NSE in Kenya.
Doucoure' and Diagne (2020)	The study analyzed the effect of size and age on performance of small companies dealing with food in Senegal.	Survey method used.	The study noted that company size and age significantly affect company performance.	The study used size and age as the independent variables. Study was on small companies dealing with food in Senegal.	The current study seeks to use age and size as moderating indicators of the composite variable; organizational factors. Study is on listed companies at the NSE, Kenya.
Reed (2020)	Sought to find out the effect of company age and company size on strategic agility and performance.	Addressed multiple aspects due to the nature of the study, including descriptive and quantitative analysis as well as multiple linear regression analysis.	Found significant relationships between company age and strategic agility and between strategic agility and company performance.	Study done in US. Company size and age used as the independent variables.	Current study in the Kenya. Company age and size used as constructs of the moderating variable; organizational factors

ST. PAUL'S UNIVERSITY

Hung et al. (2021)	This study used a case of private companies in Vietnam to provide the link between company size and performance.	The study was informed by data from the Annual Enterprise Survey that covered the period 2009 to 2018. Ordinary least squares (OLS) was adopted in analysing data.	The study established that total assets are the greatest proxy of a company that greatly impacts on organizational performance followed by overall labour and growth rate.	A sample was drawn from private companies in Vietnam. This study used a case of private companies to provide the link between size and performance.	The current study uses primary data collected from the companies listed at the NSE in Kenya. The study links corporate governance and organizational performance.

Source: Researcher (2022)

ST. PAUL'S UNIVERSITY

2.5 Accountability Principle and Organizational Performance

The principles of corporate governance include accountability, fairness, transparency, independence and compliance. These principles are interrelated and collectively contribute to a strong corporate governance framework that supports sustainable business growth and the protection of stakeholder interests. The linkage between the principle of accountability in corporate governance and organizational performance is supported by several theories, primarily agency theory, which is used in the current study. The agency theory focuses on the relationship between principals (shareholders) and agents (managers). It posits that conflicts of interest can arise because agents may pursue their own goals rather than those of the principals. Accountability mechanisms, such as transparent reporting and oversight, are critical in reducing agency costs by aligning the interests of managers with those of shareholders. When managers are held accountable, they are more likely to make decisions that enhance organizational performance as their actions are subject to scrutiny and evaluation by the shareholders (Jensen & Meckling, 1976).

There are other sources that support the link between the accountability principle in corporate governance and organizational performance. The OECD outlines core principles of corporate governance, emphasizing accountability as a key aspect of effective governance. The principles discuss how accountability contributes to the integrity of organizational structure and its impact on organizational performance (OECD, 2015). The UK Corporate Governance Code emphasizes accountability and its role in ensuring that corporate leadership is aligned with the interests of shareholders. This alignment is critical for maintaining investor confidence and supporting long-term organizational performance (The Financial Reporting Council, 2018). Claessens and Yurtoglu (2013) discuss the impact of corporate governance practices, including accountability, on firm performance in emerging markets. The authors provide empirical evidence on how strong governance frameworks contribute to better organizational outcomes. Bebchuk and Weisbach (2010) provide a comprehensive review of corporate governance research, highlighting the role of accountability in governance practices and its effect on firm performance.

The principle of accountability in corporate governance is crucial as it ensures that the actions of corporate leaders are aligned with the organization's goals and objectives thereby enhancing trust and confidence among investors and other stakeholders. In the context of the current study, the principle of accountability was particularly relevant to the specific objective of

ST. PAUL'S UNIVERSITY

assessing the effect of corporate leadership on organizational performance. Effective corporate leadership that embodies accountability ensures that decisions are made transparently and that leaders are held responsible for their actions and their impact on company performance. This alignment can lead to better strategic decisions, efficient use of resources, and ultimately, improved organizational performance. By integrating the principle of accountability into the analysis of corporate leadership, the current study explored the linkages between leadership and the performance outcomes of listed companies at the NSE. This linkage provided a clear connection between corporate governance practices and organizational performance, highlighting the importance of accountability as a key driver of success in a company environment.

2.6 Conceptual Framework

A conceptual framework is used to illustrate what one expects to find through someone's research, including how the variables the researcher is considering, might relate to each other (Bas, 2015). It explains the path of a research and grounds in theoretical constructs (Adom et al., 2018). There are, in most cases, the presumed assumptions that can either be proven as right or wrong. This study is conceptualized around corporate governance and performance outcomes registered by companies that are listed at the NSE. Global statistics highlight a number of companies facing resource mismanagement, leading to closures because of poor corporate governance practices. Locally, the situation is not any different which begs the question: how has corporate governance affected company performance in Kenya? Specifically, the study sought to evaluate the effect of corporate leadership, organizational structure, strategic management process and organizational culture on organizational performance, besides exploring the moderating effect of organizational factors in the relationship between the corporate governance and organizational performance, of the companies listed at the NSE.

The study is developed based on the premise that the directors that are entrusted with the management of the operations of companies listed at the NSE make prudent decisions aimed at optimizing the benefits and protecting the interests of all stakeholders. This is due to the fact that directors possess more knowledge about a company. The construct on corporate leadership addresses the conduct of persons entrusted with directing, organizing and management of organizational resources to ensure that all other resources work harmoniously to the achievement of espoused organizational objectives. It evaluates the aspects of influence that

ST. PAUL'S UNIVERSITY

individuals entrusted with providing direction through decision making in an organization have on their followers and its outcome on company performance. A board of directors of a company formulates strategies, communicates them to the teams in the form of shared vision, mission statement and objectives. These can be cultivated through core values and shared beliefs. Corporate leadership is supposed to offer a sense of direction through coaching, mentorship and other programs.

The second independent construct in the study is organizational structure which addresses the chain of command and how it influences decision making and performance outcomes. Organizational structure captures formal reporting relationship in an organization. It influences teamwork and cohesion among staff for optimal performance. It also evaluates the form of communication that takes place both vertically and horizontally. It assesses the effectiveness of the channels and communication effectiveness. Latifi and Shooshtarian (2014) aver that organizational structure outlines the reporting and accountability structures of an establishment. It defines which position is charged with what responsibility in an establishment. It checks and has influence on the level of formalization and decentralization which are key parameters for timeliness and quality decision making.

The third independent construct addresses the processes followed in formulating, implementing, monitoring and evaluating strategic plans to ensure that company goals are set and monitored closely to ensure that the espoused future state is achieved. Thompson et al. (2015) state that strategic management process deals with formulation of long-term plans of an organization. It looks at the entire process of strategic management starting from situation analysis which borrows from the strengths, weaknesses, opportunities and threats (SWOT) analysis so that appropriate strategies can be put in place to align organizational operations for achievement of set objectives and organizational goals. It looks at environmental analysis, strategy formulation, implementation, evaluation and control.

The fourth independent construct is organizational culture, which is a study of shared beliefs, values, behaviours and practices that define a group of people or society. Robbins and Judge (2011) noted that most large organizations have a dominant culture and numerous subcultures. This is particularly so in multinationals. Organizational culture covers written and unwritten rules that govern the way things are accomplished. It assesses the level of cohesion and ability to work together as teams and strategic business units to realise organizational objectives. Organizational culture determines the level of commitment and the work of employees in their

ST. PAUL'S UNIVERSITY

day-to-day operations. It concerns aspects of teamwork, code of conduct, adaptability and core values.

The dependent variable is organizational performance which could be measured in financial or non-financial terms. This study adopts the indicators of performance as outlined by Kaplan and Norton (1992). The specific indicators include: revenue, profitability, customer satisfaction, employee satisfaction and adoption of technology.

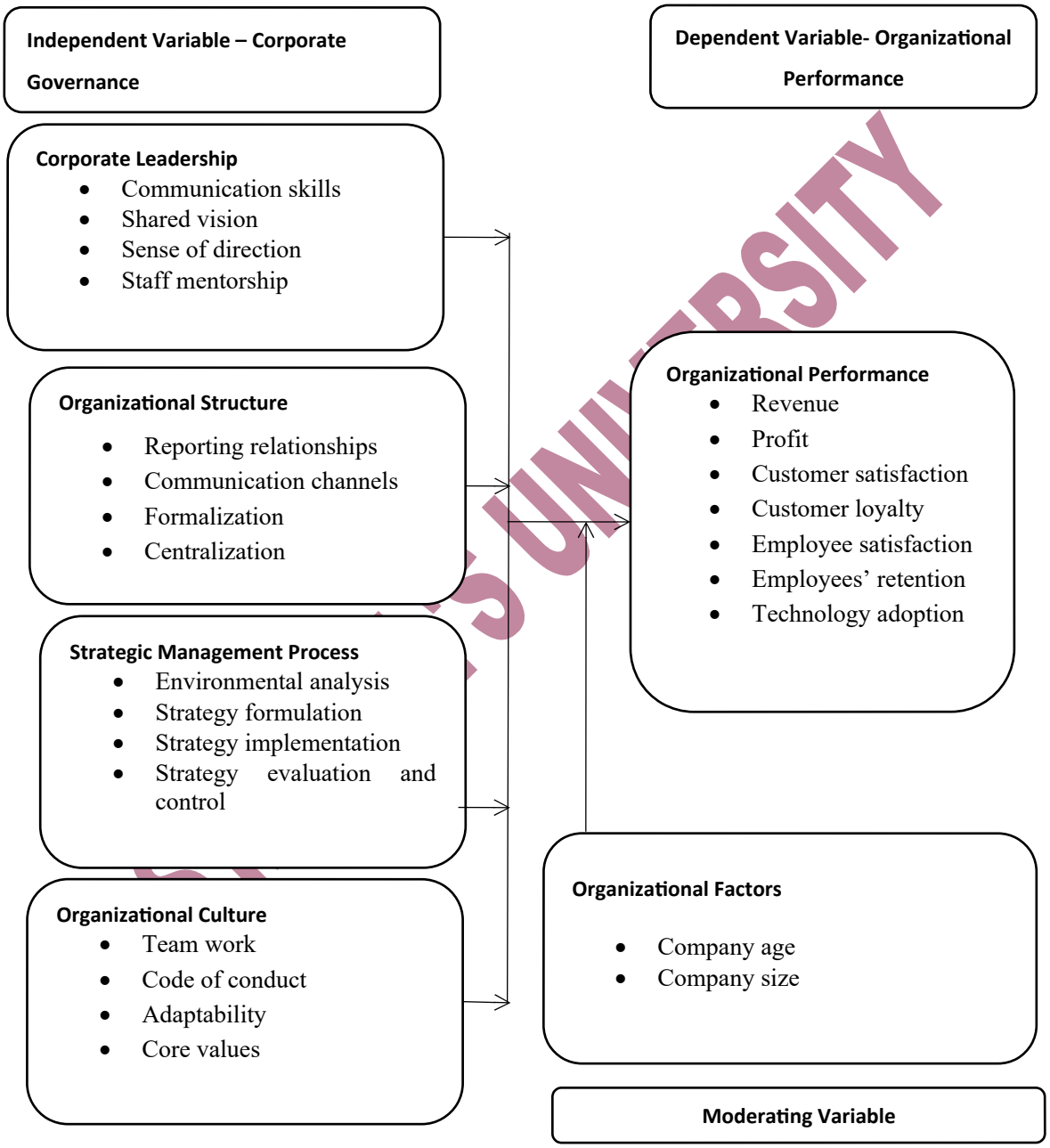
The conceptual framework has a moderating variable which is organizational factors. These are elements within an organization that affect the outcomes obtained. Danso et al. (2020) argued that distinguishing organizational factors influence an organization's affinity for investments, which in turn impacts risk-taking prospects and performance. The specific constructs considered in this study under this variable are company's age and size. Given that age and size were absolute numbers, the different data sets were reconciled using a unified five-point scale consistent with the Likert Scale, as for the rest of the study variables. The current study employed the variable normalization statistical procedure using SPSS to harmonize the diverse metrics of the age and size variables into the unified five-point scale.

The conceptual framework for this study is shown in Figure 3 below.

ST. PAUL'S UNIVERSITY

Figure 3

Conceptual Framework



Source: Literature Review and Researcher (2022)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Overview

This chapter outlines how the objectives of the study were attained. The chapter covers research philosophy, research design adopted, population, data collection and analysis, and ethical considerations. These are discussed in detail below.

3.2 Research Philosophy

Research philosophy is a belief about the way in which data about a phenomenon should be gathered, analysed and used (Hammersley, 1993). It is a set of views and assumptions regarding the generation of knowledge. It is what an investigator does while starting a research project and gaining new knowledge (Saunders et al., 2019). There are four types of research philosophies; pragmatism, positivism, realism and interpretivism. Pragmatism is action oriented. Positivism is driven by science. Realism focusses on the independence of reality from the human mind. Interpretivism focuses on social constructions such as language, consciousness, shared meanings, and instruments (Bryman, 2016).

Pragmatism is the philosophical foundation used by the researcher in this study. It is a research philosophy that emphasizes the practical consequences and utility of research findings (Menary, 2016). Pragmatism acknowledges that multiple perspectives and methods can contribute to a deeper understanding of a research problem. It values the use of both quantitative and qualitative approaches, recognizing that each method has strengths and weaknesses, and that combining them can provide a more comprehensive understanding of complex phenomena (Creswell & Clark, 2018; Saunders et al., 2019; Tashakkori & Teddlie, 2010).

Pragmatism serves as the foundational philosophy for mixed methods research, allowing researchers to draw on diverse methodologies to address research questions effectively (Creswell & Plano Clark, 2018; Johnson & Onwuegbuzie, 2004; Saunders et al., 2019; Teddlie & Tashakkori, 2009). The current study used mixed methods design, explanatory model, in seeking to investigate the effect of corporate governance on organizational performance, moderated by organizational factors, with the aim of generating an evidence base, that can be

ST. PAUL'S UNIVERSITY

used to improve the governance of companies listed at the NSE. By adopting pragmatism philosophy, the researcher triangulated qualitative and quantitative data in the final analysis. The linkage between pragmatic research philosophy and mixed methods design, explanatory model, is characterized by their shared commitment to generating actionable knowledge through a flexible, interdisciplinary, and iterative approach. By leveraging the mixed methods design, explanatory model, within the pragmatic framework, the researcher sought to uncover causal relationships as well as provide meaningful explanations on the effect of corporate governance on organizational performance, for the listed companies at NSE in a manner that was both theoretically rigorous and practically relevant.

3.3 Research Design

A research design is a guide that determines the methods of data collection and analysis of findings in a study (Merriam & Tisdell, 2016). It is a framework that dictates the entire process of achieving research objectives. Research designs are useful in testing different types of hypotheses. Creswell and Plano Clark (2007) postulate that the rigor of a research design is a function of its diverse nature in embracing mixed methods. This study adopted mixed methods research. According to Creswell and Plano Clark (2007), there are four major types of mixed research methods designs, the Triangulation Design, the Embedded Design, the Explanatory Design, and the Exploratory Design. In this study, a mixed methods design, explanatory model, was used. An explanatory model focuses on cause and effect analyses which are most appropriate with doctoral studies, where the research topic is usually narrowed to allow for uniqueness and in-depth examination, by focusing on why and how questions (Sakyi et al., 2020).

A mixed methods research design, explanatory model (adopted from Mugenda and Mugenda (2019) , was the most appropriate for this study because it focused on an in-depth investigation of the effect of corporate governance on organizational performance, thereby adequately responding to the overall objective of the study. The study mainly adopted a quantitative technique that used a cross-sectional approach. The quantitative technique involved the collection of information using both closed and open-ended questions on key determinants of corporate governance and indicators of organizational performance. The information established from open ended questions was used to complement the quantitative data that was collected using closed ended questions of the study. The triangulation of both closed ended and open-ended questions allowed for complementarity of data. This assertion is highlighted by

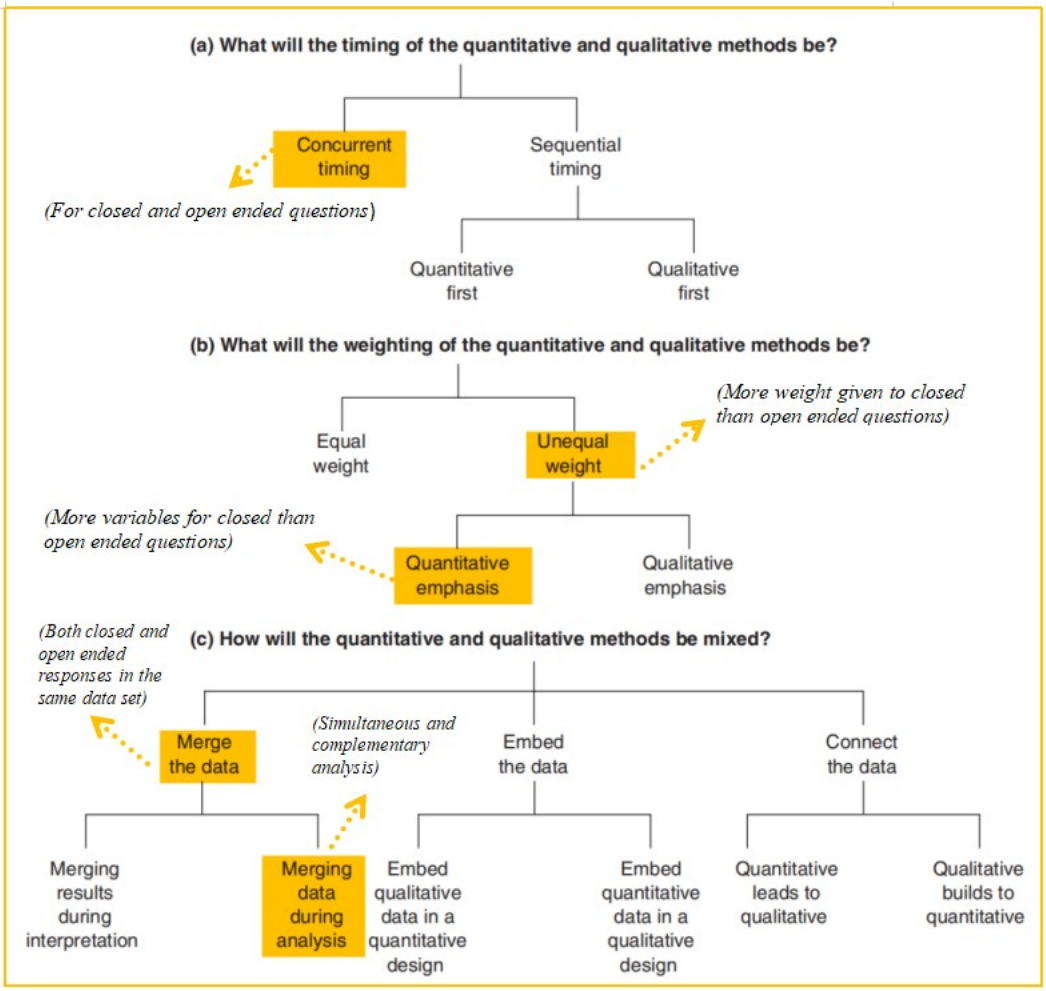
ST. PAUL'S UNIVERSITY

(Flick, 2018). The use of cross-sectional survey allowed the researcher to collect data covering listed companies at the NSE using one window of observation; 2023 time period.

The study adopted the segments, as highlighted, of the road map of the current study's mixed methods approach from Creswell and Plano Clark (2007), in the figure 4 herein below.

Figure 4

Road Map of the Current Study's Mixed Methods Approach



Source: Adapted from Creswell and Plano Clark (2007)

3.4 Study Population

A population is group of elements that have common observable traits (Bell et al., 2022). It refers to an entire group of individuals or instances about whom a study is concerned. It is therefore a larger, all-encompassing group (Cohen et al., 2017). A target population, on the other hand, is a specific subgroup within the larger population that a researcher may be interested in studying. It represents the group to which the study's findings are generalised or

applied (Cresswell & Cresswell, 2017). The unit of analysis for this study, that is, the entities that were studied as a whole, were all the 60 companies listed on NSE. The units of observation were the chairpersons of the boards of directors in the 60 companies listed on NSE as at 30th June, 2022. The entire population of the study comprised of the members of the boards of directors of the 60 companies who were 555 as at 30th June, 2022. However, the target population of the study were the chairpersons of the boards of directors (or the nominated representatives) in the 60 companies listed in NSE as at 30th June, 2022 as shown in Table 2 below. The chairpersons of the boards were targeted because of their overall oversight in ensuring adherence to corporate governance practices in the respective companies. In addition, there are more likely to be informed about the affairs of a company due to their positions and, are also able to delegate tasks.

Table 2

Target Population

Sector	Number of Companies	Number of Chairpersons of the Boards
Agricultural	6	6
Automobiles and Accessories	1	1
Banking	10	10
Commercial and Services	13	13
Construction and Allied	5	5
Energy and Petroleum	3	3
Insurance	6	6
Investment Services	1	1
Investments	5	5
Manufacturing and Allied	8	8
Telecommunication and Technology	2	2
Total	**60**	**60**

Source: The Researcher

3.5 Census survey

This is the step in a research process that outlines how the study subjects were chosen. It demonstrates the procedure for obtaining the respondents that were utilized directly in the investigation. Census design, often referred to simply as a "census", was adopted by the researcher. The design involves collecting data from every member of the population rather than selecting a subset (sample) of the population. This approach is used to gather

ST. PAUL'S UNIVERSITY

comprehensive data, ensuring complete coverage and avoiding sampling errors (Groves et al., 2009).

3.5.1 Census Frame

A census was carried out that encompassed all the chairpersons of the boards of directors of the companies listed on the NSE. The census method is a statistical investigation in which data is collected for units of the population. It is also known as complete or 100% enumeration or complete survey (Gupta & Kapoor, 2001). n.d. is this a citation? year? Yes, replaced by a dated alternative). The study considered companies as the units of analysis while the chairpersons of the board of directors were the units of observation. A census method was used to obtain information from the companies listed on NSE rather than from a representative subset or sample. Therefore, every NSE listed company was included in the study, which was a comprehensive and accurate analysis of the entire population.

This study utilized census selection method because, first, it possesses a remarkable level of precision. The use of a census approach eliminates the possibility of sampling errors, guaranteeing that the data gathered reliably reflects the complete population of NSE-listed companies. This precision held significant importance in achieving precise outcomes. Second, it eliminated sampling bias. Sampling bias, which can occur when selecting a sample, was eliminated because all the NSE-listed companies were included (Gupta & Kapoor, 2001). This ensured that the results were not skewed by a non-representative sample. It provided room for detailed analysis. The researcher was able to perform more detailed analysis given that data on each company that responded was available. The units of observation were the chairpersons of the boards of directors of the listed companies.

A census method refers to a systematic approach employed in statistical research to gather data from an entire population or a substantial portion thereof. Unlike conventional sampling techniques, which select a subset of the population to represent the whole, a census aims to comprehensively collect information from every individual within the defined target population. This method is particularly advantageous when the population under study is relatively small or when resources do not permit the exhaustive examination of an entire population. The efficacy of a census lies in its capacity to provide a complete and accurate portrayal of the population characteristics, thereby reducing the margin of error and enhancing the reliability of findings. By encompassing a census, no subgroup is overlooked, thus

ST. PAUL'S UNIVERSITY

minimizing the risk of sampling bias. Consequently, researchers can draw more robust conclusions and make more informed decisions based on the comprehensive dataset obtained through this method. A census facilitates precise estimation of population parameters (Kish & Verma, 1986). To obtain information from respondents, a questionnaire was adopted. Using a questionnaire for a small target population of 60 was justifiable given that through a standardized questionnaire, the researcher ensured consistency in the data collection process, reducing the potential for bias or error (Bryman, 2016; Dillman et al., 2014).

The researcher employed a census technique to collect data from the NSE listed companies' chairpersons of the board of directors to ensure that no chairperson was overlooked. This enabled the study to yield a comprehensive understanding of the effect of corporate governance on organizational performance, moderated by organizational factors for companies listed at the NSE. The census method represented a potent tool in that it offered unparalleled accuracy and completeness in data collection. Its efficacy was manifested in its ability to provide comprehensive insights of the effect of corporate governance on organizational performance, thereby bolstering the validity and reliability of research findings.

The respondents' selection is as shown in table 3 herein below.

Table 3

Study Respondents

Sector	**Number of Companies**	**Chairpersons Selected**
Agricultural	6	6
Automobiles and Accessories	1	1
Banking	10	10
Commercial and Services	13	13
Construction and Allied	5	5
Energy and Petroleum	3	3
Insurance	6	6
Investment Services	1	1
Investments	5	5
Manufacturing and Allied	8	8
Telecommunication and Technology	2	2
Total	**60**	**60**

Source: NSE

ST. PAUL'S UNIVERSITY

3.5.2 Respondents' Selection Procedure

As pointed out earlier, the study used census for the units of analysis. All the listed companies, being the units of analysis, were included in the study. The units of observation, comprising of the chairpersons of the boards of directors, were selected using a census method. A census of surveying all individuals of a target population of 60 was the best alternative methodology for such a size of population. In this instance, designing a well-structured questionnaire is paramount. This entails formulating clear and concise questions, conducting pilot testing with a subset of respondents, and upholding ethical standards concerning privacy and confidentiality. Employing a questionnaire in a survey for a population of 60 was feasible (Kish & Verma, 1986).

3.6 Data Collection Instruments

This study used both primary and secondary data. Primary data was collected using semi-structured questionnaires while secondary data was sourced from the companies' repositories. Questionnaires were used because they represented the first-hand source of information that is free of bias. The use of both closed and open-ended questions allowed the researcher to get an in-depth understanding of the issues raised under each research question that aided in the drawing of inferences and testing of the hypotheses formulated in the study. The questionnaire was divided into sections based on the objectives. It was structured on a Five-point Likert Scale, where 1=not sure, 2= strongly disagree, 3=disagree, 4=agree, and 5=strongly agree.

3.7 Pilot Testing

Pilot testing was carried out to establish the validity and reliability of the research instruments and to enhance face validity. The pilot sample should be large enough to account for any significant differences in the population that may influence responses. Small surveys require a minimum of 10 respondents while larger surveys may require between 100 and 200 respondents (Saunders et al., 2019). In the pilot phase, twelve (12) companies were randomly selected. The twelve comprised about 20% of the companies listed on NSE. Thereafter, one director, who was not a chairperson from each of the companies, was picked from the twelve companies by using simple random sampling. Pilot studies allow researchers to test the feasibility of their study design, procedures, and data collection methods before conducting a full-scale project. By using a different sample, researchers can identify issues or challenges early and make necessary adjustments (Pearson et al., 2020).

ST. PAUL'S UNIVERSITY

A questionnaire or an interview schedule is pre-tested as a mini version of the actual administration of a particular research instrument (Van Teijlingen & Hundley, 2002). Sekaran and Bougie (2010) propose that the questionnaire pilot testing should be done through personal interviews with the respondents in order to observe their reactions and attitudes. This also helps clarify any challenges that may be experienced in the course of execution which helps in improving the final questionnaire. However, due to limitations resulting from the COVID-19 pandemic, the pilot testing was administered electronically. All aspects of the questionnaire were pre-tested including question content, wording, language, sequence, form and layout, question difficulty and instructions. Consequently, the feedback obtained was taken into consideration to improve the questionnaire before the administration to the final study respondents.

3.8 Data Collection Procedure

The researcher sought for a letter of introduction from St. Paul's University which indicated the purpose of the study being academic purposes. The researcher, in addition, applied for and obtained a research permit from the National Commission of Technology, Science and Innovation (NACOSTI) which authorised the collection of data from the field in order to achieve the set research objectives. Using the letter of introduction from St. Paul's University and the permit from NACOSTI, the researcher notified, in writing, the top management of the NSE listed companies (assisted by NSE) about the study. The researcher administered the questionnaire on the respondents through online methods because of the health care challenges that had been brought about by the COVID-19 pandemic, which limited physical contact including hard copies of the questionnaires. A follow up was done using phone calls and emails in order to ensure a high response rate.

ST. PAUL'S UNIVERSITY

3.9 Validity and Reliability of the Instruments

This section provides a discussion of how the researcher ensured validity and reliability of the instruments that were used in the study. The validity and reliability of the instruments were determined after the pre-testing exercise.

3.9.1 Validity of Instruments

Validity is the extent to which an instrument measures what it asserts to measure. The validity of a research instrument assesses the extent to which the instrument measures what it is designed to measure (Mohajan, 2017). The study tested for content, construct, face and

discriminant validity. The most fundamental issue with validity is determining if a measurement properly measures what it was supposed to assess and has representative data. The idea of content validity was used to assess how well data collected with the developed instruments, accurately represented the scope of the study. The existence of construct validity was determined by looking at the theories that underpin the primary topic of the study. To ensure the questionnaire's validity, experts' opinions were sought. Academicians and senior researchers are specialists whose input was solicited, and their recommendations were used to improve study tools and increase face validity.

The researcher also conducted a literature review in order to identify relevant concepts that enabled the researcher to identify the various dimensions and concepts that relate to corporate governance and its effect on the organizational performance of the companies listed at the NSE. The questionnaire items were subjected to exploratory component analysis to determine discriminant validity, which aims to isolate a construct in order to test what others will not be measuring. The questionnaire items were reduced to a group of uncorrelated items that were measured as a result of this process. The generalizability of the study findings was assessed by ensuring that the survey respondents were representatively selected.

3.9.2 Reliability of the Instruments

Instrument reliability refers to the instrument's ability to replicate data. This indicates that an instrument's dependability is established when the findings acquired on a variable remain consistent after several administrations. The proclivity towards consistency is known as reliability. It refers to the capacity of an instrument to make precise measurements. It is a system of measurement for determining if the indicators and the construct being measured are symmetric (Mohajan, 2017). Saunders et al. (2019) aver that the precision with which measurement tools are utilized in research is referred to as internal consistency.

Cronbach's alpha was used to measure internal consistency in determining the study instrument's reliability. This method offered average measurements as well as correlations for the measured items. Taber (2018) recommends that the Cronbach's Alpha value should be between 0 and 1. To be regarded acceptable, Cronbach's alpha should be 0.7 or above. As a result, the study's lower bound for gauging dependability was set at 0.7. The Cronbach's alpha was calculated in SPSS using the Reliability Analysis process after the pilot study was completed.

ST. PAUL'S UNIVERSITY

3.10 Data Analysis

The data collected was both qualitative and quantitative in nature. Qualitative data was analysed using content analysis. The use of content analysis allowed the researcher to explore themes from the data that helped in addressing the research objectives of the study. The data was captured using online data collection tools. The online data collection automated the capturing of complete and accurate data Real-Time. Data was mined from the online ona.io platform and exported to SPSS tool version 29 and STATA version 18 for analysis. Descriptive statistics covering the mean and standard deviation (as measures of central tendency and dispersion respectively) was utilised to summarize the quantitative data.

In order to test the formulated hypotheses and make relevant deductions on the key determinants of corporate governance and the indicators of organizational performance while also testing for moderating effect of organizational factors (company age and company size), the study adopted a funnel approach in the analytical framework. The first step was to run the descriptive statistics of the key determinants' measurements, specifically, corporate leadership, organizational structure, strategic management process, organizational culture and the indicators of organizational performance of the companies that are listed at the NSE. The second step entailed associational analysis of the relationships between the determinants of corporate governance and the indicator measurements of organizational performance. The third step was to run a multiple linear regression model for testing for the relationships between independent determinants (corporate leadership, organizational structure, strategic management process, organizational culture), and the dependent variable, organizational performance. The specifications of the regression models used for analysis and testing of hypotheses are as provided in the subsequent sections.

Descriptive statistics enabled the researcher to describe and compare variables numerically. The statistics focused on the mean as well as the standard deviation. To describe the extent of spread of numerical data, the researcher used the standard deviation. Correlation analysis was used to examine the strength and direction of correlation between variables and was thus effective in showing evidence on the variables' relationships. For such an analysis to be performed, the following conditions must be met: There should be a linear interaction, no large outliers to mislead results, and the data should not exhibit considerable non-normality.Values would range from 0 to ±1, with scores over 0.7 or close to 1.0 indicating a significant relationship between factors (Saunders et al., 2019). To assess whether the size of the

ST. PAUL'S UNIVERSITY

coefficient observed occurred by chance or not, statistical tests of significance between p=0.000 and p=0.05 were determined.

Multiple linear regression analysis was used to test the fifth objective; that is, to assess the moderating effect of organizational factors in the relationship between corporate governance and organizational performance of listed companies at NSE. In order to estimate moderation effect, a two-step procedure was applied as recommended by Hair Jr et al. (2021).

3.10.1 Diagnostic Tests

The study conducted diagnostic tests to ensure that the linear regression assumptions made were not violated before carrying out inferential analysis. The assumptions of the Classical Linear Regression Model are linearity, the variance of error term is constant, the explanatory (independent) variables are not correlated with the error term, the mean of the error term is zero, the error term is normally distributed, the explanatory variables are independent of each other and the error terms are not correlated. The specific diagnostic tests that were conducted included the Normality Test, the Multicollinearity Test, Heteroskedasticity Test and Linearity Test.

ST. PAUL'S UNIVERSITY

Normality Test

A Normality test seeks to determine whether the data is normally distributed. A normal distribution is one where the value of mean is zero with standard deviation of 1 (Xie et al., 2015) . According to Joreskog et al. (2016), normal distributions have values of Skewness and Kurtosis of + or -2. Typically, two tests for normality are performed: the Shapiro-Wilk and the Kolmogorov-Smirnov tests. The Shapiro-Wilk test is used for datasets with less than 2,000 cases. The Kolmogorov-Smirnov test, on the other hand, is utilized with sample sizes of more than 2,000 cases (P. Mishra et al., 2019). This research had a sample size of less than 2,000 respondents. As a result, the Shapiro-Wilk test was utilized. The null-hypothesis of this study was that corporate governance has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange, Kenya. If the p value was less than the chosen alpha level of 0.05, then the null hypothesis was rejected.

Multicollinearity

Multicollinearity is a situation where the explanatory (independent) variables are highly inter-correlated (Katrutsa & Strijov, 2017). While carrying out a linear regression analysis, it is usually assumed that none of the variables is highly correlated with each other. To test for

multicollinearity, the study used Variance of Inflation Factor (VIF). A VIF is a measure of amount of multicollinearity in a set of multiple regression variables. According to Vatcheva et al. (2016) the values of VIF between 1-10 shows that there is no multicollinearity problem in the data set and thus regression analysis can proceed.

The actual threshold of VIF used in this study was computed using the following procedure suggested by Saunders et al. (2019):-

$VIF = 1 / (1-R^2)$

Where:

VIF is the variance inflation factor. A VIF of more than 10 indicates a multicollinearity problem.

R^2 is the coefficient of determination of the regression equation.

Heteroskedasticity

Heteroskedasticity is used in reference to the error term (ε) of an estimated regression model. It refers to systematic variability in spread of this error term (also called residual) over the range of the measured values (Baum & Lewbel, 2019). This study used a Breusch-Pagan/Cook-Weisberg test for heteroskedasticity. This test was used to assess whether the variance of errors in the regression model were constant across all levels of the independent variables. Additionally, the study used a histogram for regression residuals to visualize the heteroskedasticity test results.

Linearity Test

A Linearity Test seeks to establish whether the link between the independent and the dependent variables of the study is in linear form. All studies covering inferential analysis require linearity to be conducted for determining this assumption (Luukkonen et al., 1988). Proper data for running regression should have linear relationship between the variables under consideration. Data sets whose variables have no linear relationship are said to be nonlinear and this can be diagnosed by plotting i observed values against predicted values or residual against predicted values. All these values are part and parcel of the regression output (Rao & Gabr, 1980). In this study, the linear trajectory of corporate governance and organizational performance were

ST. PAUL'S UNIVERSITY

determined by the corresponding p-value derived from a bivariate correlation analysis. A p-value of less than 0.05 indicated the presence of linearity between variables.

3.10.2 Hypotheses Testing

The null hypotheses of the study were:-

H_{01}: Corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{02}: Organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{03}: Strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{04}: Organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{05}: Organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

3.10.3 Multiple Linear Regression Model

Bivariate correlation analysis was employed to elucidate the magnitude and direction of the relationship between variables. This understanding subsequently informed the selection and execution of regression analysis. Model (1), shown below, was used to determine the effect of corporate governance on organizational performance.

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon} \quad \text{..... (1)}$$

Where:-

Y = Organizational performance

X_1 = Corporate leadership

X_2= Organizational structure

X_3= Strategic management process

X_4= Organizational culture

ST. PAUL'S UNIVERSITY

ε = Error term

β_0= Constant

β_1….. β_n= beta coefficients

Beta Coefficient

A beta coefficient is the degree of change in the dependent (response) variable for every one (1) unit of change of the independent (predictor) variable.

3.10.4 Moderation Effect Model – the spacing should be uniform for this section is it 1.5 or 2.0? -Should be 1.5

The fifth objective of this study sought to investigate the moderating effect of organizational factors on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya. There was need to determine the composite mean for each variable. A composite variable (corporate governance) comprising all the independent variables was constructed to fit the moderation model.

In order to estimate moderation effect, a two-step procedure was applied as recommended by Hair Jr. et al. (2021). In the first step, a composite model was used to regress the effect of the independent variable on the dependent variable (1a). Additionally, this step entailed including organizational factors as independent variables (1b) as shown in model (2.1).

$$OP = \beta_{05} + \beta_{06} CG + \beta_{07} OF + \varepsilon \quad \text{…… (2.1)}$$

Where;

OP = Organizational Performance

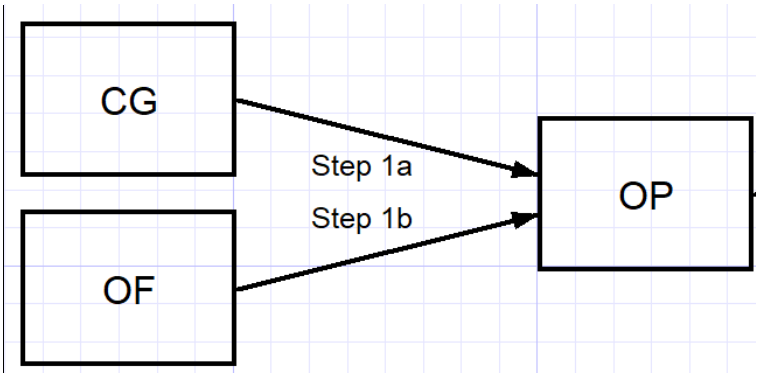
CG = Corporate Governance

OF = Organizational Factors

Figure 5

Visualization of Model 2.1

ST. PAUL'S UNIVERSITY



Source: Adapted from Hair Jr. et al (2021)

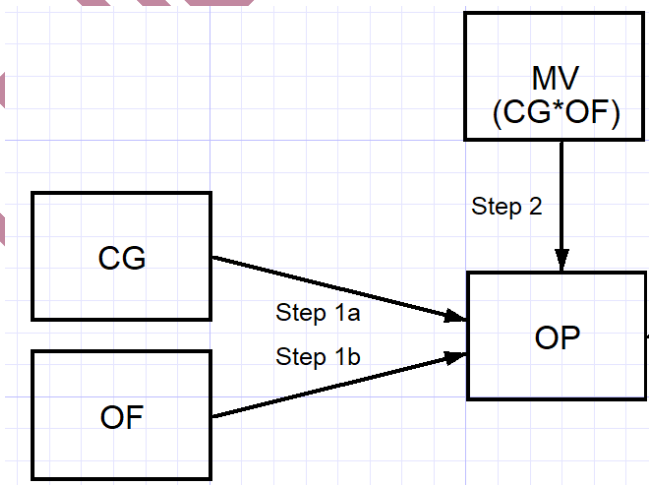
The second step entailed the estimation of the moderator's total effect as well as the direction on the relationships among dependent and the independent variables as shown in model 2.2

$$OP = \beta_{08} + \beta_{09}CG + \beta_{10}OF * CG + \varepsilon \quad \text{..... (2.2)}$$

β_{09} and β_{10} represent the coefficients of the collaborative terms amongst CG and the OF variable. Hair Jr et al. (2021) describe the criteria for making decisions as shown in Table 4 below.

Figure 6

Visualization of Model 2.2



Source: Adapted from Hair Jr. et al (2021).

Table 4

Decision Criteria for Moderated Relationship

ST ...L'S UNIVERSITY

I.	If the interaction term's effect on the OP construct is significant, we conclude the moderator MV has a significant moderating effect on the relationship between OF and OP.
II.	Step 1a is the simple effect, expressing the effect of CG on OP that is moderated by MV.
III.	The estimated value of step 1a represents the strength of the relationship between CG and OP when the moderator variable MV has a value of zero.
IV.	If the level of the moderator variable is increased (or decreased) by one standard deviation unit, the simple effect step 1a is expected to change by the size of step 2.
V.	If the estimated p value of step 2 has an alpha > 0.05, there is no moderating effect of MV on the relationship between CG and OP.

Source: Adapted from Hair Jr. et al (2021).

3.10.5 Model Fit

In order to confirm the moderation effect on the relationship between the independent and dependent variables, the researcher demonstrated the nature of the relationship changes as the values of the moderating variable changed. This was achieved by including an interaction effect in the model and checking to see if the interaction was significant and helped explain the variation in the response variable better than before. All variables were standardized to avoid multicollinearity. The researcher dummy-coded categorical variables and created product terms for the predictor and moderator variables. The researcher then fitted regression model (first step) predicting the outcome variable from both the predictor variable and the moderator variable. The researcher then added the interaction effect to the previous model (second step) and checked for a significant R^2 change.

3.10.6 Composite Variables/Indices Construction

Composite variables/indices construction helped to optimize the regression model following the expunging of redundant variables in the precursor phase of data reduction. The composite variable further mitigated multicollinearity by combating individual variable inter-correlation through variable consolidation. Factor loading played a crucial role in item reduction by

ST. PAUL'S UNIVERSITY

identifying redundant items, assessing construct validity, improving reliability, simplifying interpretation, and validating the retained items through cross-validation. Previous studies have employed robust methods for estimating the average factor loading and correlations between factors under various conditions, regardless of the estimation techniques used. Robust estimations have particularly been evident in situations where the average factor loading reaches or exceeds the threshold of 0.7 (Kiliç et al., 2020).

Table 5

Composite Variables/Indices Construction Table

Composite Variable	**Indicator Variables**	**Format of Indicator Variables**	**Composite Variable Computation**
Corporate Governance (CG) CG = *DR_Mean (CL, OS, SMP, OC) *DR_Mean = Factors where Factor Loading => 0.7	• Corporate Leadership (CL) • Organizational Structure (OS) • Strategic Management Process (SMP) • Organizational Culture (OC)	Nominal Variables	Data Reduction (DR) Aggregated Measures of Central Tendency
Organizational Performance (OP) OP = *DR_Mean (R, P, CS, CL, ES, ER, TA) *DR_Mean = Factors where Factor Loading => 0.7	• Revenue (R) • Profit (P) • Customer Satisfaction (CS) • Customer Loyalty (CL) • Employee satisfaction (ES) • Employee retention (ER) • Technology adoption(TA)	Nominal Variables	Data Reduction ↓ Aggregated Measures of Central Tendency
Organizational Factors (OF) OF = Nom_Mean (FS, FA) Nom = Normalization of the firm size and age variables.	• Firm Size • Firm Age	Continuous Variables	Normalization of Variables ↓ Aggregated Optimal Bins

ST. PAUL'S UNIVERSITY

Source: Researcher (2022)

ST. PAUL'S UNIVERSITY

3.11 Operationalization and Measurement of Variables

The operationalization of the study variables is shown in Table 6.

Table 6

Operationalization and Measurement of Variables

Variable	Variable type	Indicators	Operationalization of the variable	Measurement in the questionnaire
Corporate Governance	● Independent composite variable	• Corporate leadership • Organization structure • Organizational culture • Strategic management process	Refers to the systems and processes by which a company is directed and controlled. It constitutes of the power and mode of structure determining responsibilities and rights of various people charged with the responsibility of running and maintaining the affairs of a company. Corporate Governance in this study comprised of the following components: corporate leadership, organizational structure, strategic management process and organizational culture.	Appendix III, section B-E.
Corporate Leadership	● Independent variable	• Effective communication • Shared vision • Sense of direction • Coaching and mentorship	Refers to the actions and decisions of the executives in a company. The board of directors comprise the top leadership of a company. In this study, corporate leadership encompassed of six components; determination of strategic direction, exploration and maintenance of core competencies, development of human capital, sustenance of stable corporate culture,	Appendix III, section B.

ST PAUL'S UNIVERSITY

			empathizing ethical practice as well as establishment of strategic control in a company.	
Organization Structure	● Independent variable	• Reporting relationships • Communication channels • Formalization • Centralization	Refers to the established reporting and accountability set up within an organization. It is aimed at facilitation of the smooth running of an organization and reduction of conflict. In this study, organizational structure denoted reporting relationships, communication channels, formalization, and centralization.	Appendix III, section C.
Organizational Culture	● Independent variable	• Team work • Code of conduct • Adaptability • Core values	Refers to the shared values and belief systems that bind employees of a company together. It is largely influenced by the tone set by the top management as well as the experiences the employees go through in an organization. It is also influenced by the environment in which an organization operates. In this study, organizational culture covered teamwork, code of conduct, adaptability and core values.	Appendix III, section E.
Strategic Management Process	● Independent variable	• Environmental analysis • Strategy formulation • Strategy implementation • Strategy evaluation	It entails the formulation, implementation and evaluation of long-term plans of an organization and it is usually conducted at the top management level of an organization. It acts as a guide to mobilization of an organization's resources in order to achieve its specific goals and objectives. In this study, the key indicators of the strategic management process included, environmental analysis, strategy formulation, strategy implementation, and strategy	Appendix III, section D.

ST. PAUL'S UNIVERSITY

			evaluation and control.	
Organizational Factors	● Moderating variable	• Firm size • Firm age (Composite Score = Size*Age)	Refers to the elements that provide control to activities and operations in a company as well as the overall performance. In this study, organizational factors consisted of the age of a company and company size.	Appendix III, section F.
Organizational Performance	● Dependent variable	● Revenue ● Profit ● Customer base ● Customer loyalty ● Customer satisfaction ● Employee satisfaction ● Employees' retention ● Technology adoption	It is a measure of how well an organization attains established goals and objectives within a stipulated timeframe. The metrics used in the measurement may be both financial and non-financial. In this study, organizational performance encompassed revenue, profit, customer base, customer satisfaction, customer loyalty, employee satisfaction, employees' retention and technology adoption.	Appendix III, section G.

Source: Researcher (2022)

ST. PAUL'S UNIVERSITY

3.12 Ethical Considerations

The term ethics can be described as the prescribed code of conduct that guides in behaviour (Yin, 2016). The researcher was guided by principles that influence the designs and practices of research activities. The researcher followed a set of rules governing research ethics. The rules were used as an aid in the protection of study participants' rights, the validity of research, and the preservation of scientific integrity. At the institutional level, the researcher submitted the research proposal to faculty members for expert assessment and approval before beginning the project. At the national level, the researcher sought approval from the National Commission for Science, Technology and Innovation (NACOSTI).

Before embarking on the field work, the researcher provided letters of authority to the targeted institutions seeking permission and informing them of the aim of the research. Only participants who volunteered themselves by declaring their willingness to engage responded. The researcher ensured that all the material used in the study was referenced appropriately using APA format. The researcher assured respondents of their confidentiality and that the information collected was to be used for academic purposes only. The respondents were not required to indicate their names on the questionnaires. This was done to enhance confidentiality. Secondly, the researcher was not to share the information collected with other participants but was to keep the records for academic purposes, with which the research was aimed at. Moreover, the researcher did not to coerce the respondents in order to obtain responses; the respondents participated voluntarily. The researcher did not engage in uncouth approaches in order to collect information from the field other than the rightful procedures.

ST. PAUL'S UNIVERSITY

CHAPTER 4

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

The main objective of the study was to investigate the effect of corporate governance on organizational performance of the companies listed at the Nairobi Securities Exchange in Kenya. This chapter presents findings from the study, including demographic data, descriptive and inferential analysis, and an interpretation and discussion of the research findings.

4.2 Response Rate

Table 7

Response Rate

Sector	Number of Companies	Sampled Directors	Number Responded	Proportion Responded
Agricultural	6	6	5	83%
Automobiles and Accessories	1	1	0	0%
Banking	10	10	9	90%
Commercial and Services	13	13	5	38%
Construction and Allied	5	5	3	60%
Energy and Petroleum	3	3	2	67%
Insurance	6	6	6	100%
Investment Services	1	1	1	100%
Investments	5	5	4	80%
Manufacturing and Allied	8	8	5	63%

ST. PAUL'S UNIVERSITY

Telecommunication and Technology	2	2	0	0%
Total	**60**	**60**	**40**	**67%**

Source: Study data (2023)

Table 7 shows the response rates from directors categorized using the existing NSE sample frame categorization. The term "Sector" denotes various industries or sectors. "Number of Companies" signifies the count of listed companies on the sampling frame within each sector. "Sampled Directors" indicates the total number of directors targeted or sampled within those companies. "Number Responded" indicates the count of directors who responded to the survey. "Response Rate" is the percentage of directors who responded relative to the total number of sampled directors within each sector.

Insurance, Investment Services, and Banking have the highest response rates, all achieving between 90% and 100%. This suggests a high level of engagement or willingness to participate in the survey within these sectors. Sectors like Telecommunication and Technology, Automobiles and Accessories show a 0% response rate, indicating no participation from the directors within those sectors. Other sectors like Commercial and Services, Manufacturing and Allied, and Energy and Petroleum, Investments, and Agricultural have response rates varying between 38% to 83%, indicating a moderate level of engagement. The overall response rate for all sectors combined was 67%.

In conclusion, this table demonstrates varying levels of participation or engagement in the survey across different sectors, with some sectors showing high responsiveness while others show no response at all. The response rate across all sectors stands at 67%. Mugenda and Mugenda (2019) provide guidelines for acceptable response rates in research studies. In general, they suggest that a response rate of 60% or higher is considered acceptable in most survey-based research studies. However, they aver that the specific acceptable response rate can vary depending on the nature of the research, the methodology used, the target population and other factors.

4.3 Reliability and Validity of the Survey Items Based on the Pilot Results

Cronbach's Alpha (α) is an estimate of reliability. It specifically focuses on the internal consistency, of a test or scale. It is widely used to test construction and interpretation. Cronbach's Alpha measures how closely test items are related to one another and thus

ST. PAUL'S UNIVERSITY

measuring the same construct (Johnson, 2013). Cronbach's Alpha is a statistical measure used to assess the internal consistency or reliability of a set of scale or test items intended to measure a single latent construct or variable. It essentially quantifies how closely related a set of items are as a group, aiming to determine whether the items consistently measure the same underlying construct.

The coefficient, typically denoted by the symbol α, ranges between 0 and 1. Higher values of Cronbach's Alpha indicate greater internal consistency among the items in the scale, suggesting that the items are measuring the same concept or construct effectively. Generally, an Alpha above 0.7 is considered acceptable, and this scale exceeds that threshold, indicating strong reliability. The Cronbach's Alpha is used to assess the reliability of questionnaires, surveys, tests, and scales. It helps to ensure that the items included in the study instruments are coherent and measure the intended underlying construct reliably (Field, 2013) .??- Yes but replaced)

Table 8

Reliability and Validity of the Survey Items

Items for:	**No of items**	**Cronbach's Alpha**
Corporate Leadership	8	0.918
Organizational Structure	10	0.868
Strategic Management Process	11	0.941
Organizational Culture	10	0.922
Organizational Performance Variable	13	0.880
Overall Cronbach's Alpha	**52**	**0.906**

Source: Study data (2023)

Table 8 shows that corporate leadership consists of 8 items, and it shows a Cronbach's Alpha of 0.918. This suggests a very high level of internal consistency among the items measuring corporate leadership. Typically, a value higher than 0.7 for Alpha is deemed satisfactory, and this measurement surpasses that level, demonstrating robust reliability. Organizational structure comprises 10 items with a Cronbach's Alpha of 0.868. This also indicates good

ST. PAUL'S UNIVERSITY

internal consistency among the items measuring organizational structure. While slightly lower than the Corporate Leadership scale, an Alpha of 0.868 is still within an acceptable range, suggesting reasonable reliability.

Strategic Management Process with 11 items- this scale demonstrates a high level of internal consistency, showing a Cronbach's Alpha of 0.941. This is a very strong result, indicating high reliability among the items measuring the strategic management process. Organizational culture includes 10 items and exhibits a Cronbach's Alpha of 0.922. This suggests a very good level of internal consistency among the items measuring organizational culture, indicating high reliability similar to the strategic management process scale. Organizational performance variable is composed of 13 items and shows a Cronbach's Alpha of 0.880. While slightly lower than the other scales, an Alpha of 0.880 is still within the acceptable range, indicating reasonable internal consistency among the items, measuring organizational performance.

Overall Cronbach's Alpha represents the combined analysis of all the scales/items (total of 52 items) and displays an overall Cronbach's Alpha of 0.906. This indicates a high level of internal consistency across all constructs measured collectively, suggesting that the scales as a whole demonstrate good reliability when taken together.

4.4 Demographic Analysis

The study sought to establish the respondent's category of directorship, the gender of the respondents, the age bracket, highest level of formal education, and duration of service.

4.4.1 Demographic Profiles of the Directors

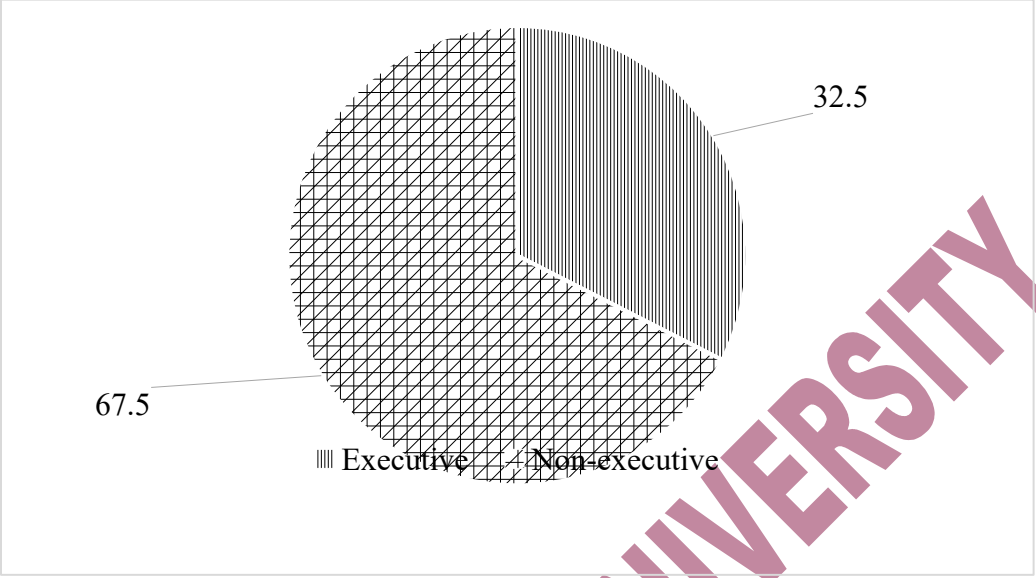
This section presents findings on the key demographic profiles of directors who responded to the questionnaires encompassing their diverse range of backgrounds, expertise and experience. These demographic profiles include the category of directorship, gender, age category, highest level of education achieved and duration of service in the company.

ST. PAUL'S UNIVERSITY

4.4.1.1 Respondent's Category of Directorship

Figure 7

Respondents' Category of Directorship



Source: Study data (2023)

Figure 7 represents the distribution of respondents by directorship. Executive directors constitute 32.5% of the total respondents. Non-executive directors make up 67.5% of the total respondents. This data indicates that the majority of the respondents fall under the category of non-executive directors, comprising a significantly larger portion compared to executive directors in the sample or group studied. The executive directors who participated in the study were those that were appointed to represent the chairpersons. Nominating other directors streamlined survey participation and leveraged the collective knowledge of the board. The nominated directors possessed specific expertise related to the survey topic. Consequently, their insights were expected to enhance the quality of responses.

The implication of this finding underscores the significance of board composition in shaping governance practices, decision-making dynamics, and organizational culture within the context studied. The distribution of respondents by directorship, with 32.5% being executive directors and 67.5% non-executive directors, indicates a pronounced predominance of non-executive directors in the sample or group under study. This suggests a trend towards greater representation of independent voices and oversight within governance structures, potentially

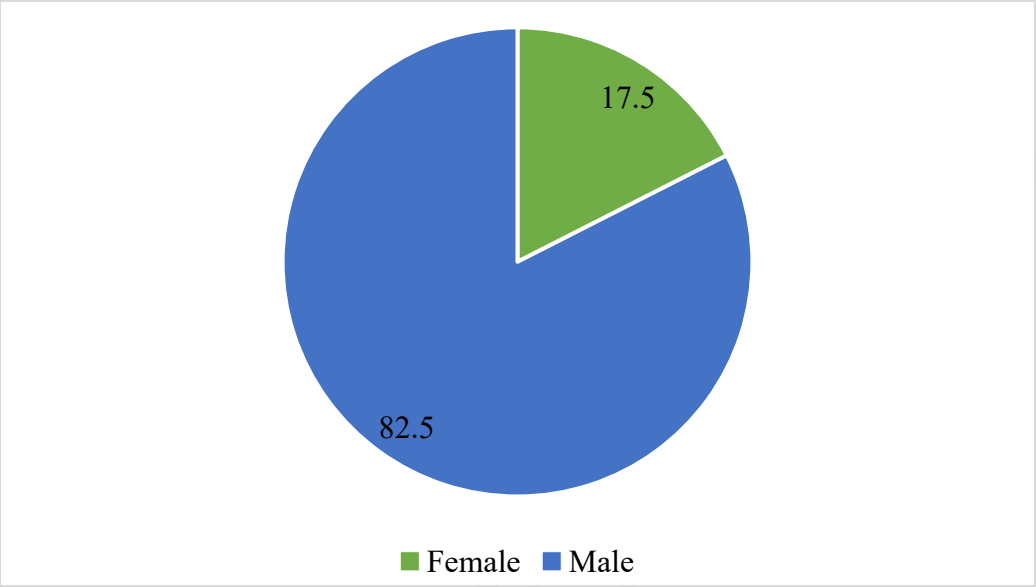
ST. PAUL'S UNIVERSITY

leading to more diverse perspectives and strategic decision-making processes. This implies more diverse and independent perspectives from the respondents, leading to good quality data.

4.4.1.2 Gender of the Respondents

Figure 8

Gender of the Respondents



Source: Study data (2023)

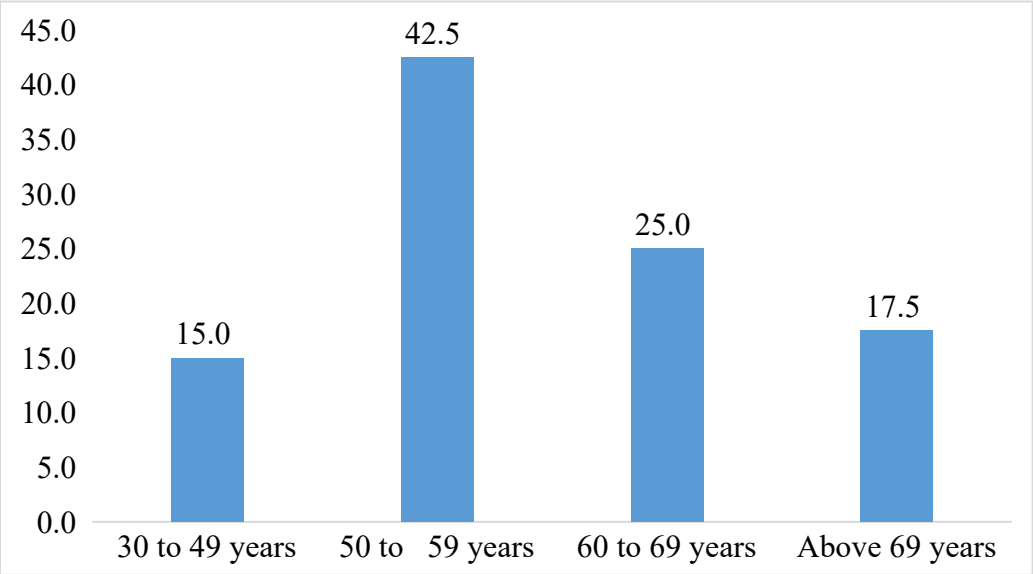
Figure 8 represents the distribution of respondents based on their gender, indicating the percentage of each gender within the surveyed population. This figure indicates that, out of the surveyed, female respondents comprised of 17.5% while male respondents constituted of 82.5% of the directors that responded to the survey. The significant gender disparity within the sample, mirrors how the boards of the listed companies are constituted. This underscores the representational nature of the respondents for the overall board composition.

ST. PAUL'S

4.4.1.3 Age Category of the Respondents

Figure 9

Age Category of the Respondents



Source: Study data (2023)

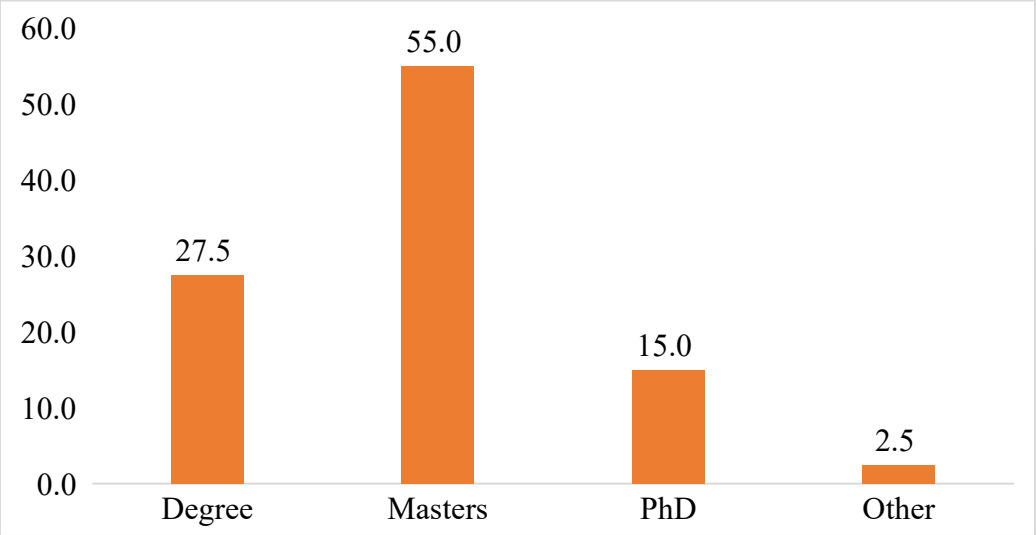
Figure 9 shows the distribution of respondents across age groups. First, 15% of the respondents fall within the age category of 30 to 49 years, while 42.5% fall within the range of 50 to 59 years. Notably, both the age group of 60 to 69 years and above 69 years each represent 25% and 17.5% of the respondents respectively. The implication of this finding is that the relatively older respondents provided insights into the historical context of corporate governance practices and their evolution over time. Understanding the historical context was invaluable for assessing the impact of different governance approaches on organizational performance.

ST. PAUL'S UN

4.4.1.4 Highest Level of Education Achieved by the Respondents

Figure 10

Highest Level of Education of the Respondents



Source: Study data (2023)

Figure 10 presents the distribution of the highest level of education achieved by respondents and the corresponding percentages as follows: 27.5% of the respondents have achieved a degree as their highest level of education; 55% of the respondents have achieved a master's degree as their highest level of education; 15% of the respondents have achieved a PhD as their highest level of education; and 2.5% of the respondents have achieved a different type of education not categorized as degree, master's, or PhD.

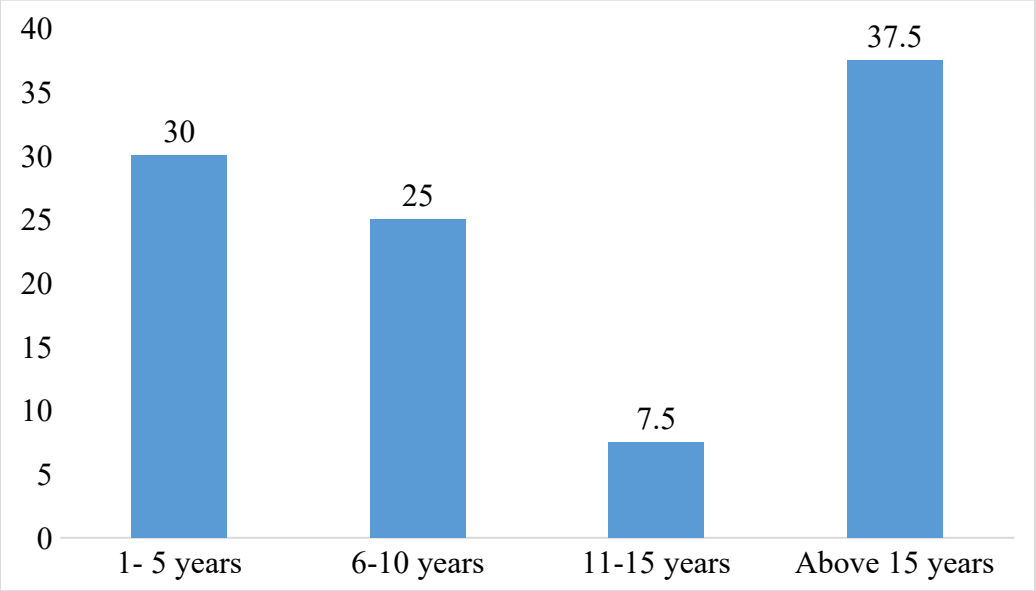
This figure illustrates the educational distribution within the surveyed population, showing that a majority of respondents have attained a master's degree, followed by those with a degree and then a smaller percentage with a PhD, while a very small portion falls under the "Other" category. Having respondents with different levels of education, including degrees, master's degrees, and PhDs, provided a diverse range of perspectives and insights into the study of corporate governance and organizational performance. This diversity enriched the study by offering various viewpoints and approaches to understanding the relationship between corporate governance and organizational performance.

ST. PAUL'S UNI

4.4.1.5 Duration of Service in the Company by the Respondents.

Figure 11

Duration of Service in the Company by the Respondents



Source: Study data (2023)

Figure 11 presents the duration of service of respondents in the respective companies along with the percentage distribution for each category. From this data, 30% of respondents have been directors in the specific companies for 1-5 years; 25% have served for 6-10 years; 7.5% have been directors with the specific companies for 11-15 years; while 37.5% have a duration of service exceeding 15 years. Notably, a larger portion (37.5%) have been with the specific companies for more than 15 years compared to the other duration categories.

This finding implies that there is a significant proportion of respondents who have been with the specific companies for a relatively long duration; exceeding 15 years. It indicates the presence of more senior and experienced directors within this study's sample, as individuals tend to accumulate more experience and expertise over longer tenures. This has implications for in-depth knowledge of the company culture and institutional cognition that enhances the quality of the data collected.

4.4.2 Demographic Profiles of the Companies

The study sought to establish the companies' sector, age and size.

4.4.2.1 Companies by Sector

Table 9

Respondents by Sector Based on the Existing NSE Categorization

Sector	Frequency	Percentage
Agricultural	5	12.5
Banking	9	22.5
Commercial and Services	5	12.5
Construction and Allied	3	7.5
Energy and Petroleum	2	5
Insurance	6	15
Investment Services	1	2.5
Investments	4	10
Manufacturing and Allied	5	12.5
Total	**40**	**100**

Source: Study data (2023)

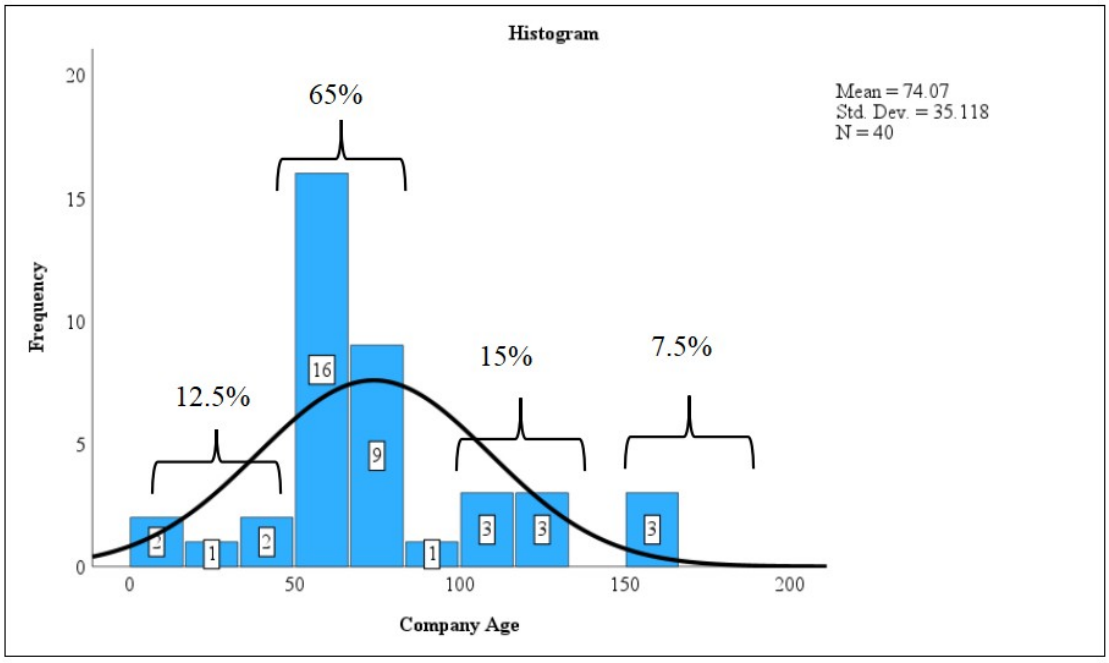
Table 9 provides results of the proportion of respondents representing companies engaged in various sectors, allowing for an understanding of the distribution of respondents across different industries or fields using the existing NSE categorization. Most (75%) of industry sectors, that is, nine out of twelve, of the sectors responded to the survey. This was considered a good representation of the sectors and thus collected data that was sufficient for further analysis.

ST. PAUL'S UNIVERSITY

4.4.2.2 Company Age

Figure 12

Company Age



Source: Study data (2023)

Figure 12 provides information on the distribution of companies based on their age in years, categorized into different ranges, along with the corresponding percentages of companies falling into each age category. The SPSS binning procedure was used to create the categories comparable with the categories of the number of employees. Five companies aged 49 years and below constitute 12.5% of the total companies in the data. Twenty-six companies aged between 50 to 99 years make up the largest portion, accounting for 65% of the total companies. Six companies aged between 100 to 149 years represent 15% of the total. Three companies aged 150 years or more, form 7.5% of the total companies.

This distribution indicates that the majority of the companies fall within the range of 50 to 99 years old while a smaller percentage falls into other age categories. The data indicates a diverse distribution of companies across different age groups, with the largest concentration being in the 50 to 99 years age range. The mean (average) age of the 40 companies that responded is 74 years. Notably, the standard deviation of 35.118 measures the amount of variability or

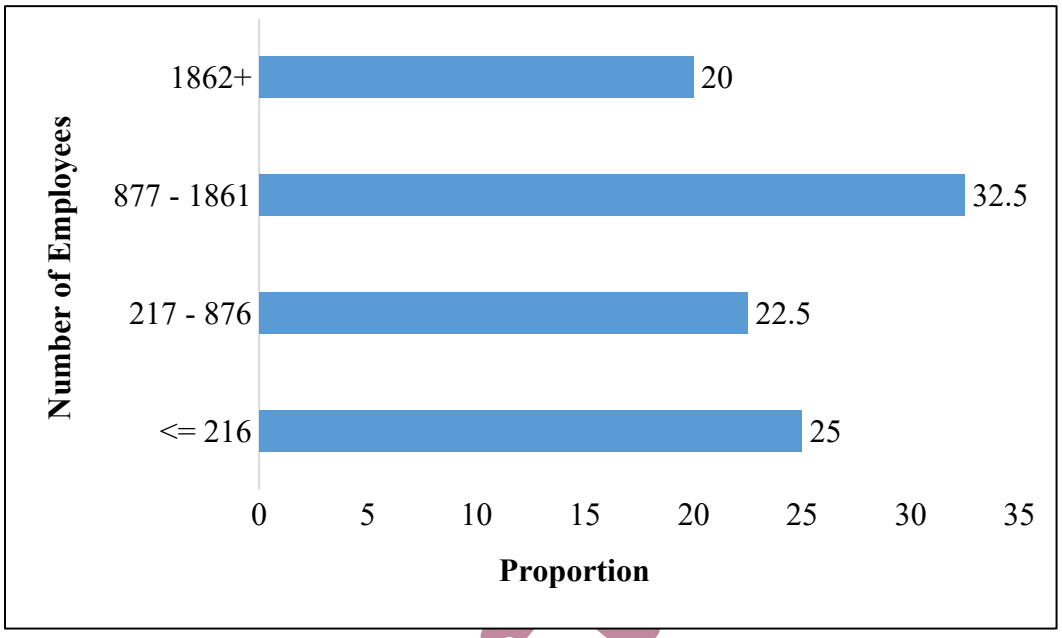
ST. PAUL

dispersion in the dataset. The high standard deviation suggests that the data points for the company age are more spread out from the mean.

4.4.2.3 Company Size

Figure 13

Company Size



Source: Study data (2023)

The study used the number of employees in a company as a proxy for size. Figure 13 breaks down the proportion of employees in the interviewed companies within specified ranges (bins) of employee counts, providing insight into the distribution or concentration of the workforce across these categories. Aggarwal (2014) postulates that binning can help in dealing with outliers or extreme values in the data. The author further posits that by grouping values into bins, outliers may be grouped together into their own bin or merged with adjacent bins, which can help prevent them from disproportionately affecting the analysis. Binning can help reduce the impact of noise or measurement error in the data by smoothing out fluctuations in values. By grouping similar values together in bins, the influence of individual data points may be mitigated, leading to more stable and robust analysis results (Aggarwal, 2014). This study adopted an automatic bin split using SPSS version 29.

Companies with employees with counts of less than or equal to 216 constitute 25% of the total workforce. The companies with the number of employees falling within the range of 217 to 876 make up 22.5% of the total employee population. Those within the range of 877 to 1861

ST. PAUL'S

employees account for 32.5% of the total. The number of employees in the category of 1862 or more represent 20% of the total employee population. These categories provide a segmented view of how the total employee count is distributed across various ranges in the interviewed companies. It illustrates the proportion of employees within specified brackets of counts. A higher percentage is in the 877 - 1861 range which signifies that a substantial portion of the interviewed companies have employees falling within that employee count band compared to others. Notably, 20% of employees fall in the1862+ category as shown in figure 13. What word is missing here? – Clarified

4.5 Descriptive Statistics

This section presents descriptive statistics on how corporate leadership, organizational structure, strategic management processes and organizational culture affect the organizational performance of listed companies at the Nairobi Securities Exchange. The analysis addresses the study's specific objectives by evaluating how each of these factors influences performance. The general objective of the study was to evaluate the overall effect of corporate governance on the organizational performance of these listed companies. To achieve this, the study focused on several specific objectives. First, it assessed the impact of corporate leadership on organizational performance. Next, it evaluated how organizational structure affects performance. The study also looked into the effects of strategic management processes and examined how organizational culture influences organizational performance. Additionally, the study aimed to understand the moderating effect of organizational factors on the relationship between corporate governance and organizational performance. To gather data, respondents rated various aspects related to these objectives using a Likert Scale. This scale ranged from 1 to 5, where 1 indicated "not sure," 2 represented "strongly disagree," 3 was "disagree," 4 signified "agree," and 5 meant "strongly agree." This rating system provided insights into the extent of agreement on how these elements impact organizational performance.

ST. PAUL'S UNIVERSITY

4.5.1 Corporate Leadership Construct of Corporate Governance

In the pursuit of organizational success, effective corporate leadership plays a critical role in steering companies towards their goals while fostering a conducive work environment. This section assesses multiple dimensions of corporate leadership within the NSE listed companies. Table 10 (below) encapsulates the evaluation of various essential variables crucial for effective leadership. The section presents responses from members of the boards of directors regarding their perceptions of different facets of corporate leadership within the NSE listed companies. The section highlights the mean and standard deviation of each leadership variable, shedding

light on the prevailing sentiments among the surveyed directors. By examining these metrics, the study sought to gain insights into the perceived rating by the interviewed directors.

Table 10

Corporate Leadership

Indicators of Corporate Leadership Construct	Mean	Std. Deviation
There are proper channels of communication in the company.	4.33	0.785
Employees use emails to effectively communicate with others in the company.	4.31	0.701
All supervisors are encouraged to share the vision of the company with subordinates.	4.33	0.810
The vision of the company is well articulated with the staff.	4.27	0.819
The company has well established sense of direction.	4.37	0.793
There are clear goals that provide a sense of direction in the company.	4.33	0.834
The company has coaching programs for new employees.	3.96	0.928
The line managers in the company are trained on how to mentor new employees.	3.79	0.871
Construct Aggregate	**4.21**	**0.818**

Source: Study data (2023)

Table 10 presents an assessment regarding various aspects of corporate leadership within the interviewed companies. It assesses different variables related to communication, vision sharing, direction, goal setting and employee coaching or mentoring programs. Overall, this table indicates that Corporate Leadership was generally perceived positively, but there was some diversity in opinions among respondents. The aggregate mean score for the Corporate Leadership variable was 4.2. This suggests that, on average, respondents rated Corporate Leadership relatively high. The standard deviation was 0.818. This indicates the extent of variability or dispersion in the responses. A higher standard deviation implied that the scores

ST. PAUL'S UNIVERSITY

were more spread out from the mean. In this case, the standard deviation was relatively moderate, indicating that, while the average rating for Corporate Leadership was high, there was still some variability in respondents' perceptions. A high mean score indicated that, on average, respondents viewed Corporate Leadership positively. The moderate standard deviation indicated that while the average perception was positive, there was still some variance in how different respondents perceived Corporate Leadership. The granular details of the individual variable components are elucidated below.

Proper channels of communication had a mean score of 4.33 with a standard deviation of 0.785, indicating that respondents generally believe that there are effective communication channels in the interviewed companies. Effective use of emails for communication had a mean score of 4.31 with a standard deviation of 0.701, suggesting that respondents perceive emails as an effective means of communication within the NSE listed companies. The encouragement of supervisors to share the company's vision had a mean score of 4.33 with a standard deviation of 0.810, indicating that there is a perception by the respondents that supervisors are encouraged to share the respective company vision with their subordinates.

Clarity of the company's vision with the staff had a mean score of 4.27 with a standard deviation of 0.819, implying that while generally articulated, there might be some room for improvement in communicating the respective company's vision to the staff. Established sense of direction within the company had a mean score of 4.37 with a standard deviation of 0.793, indicating that there is a strong belief that the interviewed companies had a well-established sense of direction. Clarity of goals providing direction had a mean score of 4.33 with a standard deviation of 0.834, suggesting that there are distinct goals in place that provide a sense of direction within the interviewed companies. Presence of coaching programs for new employees had a mean score of 3.96 with a standard deviation of 0.928, indicating a moderately positive perception of coaching programs for new employees, though there might be some areas that need improvement. Training of line managers on mentoring new employees had a mean score of 3.79 with a standard deviation of 0.871, suggesting that there might be some deficiencies or areas for improvement in the training of line managers to mentor new employees.

The overall mean score for all the variables considered together is 4.21 with a standard deviation of 0.818, indicating a generally positive perception of corporate leadership variables within the interviewed companies. In summary, while the interviewed companies seem to perform well in areas like communication channels, vision sharing, and having a sense of

ST. PAUL'S UNIVERSITY

direction, there might be areas for improvement in coaching programs for new employees and training line managers on mentoring practices.

4.5.2 Organizational Structure Construct of Corporate Governance

This section presents an evaluation of the organizational structure within NSE listed companies. The section presents the rating of various key factors pertaining to communication, reporting relationships, conflict resolution, resource allocation, and task management in NSE listed companies. The section serves as a comprehensive snapshot of how directors perceive the internal workings, communication channels, reporting mechanisms, and overall operational procedures within the NSE listed companies. It sheds light on areas of strength as well as opportunities for improvement within the organizational framework of NSE listed companies and the guiding strategic efforts to enhance effectiveness and streamline operations.

Table 11

Organizational Structure

Indicators of Organizational Structure Construct	Mean	Std. Deviation
There are clearly established reporting relationships among employees in the company.	4.60	0.495
The reporting relationships ensure accountability among employees.	4.33	0.760
The supervisors are encouraged to effectively communicate with their subordinate staff in the company.	4.37	0.687
Formal communication is encouraged between staff across the departments in the company.	4.17	0.810
The long-term decisions are centrally made by senior managers in the company.	4.00	0.907
There is a clear reporting system and employees do not disagree on who to report to.	4.27	0.598
Within and between departments and sections, employees do not encounter conflict over responsibilities.	3.65	0.905
There is an equitable allocation of resources and tasks	3.87	0.793

ST. PAUL'S UNIVERSITY

between departments.		
The company has clear concise procedures on how work is done.	4.21	0.605
By allocating tasks, implementing work procedures, and dividing work, employees have been able to effectively perform their duties.	4.08	0.860
Construct Aggregate	**4.16**	**0.742**

Source: Study data (2023)

In Table 11, the aggregate mean score of 4.16 indicates the average level of organizational structure across the NSE listed companies. This score suggests that, on average, the companies exhibited a high degree of organizational structure. The high mean score suggests that the sampled organizations are likely to benefit from the advantages associated with a well-structured organizational set-up, such as clarity in roles, efficient decision-making processes, and effective coordination. The standard deviation of 0.742 measured the dispersion or variability of individual scores around the mean. The relatively low standard deviation indicates a certain level of uniformity among the companies in terms of their structural attributes. The presence of some variability implies that organizations may adopt different approaches to structuring their operations, reflecting their unique contexts and strategic priorities. The granular details of the individual variable components are shown below.

Distinctly established reporting relationships with a mean of 4.60 and standard deviation of 0.495 indicate that directors perceive that, there are well-defined reporting relationships within the NSE listed companies. Accountability in Reporting Relationships with a mean of 4.33 and standard deviation of 0.760, demonstrate that the reporting relationships are perceived to ensure accountability among employees, although there might be slightly more variability in perceptions compared to the clarity of the relationships. Encouragement for supervisor-subordinate communication with a mean of 4.37 and standard deviation of 0.687, indicate that there is encouragement for effective communication between supervisors and their subordinates, with moderate consistency in perceptions.

Formal communication across departments with a mean of 4.17 and standard deviation of 0.810 shows that, while formal communication across departments is encouraged, there is a bit more

ST. PAUL'S UNIVERSITY

variability in perceptions, indicating differing opinions among respondents. Centralized long-term decision making with a mean of 4.00 and standard deviation of 0.907 indicate that long-term decisions appear to be centrally made by senior managers, though opinions on this are more diverse compared to other factors.

Clarity in reporting system with a mean of 4.27 and standard deviation of 0.598 indicate that NSE listed company employees generally agree on the reporting system without much disagreement. Conflict resolution between departments with a mean of 3.65 and standard deviation of 0.905 show that employees of NSE listed companies encounter more conflict over responsibilities within and between departments, indicating potential issues with clarity or agreement on responsibilities. Equitable resource allocation between departments with a mean of 3.87 and standard deviation of 0.793 indicate that the perception of equitable resource allocation between departments is moderate, but there was variability in opinions among respondents.

Distinct work procedures with a mean of 4.21 and standard deviation of 0.605 indicate that NSE listed companies have well defined, concise procedures for how work is done, with relatively consistent agreement among employees. Effective task performance with a mean of 4.08 and standard deviation of 0.860 show that employees of NSE listed companies have been able to effectively perform their duties through task allocation and work procedures, though there is some variability in perceptions.

Overall mean of 4.16 and overall standard deviation of 0.74 show the perception of directors across all organizational structure variables indicating a generally positive view of the organizational structure. In summary, while there is a generally positive perception of the organizational structure, areas such as conflict resolution, equitable resource allocation and variability in decision-making, might need attention and improvement within the NSE listed companies.

ST. PAUL'S UNIVERSITY

4.5.3 Strategic Management Process Construct of Corporate Governance

This section presents an assessment of the strategic management process within companies listed on NSE. The section presents results on various variables integral to strategic planning, implementation, and evaluation within these NSE listed entities. The results in this section comprise of specific elements related to strategic management process, each representing a distinct aspect of the process. These variables were evaluated based on the perceptions of directors familiar with the strategic operations of these companies.

The key components of the strategic management process studied included the company's approach towards environmental analysis for identifying opportunities and threats, the clarity and alignment of formulated strategies with the company's mission, the execution and implementation of these strategies within set timelines and budgets, the regular evaluation of strategies, and the utilization of Key Performance Indicators (KPIs) for tracking strategic objectives. Each variable in this section has its mean value and the corresponding standard deviation, offering insights into the average ratings provided by respondents and the degree of variability or consensus among their perceptions. The mean values serve as indicators of the overall perception regarding the effectiveness or efficiency of the respective strategic management aspects, while the standard deviations provide insights into the level of agreement or divergence among the respondents' assessments.

This comprehensive assessment aims to provide an understanding of the strengths and potential areas for improvement, within the strategic management processes of NSE listed companies. Analyzing these variables and their respective ratings offers valuable insights into where these companies excel and where there might be opportunities for enhancement in their strategic management processes.

ST. PAUL'S UNIVERSITY

4.5.3.1 Quantitative Results on the Strategic Management Process

Table 12

Strategic Management Process

Indicators of Strategic Management Process Construct	Mean	Std. Deviation
The company analyses its environment to identify viable opportunities for investment.	4.38	0.690
Environmental analysis helps the company to identify possible threats to its operations.	4.38	0.718
The company has clearly formulated strategies.	4.33	0.901
The company formulates strategies based on the identified threats in the environment.	4.19	0.817
The overall strategies formulated are aligned with the mission of the company.	4.38	0.661

The company implements the strategies in time.	3.63	0.971
Strategies are implemented within budget in the company.	3.90	0.934
Strategies are implemented by competent staff in the company.	4.27	0.689
The company evaluates the strategies on a regular basis.	4.12	1.022
The company has in place Key Performance Indicators for tracking the strategic objectives that have been set.	4.38	0.796
The Key Performance Indicators for tracking the strategic objectives are driving the right behavior.	4.12	0.983
Construct Aggregate	**4.19**	**0.835**

Source: Study data (2023)

In Table 12, the aggregate mean score of 4.19 for the Strategic Management Process implies that, on average, the strategic management process was perceived to be highly effective by the respondents or observers involved in the research. A score above 4 suggests a generally positive perception or performance regarding strategic management process. The standard deviation of 0.835 provides insight into the variability of responses or observations around this mean score. A standard deviation measures the dispersion or spread of data points from the mean. A standard deviation of 0.835 indicates that the majority of responses were relatively close to the mean score of 4.19. The low standard deviation suggests that there was minimal variability among the responses or observations regarding the effectiveness of the strategic management process. The perceptions or evaluations of the strategic management process were relatively consistent among the respondents or observers. This level of consistency implies that the strategic management process was perceived positively by the respondents. The granular details of the individual variable components are clarified below.

The assessment of various aspects related to the strategic management process within NSE listed companies. The table includes different variables related to strategic management, their mean values, and standard deviations. The mean values indicate the average rating given by the respondents, while the standard deviations show the extent of variability or dispersion in the ratings. The specific strategic management process variables included aspects such as environmental analysis, formulation of strategies, implementation, evaluation, and the use of

ST. PAUL'S UNIVERSITY

Key Performance Indicators (KPIs) in tracking strategic objectives. Generally, the mean values for most variables are around 4, indicating that, on average, respondents agreed or strongly agreed with these statements. A mean score of 4 typically suggests a favorable perception or acknowledgment of these aspects within the surveyed NSE listed companies.

The results regarding whether the respective company analyses its environment to identify viable opportunities for investment had a mean of 4.38 and standard deviation of 0.690. These results show that the surveyed companies are highly focused on analyzing their environment to identify investment opportunities. The relatively low standard deviation indicates that responses were consistent around this mean value. The results regarding whether environmental analysis helps the company to identify possible threats to its operations had a mean score of 4.38 and standard deviation of 0.718. The companies strongly agree that their environmental analysis helps in identifying threats to their operations, with slightly higher variability in responses compared to the first variable.

The results regarding whether the respective company has distinctly formulated strategies had a mean of 4.33 and standard deviation of 0.901. These results indicate that the companies have well defined formulation of strategies, but there is slightly higher variability in responses suggesting some diversity in opinion among the surveyed companies. The results regarding whether the respective company formulates strategies based on the identified threats in the environment had a mean of 4.19 and standard deviation of 0.817. While the mean is still relatively high, indicating agreement, the variability in responses is slightly higher, suggesting that opinions or practices regarding formulating strategies based on identified threats vary more among companies.

The results regarding whether the overall strategies formulated are aligned with the mission of the respective company had a mean of 4.38 and standard deviation of 0.661. The finding indicates that the surveyed companies strongly agree that their formulated strategies align with their mission. Additionally, the low standard deviation indicates high consensus among respondents. Regarding whether a company implements the strategies in time, the mean was 3.63 and standard deviation was 0.971. These results demonstrate that the companies were either neutral or in agreement that they implemented strategies within the stipulated time. However, there is considerable variability in responses, indicating differing practices or opinions across the companies.

ST. PAUL'S UNIVERSITY

Regarding whether the strategies are implemented within budget in the company, a mean of 3.90 and standard deviation of 0.934 demonstrate that there is a neutral to slight agreement that strategies are implemented within budget, with noticeable variability among responses. The findings of this study regarding if strategies are implemented by competent staff in the company, a mean of 4.27 and standard deviation of 0.689 establish that the companies generally agree that strategies are implemented by competent staff, and there is relatively low variability in responses.

The finding of this study regarding whether companies evaluate the strategies on a regular basis, a mean of 4.12 and standard deviation of 1.022 shows that the companies agree that they evaluate strategies regularly. However, there is considerable variability in responses, indicating differing practices or opinions regarding the frequency of evaluation across the NSE listed companies. The results regarding whether the NSE listed companies have in place Key Performance Indicators for tracking the strategic objectives that have been set, a mean of 4.38 and standard deviation of 0.796 shows that the surveyed companies strongly agree that they have Key Performance Indicators for tracking strategic objectives, with relatively low variability in responses.

The findings of this study regarding the Key Performance Indicators for tracking whether the strategic objectives are driving the right behaviors, a mean of 4.12 and standard deviation of 0.983 indicate that the companies agree that their KPIs are driving the right behaviors, although there is noticeable variability in responses, suggesting diverse opinions or experiences. At the construct aggregate level, a mean of 4.19 and standard deviation of 0.835 indicate that there is a relatively positive assessment of the strategic management process among the surveyed companies. The standard deviation of 0.835 shows moderate variability in the responses across the different variables.

ST. PAUL'S UNIVERSITY

4.5.4 Organizational Culture Construct of Corporate Governance

This section presents results of various dimensions of organizational culture, offering valuable insights into the prevailing norms, values, and practices that influence employee behavior and organizational success. The section presents an in-depth assessment of diverse elements comprising organizational culture within NSE listed companies. The several critical facets of organizational culture, range from teamwork and codes of conduct to employee attributes and the overall aggregate perception of culture. Each variable has a mean score and the corresponding standard deviation offering a comprehensive view of both the perceived strength

and consistency of opinions regarding these cultural attributes. The mean score represents the average perception or agreement level, while the standard deviation measures the dispersion or variability of responses around the mean, reflecting the consensus or diversity of opinions among respondents.

Table 13

Organizational Culture

Indicators of Organizational Culture Construct	Mean	Std. Deviation
Teamwork is strongly encouraged among employees in the company.	4.46	0.541
Teamwork ensures that the formulated goals are realized in the company.	4.31	0.612
Teamwork increases synergy among employees in the company.	4.35	0.520
There is an established code of conduct.	4.62	0.530
The code of conduct outlines the disciplinary actions on undesired behaviour among employees in the company.	4.52	0.542
The company hires employees who have strong adaptability skills.	4.06	0.916
The company has well established core values.	4.50	0.542
Employees are encouraged to carry out their duties in accordance with the core values.	4.44	0.574
The company encourages the following skills upon employees: Analytical; Observation; Problem-solving and Logical thinking	4.00	0.863
The company encourages the following skills upon employees: Flexibility; Self-confidence; Determination and Diligence	4.12	0.855
Construct Aggregate	**4.34**	**0.650**

ST. PAUL'S UNIVERSITY

Source: Study data (2023)

Overall, table 13 presents data regarding the organizational culture, indicating a mean score of 4.34 with a standard deviation of 0.650. This indicates that organizational culture exhibited a high level of effectiveness, as reflected by the aggregate score. A mean score above 4 implies a predominantly positive perception of the organizational culture by the respondents. A standard deviation of 0.650 provides insight into the variability of responses or observations around the mean score. A standard deviation of 0.650 suggests that the majority of responses or observations were relatively close to the mean score of 4.34. The relatively low standard deviation indicates that there was minimal variability among the responses regarding the perceived effectiveness of the organizational culture. This suggests a high level of consensus among the respondents, regarding the positive attributes of the organizational culture. Succinctly, organizational culture demonstrated a high level of effectiveness, with minimal deviation from the mean score, as indicated by the low standard deviation. This implies that the organizational culture was perceived positively by the respondents. The granular details of the individual variable components are shown below.

Organizational culture encompasses the values, beliefs, behaviors, and practices shared among individuals within NSE listed companies. The results regarding teamwork related variables are presented as follows:- Encouragement of teamwork indicates the degree to which employees perceive that their company promotes and values teamwork. A higher mean score of 4.46 suggests a strong perception that teamwork is encouraged within these companies. Standard deviation of 0.541 indicates that responses regarding the encouragement of teamwork are relatively consistent around the mean score of 4.46.

Teamwork and goal achievement reflects the extent to which employees believe that teamwork contributes to achieving the company's formulated goals. With a mean score of 4.31, there is a perceived positive relationship between teamwork and goal realization. A standard deviation of 0.612 indicate that responses regarding the relationship between teamwork and goal achievement have slightly more variability around the mean score of 4.31, compared to the other teamwork related variables. Synergy through teamwork bespeaks the belief that teamwork fosters synergy among employees. The mean score of 4.35 indicates a generally favorable perception regarding synergy resulting from teamwork efforts. A standard deviation

ST. PAUL'S UNIVERSITY

of 0.520 indicate that similar to the encouragement of teamwork, perceptions about increased synergy through teamwork are relatively consistent around the mean score of 4.35.

The following are the results that present variables related to the code of conduct. Existence and clarity of code of conduct variables assessed whether there is a well-established code of conduct within the NSE listed companies and whether it distinctly outlines disciplinary actions for undesired behavior. Both variables received high mean scores (4.62 and 4.52, respectively), indicating a strong perception of having a comprehensive and efficacious code of conduct. Standard deviations of 0.530 and 0.542 respectively indicate that responses regarding the presence and clarity of the code of conduct are consistent around the higher mean scores of 4.62 and 4.52.

The following are the results that present variables related to the employee attributes. Hiring for adaptability with a mean score of 4.06 suggests a moderate perception that these companies prioritize hiring employees with strong adaptability skills. A standard deviation of 0.916 show that there is relatively more variability in responses about hiring for adaptability, suggesting less consensus among respondents, about this aspect compared to others. NSE listed companies seem to have well-defined core values, as indicated by the mean score of 4.50. A standard deviation of 0.542 indicate that responses about well-established core values are consistent around the mean score of 4.50.

Encouragement to align with core values assessed whether employees are encouraged to align their duties with the company's core values. The mean score of 4.44 indicates a positive perception of such encouragement. A standard deviation of 0.574 indicate that similar to hiring for adaptability, there is slightly more variability in responses regarding encouraging alignment with core values. Regarding emphasis on specific skill sets, companies emphasize specific skill sets such as analytical, observational, problem-solving, logical thinking, flexibility, self-confidence, determination, and diligence. However, the mean scores for these skills (4.00 and 4.12) suggest a moderate perception rather than a strong emphasis. Standard deviations of 0.863 and 0.855 for the two skill sets indicate that responses regarding the emphasis on specific skill sets show higher variability compared to other variables, indicating less consensus among respondents about the importance placed on these skills.

The aggregate construct represents an overall average score across all these aspects of organizational culture. It has a mean score of 4.34, suggesting a generally positive perception of organizational culture within the NSE listed companies. These scores collectively show how

ST. PAUL'S UNIVERSITY

employees perceive various elements of organizational culture within the NSE companies. Overall, the scores indicate a positive outlook on teamwork, a coherent code of conduct, defined core values, and some emphasis on specific skills, while also highlighting areas for potential improvement, such as stronger emphasis on certain skills and adaptability in hiring. The standard deviation of 0.650 for the aggregate variable indicates moderate variability or spread in the overall perception of organizational culture across these companies.

In summary, lower standard deviations generally suggest more consistent agreement or alignment among respondents, while higher standard deviations indicate more diverse opinions or responses. For instance, aspects like hiring for adaptability and emphasis on specific skill sets show more varied perceptions among respondents compared to other aspects of organizational culture captured in the survey.

4.5.5 Organizational Performance

This section presents a comprehensive overview of various key performance variables within NSE listed companies, assessing factors related to financial growth, customer satisfaction, employee development, and digital transformation. The metrics in this section cover a range of important aspects influencing organizational success. These aspects include indicators of financial health such as revenue growth and profit improvement, customer-centric elements like satisfaction and loyalty, aspects related to employee development, satisfaction, and retention, as well as the company's initiatives regarding digital transformation and business process automation.

The means and standard deviations provide a glimpse into both the average sentiment and the variability of opinions respectively, shedding light on areas of strength, potential areas for improvement, and the overall analysis of the organizational landscape. This comprehensive evaluation serves as a foundational tool for identifying strategic focus areas and guiding future initiatives aimed at enhancing overall organizational performance and competitiveness within the NSE listed companies.

Table 14

Organizational Performance

Indicators of Organizational Performance	Mean	Std. Deviation
The revenue of the company has been increasing.	3.90	1.142

ST. PAUL'S UNIVERSITY

The company has registered an improvement in profits generated.	3.77	1.337
The customers are satisfied with the products and services of the company.	3.87	0.929
The customers are loyal to the company.	3.81	0.864
Employees are encouraged to learn new ways.	4.13	0.742
Employees in the company are innovative.	3.85	0.826
The pay and benefits that employees receive are commensurate to the work that they do.	3.92	0.813
There is a staff development program in place for employees.	4.06	0.777
Employees are treated fairly and respectfully.	4.25	0.590
Employees tend to be retained in the company for a long time.	4.10	0.774
The company experiences digital transformation.	4.08	0.882
The company has a digital transformation plan in place.	4.06	1.037
There is business process automation.	3.98	1.057
Variable Aggregate	**3.98**	**0.905**

Source: Study data (2023)

Table 14 presents data related to the organizational performance, showing a mean score of 3.98 with a standard deviation of 0.905. This mean score suggests that the organizational performance was perceived as moderately effective by the respondents. While the mean score is below 4, indicating a slightly positive perception, it still signifies a generally satisfactory level of organizational performance. The standard deviation of 0.905 provides insight into the variability of responses or observations around this mean score. A standard deviation of 0.905 indicates that there was notable variability among the responses or observations regarding organizational performance. This standard deviation suggests that there was diversity in perceptions or assessments of organizational performance among the respondents. This variability indicates differing opinions and experiences regarding the effectiveness of the

ST. PAUL'S UNIVERSITY

companies in achieving their objectives. The granular details of the individual variable components are provided below.

The respondents indicated that the revenues of the surveyed NSE companies have been increasing (Mean = 3.90, SD = 1.142). On average, the respondents perceived the surveyed NSE companies' revenue as steadily increasing. Notably, there is a moderate amount of variability in perceptions regarding revenue growth. Additionally, the respondents indicated that the respective companies have registered an improvement in profits generated (Mean = 3.77, SD = 1.337). The mean score indicates a moderate perception of improvement in generated profits, but there is a relatively higher variability in perceptions compared to the revenue increase.

The following are the results that present variables related to customer satisfaction and loyalty variables. The respondents indicated that the customers of the surveyed NSE companies are satisfied with the products and services that the companies offer (Mean = 3.87, SD = 0.929). The mean score is relatively high, indicating a favorable perception of customer satisfaction. The standard deviation intimates moderate variability in perceptions. Additionally, the respondents indicated that the customers are loyal to the surveyed NSE companies (Mean = 3.81, SD = 0.864). This suggests a moderate level of perceived customer loyalty, with moderate variability in responses.

The findings about factors associated with employee development and satisfaction variables are elucidated as follows. First, the respondents indicated that the customers of the surveyed NSE companies are encouraged to learn new ways (Mean = 4.13, SD = 0.742). The high mean score indicates a strong perception that employees are encouraged to learn, with relatively low variability in responses. Second, the respondents showed that the employees of the surveyed NSE companies are innovative (Mean = 3.85, SD = 0.826). There is a moderate perception of employee innovation with moderate variability in responses. Third, the pay and benefits that employees of the surveyed NSE companies receive were seen to be commensurate to the work that they do (Mean = 3.92, SD = 0.813). These results show that there is a moderate perception that pays and benefits match the work done by employees, with moderate variability in the responses provided by the directors interviewed.

Fourth, the respondents showed that there is a staff development program in place for employees of the surveyed NSE companies (Mean = 4.06, SD = 0.777). A high mean score suggests a strong perception of the existence of staff development programs, with relatively

ST. PAUL'S UNIVERSITY

low variability in the responses provided by the respondents. Fifth, the respondents indicated that employees of the surveyed NSE companies are treated fairly and respectfully (Mean = 4.25, SD = 0.590). The high mean score indicates a strong perception of fair and respectful treatment, with low variability in the responses given. Lastly, the respondents indicated that employees of the surveyed NSE companies tend to be retained for a long time (Mean = 4.10, SD = 0.774). There is a moderately high perception of employee retention, with moderate variability in the response provided.

The findings about factors associated with digital transformation and business process automation variables are presented as follows. First, the respondents indicated that the surveyed NSE companies experience digital transformation (Mean = 4.08, SD = 0.882). These findings indicate that a moderate perception exists regarding digital transformation, with moderate variability in the responses provided. Second, the surveyed NSE companies were reported to have digital transformation plans in place (Mean = 4.06, SD = 1.037). There is a moderate perception of having a digital transformation plan with relatively higher variability in the responses provided by the respondents. Third, the respondents indicated that there is business process automation (Mean = 3.98, SD = 1.057). These results show a moderate perception regarding business process automation, with moderate variability in the responses provided.

In summary, an overall assessment of organizational performance, indicates a moderately positive perception among respondents with moderate variability (Mean = 3.98, SD = 0.905). These results show positive trends in financial performance, customer satisfaction, employee development, and digital transformation, with varying levels of variability in responses, across different aspects of organizational performance.

4.6 Diagnostic Test Results

Prior to conducting the actual analysis, diagnostic assessments were performed on the gathered data to evaluate the assumptions of the multiple linear regression models. These diagnostic tests encompassed evaluations for normality, multicollinearity, heteroscedasticity, and independence to ensure the validity of the study.

4.6.1 Normality Tests

The study sought to establish if the data collected was normally distributed. Normality test was conducted through Shapiro-Wilk test as well as plotting for the dependent and independent variables. For the tests, the null hypothesis holds that the data comes from a normal distribution.

ST. PAUL'S UNIVERSITY

When the reported p-value is greater than 0.05, (p > 0.05, CI 95), then there is inadequate evidence to reject the null hypothesis of normality, and subsequently assume a normal distribution of the data (P. Mishra et al., 2019).

The obtained results from Shapiro-Wilk test are as shown in the table below:

Table 15

Tests of Normality Results

Variable	Shapiro-Wilk			Conclusion
	Statistic	df	Sig.	
Corporate Leadership	0.980	40	0.686	Normally Distributed
Organizational Structure	0.990	40	0.979	Normally Distributed
Strategic Management Process	0.980	40	0.674	Normally Distributed
Organizational Culture	0.996	40	0.099	Normally Distributed
Organizational Performance	0.988	40	0.935	Normally Distributed

Source: Study data (2023)

Table 15 presents the Shapiro-Wilk test results on corporate leadership as follows: the Shapiro-Wilk statistic is 0.980, indicating a relatively high value, suggesting that the data for Corporate Leadership is somewhat normally distributed. The p-value associated with this statistic is 0.686, which is greater than the significance level of 0.05. This means there is not enough evidence to reject the null hypothesis that the data follows a normal distribution. The Shapiro-Wilk test results on organizational structure are as follows: the Shapiro-Wilk statistic is 0.990, indicating a high value, suggesting that the data for organizational structure is quite close to a normal distribution. The p-value associated with this statistic is 0.979, which is much greater than 0.05. This means there is insufficient evidence to reject the null hypothesis that the data follows a normal distribution.

The Shapiro-Wilk test results on strategic management process are as follows: the Shapiro-Wilk statistic is 0.980, similar to corporate leadership, suggesting that the data for strategic management process is also relatively close to normal. The p-value associated with this statistic is 0.674, which is much greater than 0.05. This indicates that we fail to reject the null hypothesis of normality. The Shapiro-Wilk test results on organizational culture are as follows: the

ST. PAUL'S UNIVERSITY

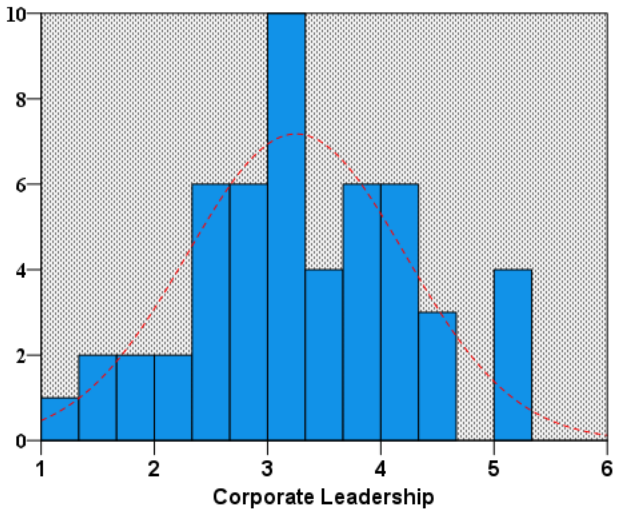
Shapiro-Wilk statistic is 0.996, indicating a relatively high value, suggesting that the data for organizational culture is somewhat normally distributed. The p-value associated with this statistic is 0.099, which is greater than the significance level of 0.05. This means there is not enough evidence to reject the null hypothesis that the data follows a normal distribution.

The Shapiro-Wilk test results on organizational performance are as follows: the Shapiro-Wilk statistic is 0.988, indicating a relatively high value, suggesting that the data for organizational performance is somewhat normally distributed. The p-value associated with this statistic is 0.935, which is greater than the significance level of 0.05. This means there is not enough evidence to reject the null hypothesis that the data follows a normal distribution. Overall, for all variables, the Shapiro-Wilk test results suggest that the data is relatively close to a normal distribution. The p-values are all greater than the significance level of 0.05, indicating that there is no strong evidence to suggest that any of the variables significantly deviate from a normal distribution. Therefore, it is reasonable to proceed with analyses that assume normality for these variables.

The findings aligned with the histogram graphs and the normal probability plots of the standardized values are presented in the figures 12. The histogram illustrations reflected a typical bell-shaped curve, whereas the probability plot of the standardized values demonstrated a close alignment with a straight line, indicating a robust positive correlation.

Figure 14

Histogram for Corporate Leadership

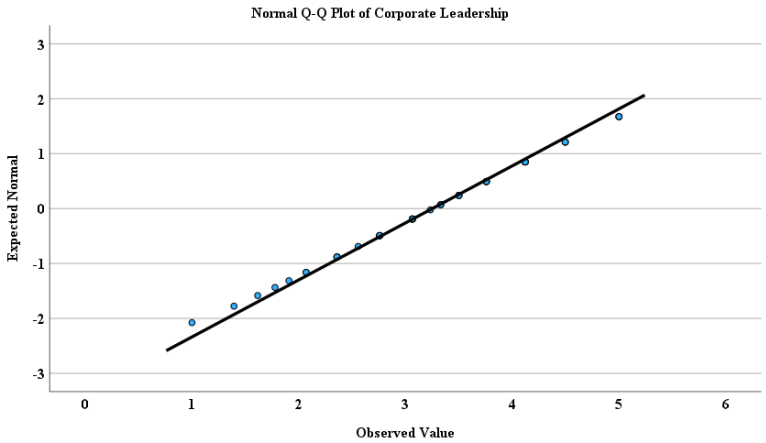


Source: Study data (2023)

ST PAUL'S UNIVERSITY

Figure 15

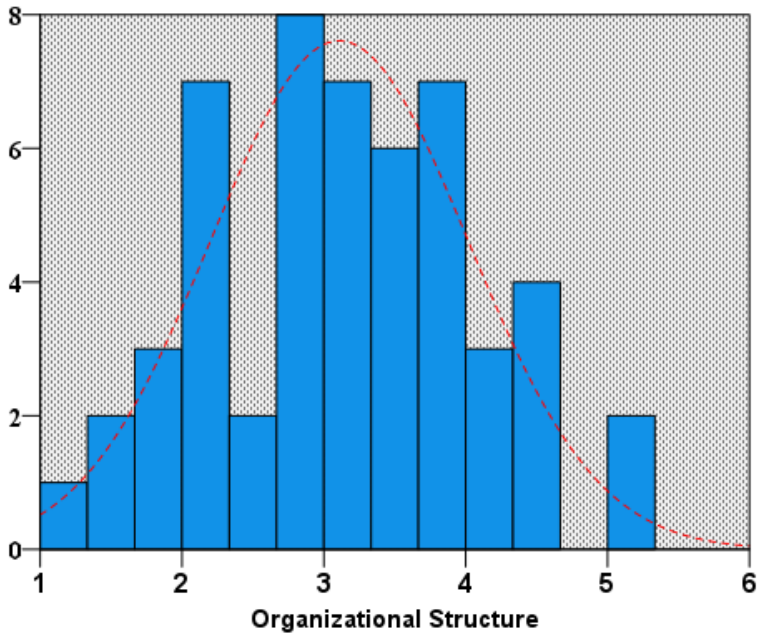
Normal Q-Q Plot of Corporate Leadership



Source: Study data (2023)

Figure 16

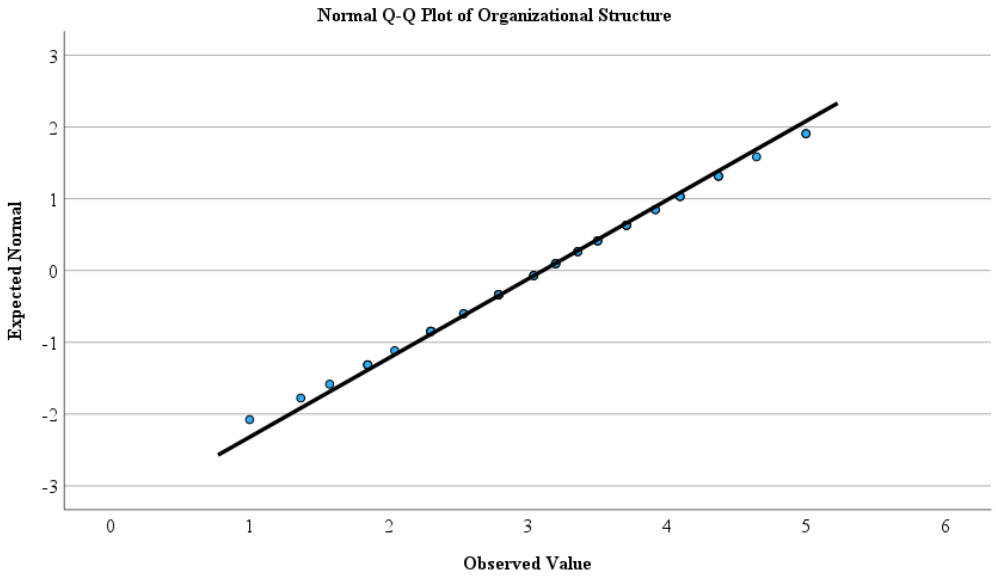
Histogram for Organizational Structure



Source: Study data (2023)

Figure 17

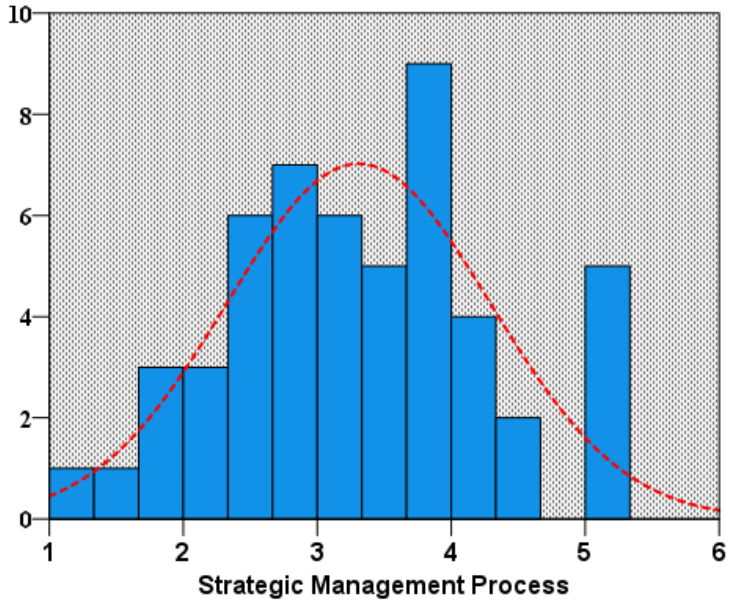
Normal Q-Q Plot of Organizational Structure



Source: Study data (2023)

Figure 18

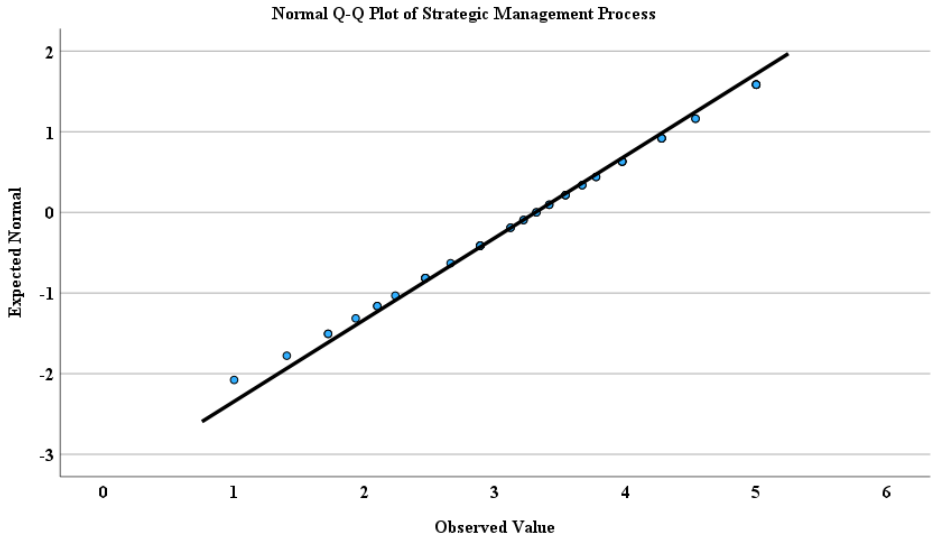
Histogram for Strategic Management Process



Source: Study data (2023)

Figure 19

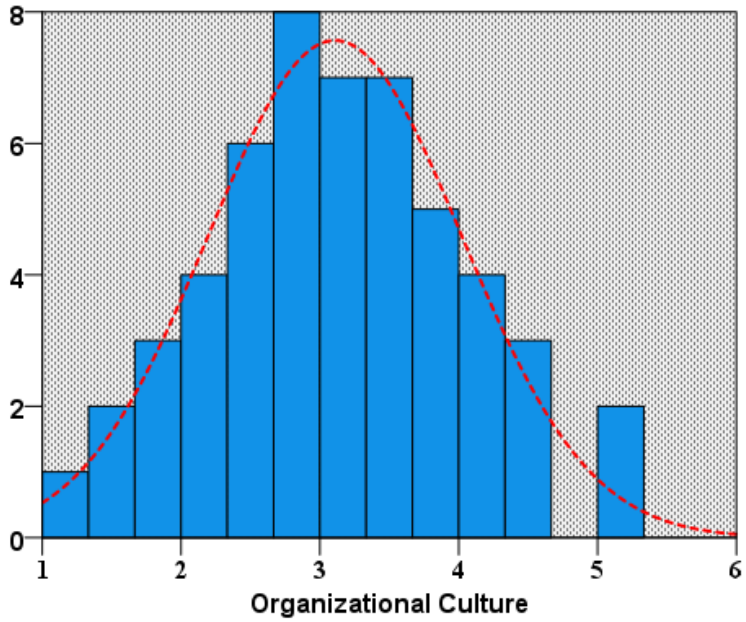
Normal Q-Q Plot of Strategic Management Process



Source: Study data (2023)

Figure 20

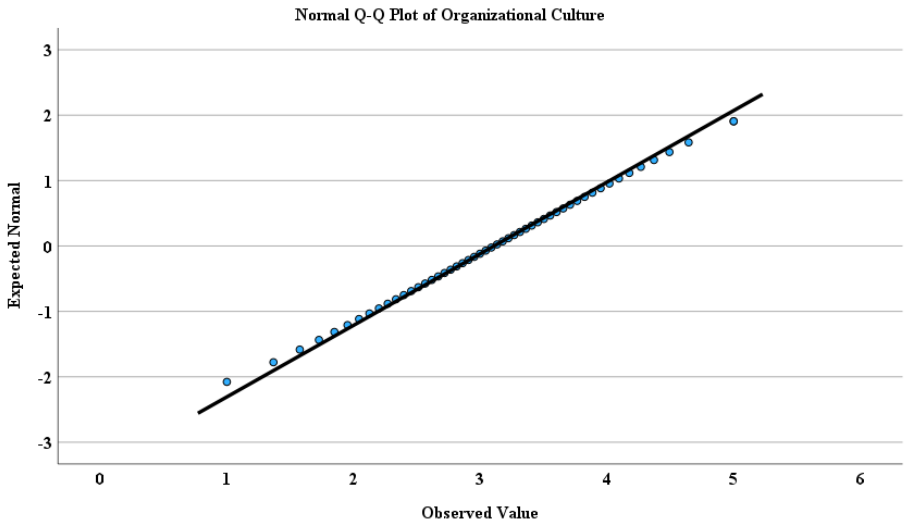
Histogram for Organizational Culture



Source: Study data (2023)

Figure 21

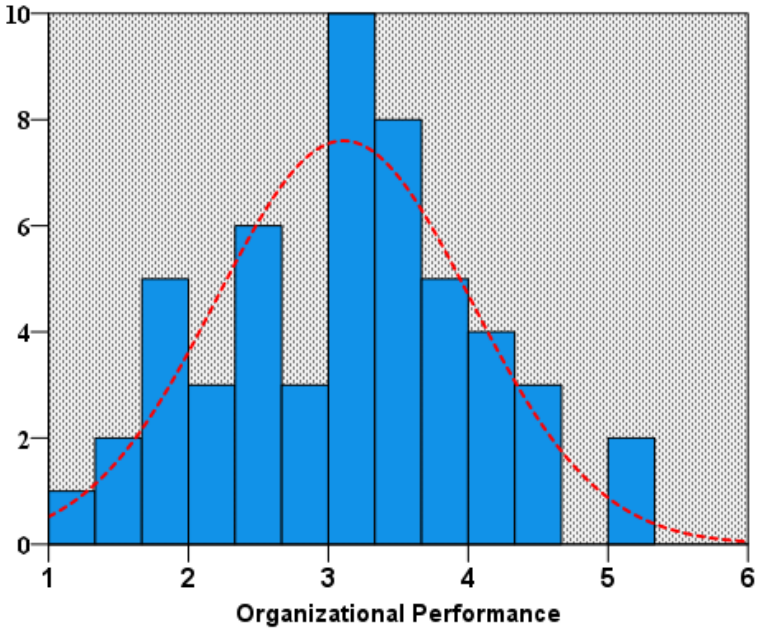
Normal Q-Q Plot of Organizational Culture



Source: Study data (2023)

Figure 22

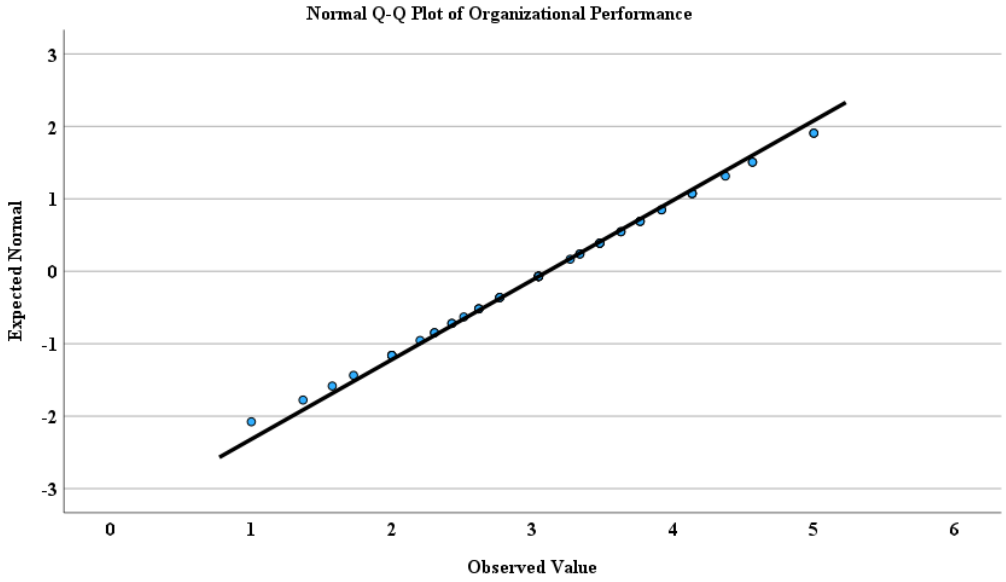
Histogram for Organizational Performance



Source: Study data (2023)

Figure 23

Normal Q-Q Plot of Organizational Performance



Source: Study data (2023)

4.6.2 Multicollinearity Tests

Multicollinearity detection primarily involves using tolerance and its reciprocal, known as the variance inflation factor (VIF). Tolerance represents the proportion of variance in a specific predictor that cannot be accounted for by the other predictors. A tolerance nearing 1 implies minimal multicollinearity, while a value closer to zero suggests a potential threat of multicollinearity. A tolerance below 0.1 signifies a significant collinearity issue. Generally, a tolerance of 0.1 or less raises a concern. VIF indicates how much the variance of the coefficient estimate is magnified due to multicollinearity. VIF values surpassing 10 are commonly considered indicative of multicollinearity (Senaviratna & Cooray, 2019).

Table 16

Collinearity Statistics

Collinearity Statistics	Tolerance	VIF
All Four Predictor Variables		
Corporate Leadership	0.260	3.845
Organizational Structure	0.434	2.305
Strategic Management Process	0.257	3.889
Organizational Culture	0.308	3.252

ST. PAUL'S UNIVERS

Three Predictor Variables		
Corporate Leadership	0.278	3.595
Organizational Structure	0.464	2.154
Strategic Management Process	0.300	3.329
Two Predictor Variables		
Corporate Leadership	0.493	2.028
Organizational Structure	0.493	2.028
One Predictor Variable		
Corporate Leadership	1.000	1.000

Dependent Variable: Organizational Performance

Source: Study data (2023)

Table 16 contains collinearity statistics for the independent constructs (Corporate Leadership, Organizational Structure, Strategic Management Process, Organizational Culture) with their associated tolerance and Variance Inflation Factor (VIF) values. VIF helps to detect multicollinearity among independent variables in regression analysis. VIF is calculated as: VIF = 1 / (1 - R^2), where R^2 is the coefficient of determination resulting from regressing the variable of interest against the other independent variables. The tolerance value is the reciprocal of VIF (Tolerance = 1 / VIF). The threshold for VIF used to detect multicollinearity issues is around 10 (Senaviratna & Cooray, 2019). If the VIF of any variable exceeds this threshold, it suggests high multicollinearity with other independent variables, potentially affecting the reliability of regression results.

When all four predictor variables are combined, the collinearity results are as follows: Corporate Leadership (Tolerance = 0.260, VIF = 3.845); Organizational Structure (Tolerance = 0.434, VIF = 2.305); Strategic Management Process (Tolerance = 0.257, VIF = 3.889); and Organizational Culture (Tolerance = 0.308, VIF = 3.252). When three predictor variables are combined, the collinearity results are as follows: Corporate Leadership (Tolerance = 0.278, VIF = 3.595); Organizational Structure (Tolerance = 0.464, VIF = 2.154); and Strategic Management Process (Tolerance = 0.300, VIF = 3.329). When two predictor variables are combined, the collinearity results show that both Corporate Leadership and Organizational

ST. PAUL'S UNIVERSITY

Structure have a similar Tolerance score of 0.493 and a VIF score of 2.028. One predictor, namely Corporate Leadership has a Tolerance score of 1.000 and a VIF score of 1.000.

When all four predictor variables are used together, none of the individual variables crosses the threshold of VIF = 10, indicating no severe multicollinearity issue. However, when considering three variables together, Corporate Leadership, Strategic Management Process, and Organizational Culture the VIF drops slightly, intimating a reduction in multicollinearity. Using only two variables, Corporate Leadership and Organizational Structure, the VIF drops significantly below the threshold, suggesting a reduction in multicollinearity. Finally, when only one predictor variable, Corporate Leadership, is used, there is no multicollinearity concern since its VIF is 1.000.

In summary, while there are some instances of moderate correlation among certain variables, none of the scenarios exceed the VIF threshold of 10, indicating acceptable levels of multicollinearity for these predictor variables, in their respective combinations within the regression model. The regression model can reasonably use all four predictor variables together without encountering severe multicollinearity issues. The decision for the regression model is that it is acceptable to use all four predictors simultaneously as well as certain combinations of fewer predictors without significant concern for multicollinearity based on the VIF analysis.

4.6.3 Heteroscedasticity Tests

Table 17

Heteroscedasticity Tests

Breusch-Pagan / Cook-Weisberg test for heteroskedasticity
Ho: Constant variance
Variables: fitted values of Organizational Performance
$Chi^2(1)$ = 0.23
Prob > Chi^2 = 0.6349

Source: Study data (2023)

ST. PAUL'S UNIVERSITY

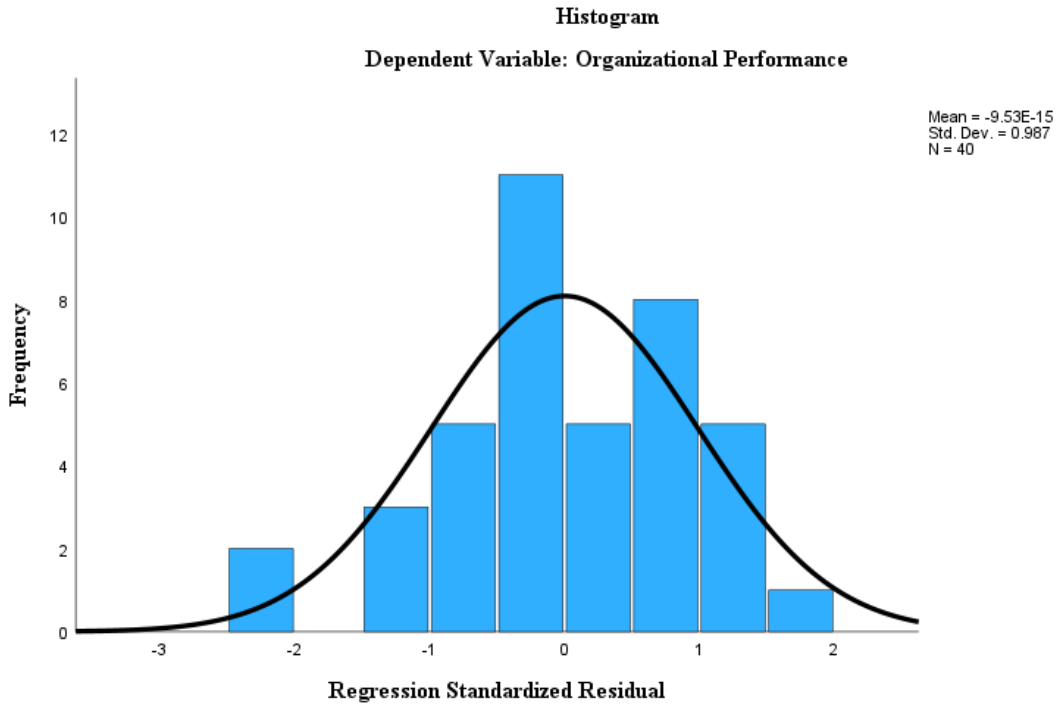
Table 17 outlines the results of a Breusch-Pagan/Cook-Weisberg test for heteroskedasticity, which is used to assess whether the variance of errors in a regression model is constant across all levels of the independent variables. Constant variance is the null hypothesis being tested. It assumes that the variance of errors (or residuals) in the regression model is constant, implying homoskedasticity (equal variance) of residuals. The test focused on the residuals (errors) obtained from a regression model that used the fitted values of the variable "Organizational Performance."

The chi-square associated with the test had a value of 0.23. This value represents the p-value associated with the chi-square test statistic. It is the probability of obtaining a chi-square value as extreme as 0.23 under the assumption that the null hypothesis (constant variance) is true. Since the p-value (Prob > Chi^2 = 0.6349) is greater than the significance level of 0.05, the null hypothesis cannot be rejected. This implies that there is insufficient evidence to conclude that there is heteroskedasticity in the model. Therefore, based on this test, the assumption of constant variance of errors in the regression model concerning the fitted values of Organizational Performance is not violated.

Figure 24

Histogram for Regression Standardized Residuals

ST. PAUL'S UNIVERSITY



Source: Study data (2023)

Figure 24 represents the standardized regression residuals. This figure demonstrated a bell-shaped curve corresponding to a normal distribution. This characteristic pattern strongly suggested the lack of heteroskedasticity within the data, indicating that the variability of errors or residuals across the range of predictor variables remained relatively constant.

4.6.4 Independence of the Moderating Variables

The assessment of the autonomy of moderating variables entailed investigating the presence of correlation between distinct moderating variables due to multicollinearity. Within this research, the examination employed the Variance Inflation Factor (VIF) and the Chi-Square Test of Independence to ascertain the independence of moderating variables, specifically scrutinizing the interrelation between company size and company age, alongside other predictor variables namely; corporate leadership, organizational structure, strategic management process, and organizational culture.

4.6.4.1 Collinearity Statistics of the Moderating Variables.

Testing for independence of moderating variables using VIF is a common technique in regression analysis. VIF measures how much the variance of an estimated regression coefficient increases if the predictors are correlated. High VIF values indicate multicollinearity, which can affect the reliability of the regression coefficients (Shrestha, 2020).

ST. PAUL'S UNIVE

Table 18

Collinearity Statistics of the Moderating Variables

Collinearity Statistics	Tolerance	VIF
Corporate Leadership	0.257	3.887
Organizational Structure	0.407	2.456
Strategic Management Process	0.252	3.965
Organizational Culture	0.278	3.596
Company Age	0.885	1.129
Company Size	0.910	1.099

Dependent Variable: Organizational Performance

Source: Study data (2023)

Table 18 shows Collinearity Statistics for two moderating variables, namely Company Age and Company Size relative to the dependent and independent variables. The collinearity test was used to determine the degree to which moderating variables in the regression model are correlated with each other. Tolerance was the measure used to assess the extent to which one moderating variable can be predicted by the other moderating variable in the light of the rest of the variables. Company Age had a Tolerance value of 0.885 and Company Size also had a Tolerance value of 0.910. A high Tolerance value close to 1 indicates that there is very little redundancy between these variables. It suggests that both Company Age and Company Size are relatively independent of each other in explaining the variation in both the dependent and independent variables. Similarly, both Company Age and Company Size have VIF values of 1.129 and 1.099 respectively suggesting that both moderating variables are relatively independent of each other in explaining the variation in both the dependent and independent variables.

In summary, based on the values in the table, there seems to be very little evidence of multicollinearity between Company Age and Company Size. This indicates that these two variables are not strongly correlated and can be included as moderators in the regression model without causing multicollinearity-related problems.

ST. PAUL'S UNIVERSITY

4.6.4.2 Chi-Square Test of Independence

The Chi-Square Test of Independence was employed to ascertain the independence within the moderating variables and between the moderating variables and the other predictor variables. A p-value of less than the significance level of 0.05 would indicate that there is a statistically significant association between the variables tested (Stewart , 2023).

Table 19

Chi-Square Test of Independence

Variable	Chi-Square	df	Asymp. Sig.
Corporate Leadership	11.846	19	0.892
Organizational Structure	19.654	22	0.605
Strategic Management Process	8.077	21	0.995
Organizational Culture	19.000	25	0.797
Company Age	8.308	13	0.823
Company Size	15.038	20	0.774

Source: Study data (2023)

Table 19 indicates that a chi-square test was performed for each variable listed, namely, Corporate Leadership, Organizational Structure, Strategic Management Process, Organizational Culture, Company Age and Company Size. The chi-square statistic values are provided for each variable. The degrees of freedom vary for each variable, depending on the categories and data involved in the analysis. The Asymptotic Significance values, or p-values, are all quite high (close to 1.000). The p-value was used to determine the significance of results in statistical testing. A p-value less than the significance level of 0.05 indicated insufficient evidence to reject the null hypothesis (Stewart , 2023). Since all p-values were close to 1.000, the conclusion was that there is no statistically significant association between the variables tested.

ST. PAUL'S UNIVERSITY

4.7 Test of Hypotheses

The process of hypothesis testing involved conducting multiple linear regression analysis, a statistical method used to examine relationships between variables. To interpret the outcomes of these tests, particular attention was given to the adjusted R^2 values and p values, specifically considering significance at a threshold of $p < 0.05$. In this analytical approach, the independent variables being investigated were systematically subjected to regression against the dependent variable. Additionally, a combined measure encompassing all variables was computed to provide an overarching reflection of their collective effect. The hypotheses were structured and tested in a sequential manner. Initially, the hypotheses concerning direct relationships between variables were introduced and tested. Subsequently, the analysis explored moderated relationships. Each set of hypotheses was methodically tested in the aforementioned order, allowing for a systematic examination of the varied relationships of the study.

H_{01}: Corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{02}: Organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{03}: Strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{04}: Organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

H_{05}: Organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

4.7.1 Test of Direct Relationship Hypotheses

Linear regression is predicated on the assumption of a linear relationship among the variables under consideration. In the absence of correlation between these variables, the regression analysis is unlikely to yield significant results. Consequently, it was imperative for the researcher to ascertain the degree of correlation prior to advancing to regression modeling. The researcher was fully aware that while correlation does not establish causation, it serves as a

ST. PAUL'S UNIVERSITY

preliminary indicator of the suitability of employing regression analysis. The following were the results of the correlation analysis:

Table 20

Correlation Coefficients

Correlations		**Organizational Performance**
Organizational Performance	Pearson Correlation	1
	Sig. (2-tailed)	
	N	40
Corporate Leadership	Pearson Correlation	.910**
	Sig. (2-tailed)	<.001
	N	40
Organizational Structure	Pearson Correlation	.869**
	Sig. (2-tailed)	<.001
	N	40
Strategic Management Process	Pearson Correlation	.843**
	Sig. (2-tailed)	<.001
	N	40
Organizational Culture	Pearson Correlation	.755**
	Sig. (2-tailed)	<.001
	N	40
** Correlation is significant at the 0.01 level (2-tailed).		

Table 20 shows that organizational performance correlates with corporate leadership ($r = 0.910$, $p < 0.001$); organizational performance correlates with corporate structure ($r = 0.869$, $p < 0.001$); organizational performance correlates with strategic management process ($r = 0.843$, $p < 0.001$); and organizational performance correlates with organizational culture ($r = 0.755$, $p < 0.001$). Based on the correlations results provided, it was appropriate to proceed with regression analysis. The Pearson correlation coefficients between Organizational Performance and the other variables—Corporate Leadership, Organizational Structure, Strategic Management Process, and Organizational Culture were all high and significant at the 0.01 level. This indicated strong linear relationships between Organizational Performance and these variables, fulfilling the prerequisite for regression analysis.

A comprehensive multiple regression analysis was executed at a confidence level of 95%, denoted by $\alpha = 0.05$. This analytical approach aimed to examine and understand the relationship between variables, specifically between corporate governance (the independent variable) and organizational performance (the dependent variable). The primary objective of this investigation was to explore and ascertain the effect that corporate governance has on organizational performance of listed companies at NSE. The model utilized in this study took the form of a structured equation, which allowed for the evaluation and interpretation of the relationship between corporate governance and organizational performance. The equation is shown below:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \mathbf{(1)}$$

Where:-

Y = Organizational performance

X_1 = Corporate leadership

X_2= Organizational structure

X_3= Strategic management process

X_4= Organizational culture

ε = Error term

β_0= Constant

$\beta_1 \ldots\ldots \beta_n$= beta coefficients

Beta Coefficient

A beta coefficient is the degree of change in the dependent (response) variable for every one (1) unit of change of the independent (predictor) variable.

The results of the regression are as shown in Tables 21 - 23.

Table 21

Model Summary

Model	R	R Squared	Adjusted R Squared	Std. Error of the Estimate
1	.969[a]	0.939	0.932	0.16394

ST. PAUL'S UNIVERSITY

[a] *Predictors: (Constant), Organizational Culture, Organizational Structure, Strategic Management Process, Corporate Leadership*

Source: Study data (2023)

The results outlined in Table 21 illustrate the fitting of the model. The correlation coefficient (R) is notably observed at a value of 0.969. This signifies a robust positive correlation existing between the independent variables and the organizational performance of listed companies at Nairobi Securities Exchange.

The small difference between the R squared (0.939) and the adjusted R squared (0.932) suggests that the additional predictors (Corporate Leadership, Organizational Structure, Strategic Management Process and Organizational Culture) are collectively contributing to the model's explanatory power. However, it is also worth noting that the adjusted R squared penalizes the inclusion of unnecessary predictors, so the small difference indicates that while the predictors are significant, there is only a slight improvement in explanatory power when accounting for the number of predictors in the model. This makes it imperative to construct one composite variable "Corporate Governance" constituting all predictor variables for the second regression model.

Table 22

ANOVA for Organizational Performance and Predictor Variables

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.403	4	3.601	133.977	0.000[b]
	Residual	0.941	35	0.027		
	Total	15.343	39			

[a] *Dependent Variable: Organizational Performance*

[b] *Predictors: (Constant), Organizational Culture, Organizational Structure, Strategic Management Process, Corporate Leadership*

Source: Study data (2023)

ST. PAUL'S UNIVERSITY

The regression model's sum of squares is 14.403, indicating the amount of variance explained by the regression model. There are 4 degrees of freedom associated with the regression. The mean square (mean of the sum of squares) is 3.601. The high F-value of 133.977 suggests that the regression model is statistically significant. The significance level (p-value) is less than 0.001, indicating strong evidence against the null hypotheses that there is no relationship between the predictors and the dependent variable. The residual sum of squares represents unexplained variance by the regression model. There are 35 degrees of freedom associated with the residuals. The mean square for residuals is 0.027, indicating the average variance left unexplained by the model. The total sum of squares represents the total variance in the dependent variable. There are 39 degrees of freedom associated with the total model.

The regression model, using the listed predictors, significantly explains a substantive amount of variance in the dependent variable (Organizational Performance) as indicated by the high F-value and the significantly low p-value ($p < .001$). The model is a good fit based on this analysis. The combination of Organizational Culture, Organizational Structure, Strategic Management Process, and Corporate Leadership significantly predicts Organizational Performance.

Table 23

Table of Regression Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		β	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	0.719	0.153		4.696	0.000
	Corporate Leadership	0.382	0.061	0.510	6.220	0.000
	Organizational Structure	0.365	0.053	0.440	6.926	0.000
	Strategic Management Process	0.146	0.058	0.207	2.511	0.017
	Organizational Culture	-0.059	0.041	-0.110	-1.453	0.155

[a] *Dependent Variable: Organizational Performance*

Source: Study data (2023)

ST. PAUL'S UNIVERSITY

Table 23 presents the results of the regression analysis. The table displays the coefficients and other statistical measures related to the regression model predicting Organizational Performance based on several predictor variables.

The unstandardized coefficients represent the values that the regression equation used for each predictor variable to predict Organizational Performance. They are unstandardized because they are in their original units and have not been adjusted for scale. The standardized coefficients are standardized to allow for comparison of the relative importance of each predictor variable in explaining Organizational Performance. They were useful for understanding the relative impact of different predictors, as they had been scaled to have a mean of zero and a standard deviation of one. The t-Values represent the ratio of the estimated coefficient to its standard error. The larger the absolute value of t, the more likely the coefficient is to be significantly different from zero. The Sig. (Significance) indicates the statistical significance of each predictor variable. In this study, it is determined by a significance level of 0.05. The results in this table return a p-value of less than 0.001, indicating a highly significant relationship between the predictor variables and Organizational Performance.

The constant term in the model suggests the expected value of Organizational Performance when all predictor variables are zero. Corporate Leadership, Organizational Structure, and Strategic Management Process have positive coefficients, indicating a positive relationship with Organizational Performance. All of these variables are highly significant ($p < 0.001$). Organizational Culture has a negative coefficient, suggesting a negative relationship with the outcome variable. However, its p-value (0.155) is relatively high, indicating that it is not statistically significant at a significance level of 0.05. Corporate Leadership ($p < 0.001$), Organizational Structure ($p < 0.001$), and Strategic Management Process ($p < 0.01$) are statistically significant predictors of Organizational Performance, while Organizational Culture is not as influential based on the p-value ($p > 0.05$).

From the results in table 23, the regression model is summarized as follows:

$$\textit{Organizational Performance} = 0.719 + 0.382_{cl} + 0.365_{os} + 0.146_{smp} - 0.059_{oc}$$

The results in table 23 show that if all factors (organizational culture, organizational structure, strategic management process, corporate leadership) are held constant, organizational performance of listed companies at NSE would be equal to 0.719. The results also show that holding all other factors constant, increase in corporate leadership increases organizational performance by 0.382. Likewise, holding all other factors constant, an increase in

ST. PAUL'S UNIVERSITY

organizational structure would lead to a 0.365 increase in organizational performance. Similarly, holding all other factors constant, increase in strategic management process would lead to increase in organizational performance by 0.146 while holding all factors constant. Conversely, increase in organizational culture would decrease performance of NSE listed companies by -0.059. However, the decrease would be statistically insignificant.

Based on the magnitude of each variable in predicting performance, the findings indicated that corporate leadership had the highest effect on organizational performance followed by organizational structure, and strategic management process. Conversely, organizational culture had a negative influence on organizational performance. This negative influence was, however, statistically insignificant.

4.7.2 Test of Hypothesis One

The first objective of this study was to assess the effect of corporate leadership on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O1}) was that corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

Table 23 displays the results from the regression analysis, specifically examining the relationship between various independent variables namely corporate leadership, organizational structure, strategic management process, organizational culture and organizational performance as the dependent variable. The unstandardized coefficient for corporate leadership is 0.382. This suggests that for a one-unit change in corporate leadership, there is a predicted change of 0.382 units in organizational performance, assuming all other variables are held constant. The standardized coefficient (Beta) for corporate leadership is 0.510. This indicates the relative importance of corporate leadership compared to other variables in the model. The t-value associated with corporate leadership is 6.622, which is the coefficient divided by its standard error. This value assesses the significance of the coefficient. This higher t-value indicates that corporate leadership is more significant in predicting the dependent variable. The significance level for Corporate Leadership is 0<.001, suggesting a high level of statistical significance. This implies that the relationship between corporate leadership and the organizational performance is not due to random chance.

In summary, based on this analysis, corporate leadership has a statistically significant and relatively strong positive relationship with the organizational performance, indicating that changes in corporate leadership are associated with changes in organizational performance.

ST. PAUL'S UNIVERSITY

Based on the unstandardized coefficients (β= 0.382, p < 0.001), the study therefore concluded that corporate leadership has a significant effect on organizational performance of listed companies at Nairobi Securities Exchange.

These findings are consistent with the study by Igbaekemen and Odivwri (2015) that investigated how leadership styles influences organizational performance. It was found that leadership had a significant effect on organizational performance of an organization. Similarly, a study by Nurhaslia (2016) that sought to determine the effects of leadership on organizational effectiveness of the Health Department in Wakatobi District, South East Sulawesi, Indonesia found that leadership affected organizational effectiveness significantly. Likewise, a study by Rohana and Abdulla (2017) that set out to determine the influence of leadership competencies on organizational performance indicated that leadership competencies had significant effect on organizational performance. In the same vein, Nandasinghe (2020) carried out an empirical review to investigate the relationship between leadership and performance outcomes whose findings indicated that leadership plays a critical role in the success of any organization.

4.7.3 Test of Hypothesis Two

The second objective of this study was to evaluate the effect of organizational structure on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O2}) was that organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. Table 23 presents the outcomes derived from the regression analysis, focusing on exploring how corporate leadership, organizational structure, strategic management process, and organizational culture relate to organizational performance, which serves as the dependent variable. The unstandardized coefficient for organizational structure is 0.365. This indicates that for a one-unit change in organizational structure, there is a predicted change of 0.365 units in organizational performance, assuming all other variables are held constant. The standardized coefficient (Beta) for organizational structure is 0.440. This indicates the relative importance of organizational structure compared to other variables in the model. The t-value associated with corporate leadership is 6.926, which is the coefficient divided by its standard error. This value assesses the significance of the coefficient. This high t-value indicates that organizational structure is critical in predicting the organizational performance. The significance level for organizational structure is <.001, suggesting a high level of statistical significance. This implies that the relationship between organizational structure and the organizational performance is not due to random chance.

ST PAUL'S UNIVERSITY

In summary, based on this analysis, organizational structure has a statistically significant and relatively strong positive relationship with the organizational performance, indicating that changes in organizational structure are associated with changes in organizational performance. Based on the unstandardized coefficients (β= 0.365, p < 0.001), the study therefore concluded that organizational structure has a significant effect on organizational performance of listed companies at Nairobi Securities Exchange.

The results of the current study corroborate the findings by Razia (2015) who conducted a comparative analysis of organizational structure and its influence on effectiveness in institutions of higher learning in Kenya. The study found that there was a significant influence of organizational structure on institutional effectiveness. Similarly, Sammoudi (2016) investigated the effect of organizational structure on institutional efficiency in Palestine. The findings indicated that organizational structure had an influence on organizational performance. Likewise, Estalaki (2017) studied the effect of organizational structure on organizational efficiency in Iran. The study found that organizational structure had significant effect on organizational efficiency. Likewise, Njiru and Nyamute (2018) sought to investigate the effect of organizational structure on financial performance of commercial state corporations in Kenya. The study found that organization size, structural formations, structure complexity, and structure centralization affected financial performance of commercial state corporations in Kenya. These findings are in tandem with the findings of the current study. The results of the current study further corroborate the findings by Onono (2018) who sought to establish the relationship between organizational structure and performance in Nigeria and found a strong and positive relationship between organizational structure and performance.

ST. PAUL'S UNIVERSITY

4.7.4 Test of Hypothesis Three

The third objective of this study was to examine the effect of strategic management process on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O3}) was that strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

Table 23 presents the findings derived from the regression analysis aimed at examining the impacts of corporate leadership, organizational structure, strategic management processes, and organizational culture on organizational performance, which serves as the dependent variable. The unstandardized coefficient for strategic management process is 0.146. This indicates that for a one-unit change in strategic management process, there is a predicted change of 0.146

units in organizational performance, assuming all other variables are held constant. The standardized coefficient (Beta) for strategic management process is 0.207. This indicates the relative importance of strategic management process compared to other variables in the model. The t-value associated with strategic management process is 2.511, which is the coefficient divided by its standard error. This value assesses the significance of the coefficient. This relatively high t-value indicates that strategic management process is fundamental in predicting the organizational performance. The significance level for strategic management process is <.05, suggesting a high level of statistical significance. This indicates that the relationship between the strategic management process and organizational performance is not a result of mere coincidence.

In summary, based on this analysis, strategic management process has a statistically significant and relatively strong positive relationship with the organizational performance, indicating that changes in strategic management process are associated with changes in organizational performance. Based on the unstandardized coefficients ($\beta = 0.146$, $p < 0.01$), the study therefore concluded that strategic management process has a significant effect on organizational performance of listed companies at Nairobi Securities Exchange.

The findings of the current study corroborate the findings from other empirical studies. Wambugu and Waiganjo (2015) carried out a study on the effect of strategic management practices on organizational performance in the construction industry operating in Nairobi, Kenya. The study established that strategic management had a positive and significant effect on organizational performance. Kasera (2017) conducted a study on the effects of strategic management on organizational performance on health institutions operating in Nairobi City County, Kenya. It was found that strategic management had significant effects on organizational performance of the health institutions in Nairobi City County. Agwu (2018) explored the extent to which adoption of strategic management practices among SMEs in Nigeria, affected business performance in the respective organizations. The findings indicated that the business strategies of the SMEs were deemed to positively contribute towards business performance. Qarashay and Alzu'bi (2018) studied the impact of strategic management on organizational performance at Al Khalidi Hospital and Medical Centre, Jordan. It was found that strategic management had positive and significant effect on organizational performance.

ST. PAUL'S UNIVERSITY

4.7.5 Test of Hypothesis Four

The fourth objective of this study was to assess the effect of organizational culture on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O4}) was that organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.

Table 23 exhibits the results obtained through regression analysis, interrogating the effect of corporate leadership, organizational structure, strategic management processes, and organizational culture on organizational performance, considered as the dependent variable.

The unstandardized coefficient for organizational culture is -0.059. This indicates that for a one-unit change in strategic management process, there is a predicted change of -0.059 units in organizational performance, assuming all other variables are held constant. The standardized coefficient (Beta) for organizational culture is -0.110. This indicates the relative importance of organizational culture compared to other variables in the model. The t-value associated with organizational culture is -1.453, which is the coefficient divided by its standard error. This value assesses the significance of the coefficient. This low t-value indicates that organizational culture is insignificant in predicting organizational performance. The significance level for organizational culture is >.05, suggesting an insignificant effect. This indicates that the relationship between organizational culture and organizational performance is insignificant.

In summary, based on this analysis, organizational culture has a statistically insignificant and weak negative relationship with the organizational performance, indicating that changes in strategic management process are not associated with changes in organizational performance. Based on the unstandardized coefficients (β= -0.059, $p > 0.05$), the study therefore concluded that organizational culture has an insignificant effect on organizational performance of listed companies at Nairobi Securities Exchange.

The findings of the current study on the effect of organizational culture on organizational performance does not corroborate some other findings from empirical studies. Oduol (2015) sought to determine the effect of organizational culture on organizational performance of selected regional banks headquartered in Kenya. It was found out that the banks engaged in organizational cultures in order to boost organizational performance. This was a converse finding compared to the current study. Tedla (2016) carried out a study in Ethiopia to explore successful strategies that one corporate group used to establish an effective organizational culture to improve on organizational performance. The findings were that there was a defined mission that resulted into shared understanding of the managers and employees of a company.

ST. PAUL'S UNIVERSITY

This study, on one corporate group, had divergent findings compared with the current study. Yu-Hua (2016) analysed the link between organizational culture and organizational effectiveness. The findings indicated that organizational culture had a significant effect on organizational effectiveness. This study had differing findings compared with the current study. Maina (2016) sought to establish the relationship between organizational culture and organizational performance of commercial banks in Kenya. The overall finding was that there was a significant positive relationship between organizational culture and organizational performance in commercial banks in Kenya. This finding contrasted the findings of this study.

Additionally, there are other studies whose findings were inconsistent with the findings of the current study. Kamaamia (2017) investigated the effect of organizational culture on organizational performance. The findings indicated that organizational culture had an influence on organizational performance. Nikpour (2017) investigated the mediating role of employees' organizational commitment on the relationship between organizational culture and organizational performance. It was found out that organizational culture enhanced organizational performance. Bashayreh (2019) studied the role of organizational culture and its effect on organizational performance among the employees of insurance companies in Jordan. The study found out that organizational culture had significant effect on organizational performance.

The connection between organizational culture (OC) and organizational performance (OP) is an area ripe for exploration, offering numerous research opportunities. Over the past decades, researchers across various disciplines have increasingly focused on understanding this relationship. However, challenges such as the absence of consensus in defining key concepts, the proliferation of measurement models, and the mixed and inconclusive nature of empirical study findings have hindered the ability to affirm a direct, positive, and robust correlation between OC and OP. Some theorists propose the existence of mechanisms through which OC affects OP, with a few suggesting that formalizing a third variable may be essential to establish this connection (Rhaimini & Charaf, 2022).

Since the 1980s, researchers have explored the impact of OC on OP, with Ouchi (1981) being an early contributor. Subsequent studies indicate a growing influence of OC on various performance metrics over time. However, the positive correlation between OC and OP is not universally acknowledged, as suggested by Chatman et al., (2012). Some studies have presented mixed or negative findings concerning the effects of OC on organizational performance (Detert et al., 2000; Hartnell et al., 2011). The lack of consensus on the definitions

ST. PAUL'S UNIVERSITY

of OC and OP, along with the use of different evaluation measures creates challenges in drawing a conclusive positive relationship between these two constructs based on prior research results (Rhaimini & Charaf, 2022). Indeed, numerous studies indicate that intervening or moderating factors could potentially influence the connection between organizational commitment and performance (Rhaimini & Charaf, 2022).

Research on the correlation between organizational culture and performance has produced divergent findings. While certain studies suggest a positive link, others demonstrate either an absence of a significant correlation or even a negative relationship.

4.7.6 Test of Hypothesis Five

The last objective of the study was to assess the moderating effect of organizational factors on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The study thus hypothesized that organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya. A composite variable (corporate governance) comprising of all the independent variables was constructed to fit the moderation model.

In order to estimate moderation effect, a two-step procedure was applied as recommended by Hair et al. (2021). In the first step (Step 1a), a composite model was used to regress the effect of the independent variable on the dependent variable. Additionally, this step (Step 1b) entailed including Organizational Factors as an independent variable as shown in model (2.1). – the spacing in this section should be similar to the rest. Agreed

$$OP = \beta_{05} + \beta_{06}CG + \beta_{07}OF + \varepsilon \quad \text{..... (2.1)}$$

Where:

OP = Organizational Performance

CG = Corporate Governance

OF = Organizational Factors

Step One: Regression of Organizational Performance on Corporate Governance

Step 1 entailed including Organizational Factors as an independent variable as shown in Table 24.

Table 24

Model Summary

ST. PAUL'S UNIVERSITY

Model	R	R Squared	Adjusted R Squared	Std. Error of the Estimate
2.1	0.959[a]	0.920	0.916	0.18157

a Predictors: (Constant), Organizational Factors, Corporate Governance

Source: Study data (2023)

Table 24 displays the results of the regression of organizational performance on corporate governance and organizational factors. The correlation coefficient between the predicted values and the actual values measures the strength and direction of the linear relationship between corporate governance, organizational factors and organizational performance. The reported value is 0.959, which indicates a strong positive linear relationship. The R^2 of 0.920 suggests that approximately 92% of the variability in organizational performance is explained by corporate governance and organizational factors in the model. Similarly, the adjusted R^2 of 0.916 implies that the independent variable(s) in the model explain 91.6% of the variability in organizational performance is explained by Corporate Governance in the model. The lower value (0.18157) of the standard error of the estimate indicates that the model's predicted values are closer to the actual observed values. Overall, the model exhibits a strong fit (as indicated by high R, R^2, and Adjusted R^2 values) in explaining the variability in the dependent variable using the predictor variables.

The results for analysis of variance are as shown in Table 24:

Table 25

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
2.1	Regression	14.123	2	7.062	214.201	0.000[b]
	Residual	1.22	37	0.033		
	Total	15.343	39			

[a] *Dependent Variable: Organizational Performance.*

[b] *Predictors: (Constant), Organizational Factors, Corporate Governance.*

Source: Study data (2023)

ST. PAUL'S UNIVERSITY

Table 25 shows the results of an Analysis of Variance (ANOVA) for the regression model predicting organizational performance based on corporate governance and organizational factors.

The F-statistic of 214.201, indicates the ratio of variance explained by the model to the unexplained variance. The high F-value shows a stronger relationship between the predictor and the dependent variables. The significance level for the overall model is <0.001, indicating a highly significant relationship between Corporate Governance, Organizational Factors and Organizational Performance. The ANOVA table indicates that the regression model with corporate governance as a predictor, significantly explains a substantive component of the variance in organizational performance. The F-value is high, suggesting a strong relationship between corporate governance and organizational performance. Additionally, the p-value being less than 0.001 implies a high level of confidence that the relationship observed is not due to random chance.

The results for coefficients for the model variables are as shown in Table 25.

Table 26

Coefficients[a]

Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		β	**Std. Error**	**Beta**	**t**	Sig.
2.1	(Constant)	0.843	0.165		5.105	0.000
	Corporate Governance	0.790	0.040	0.951	19.929	0.000
	Organizational Factors	0.039	0.053	0.035	0.729	0.470

[a] Dependent Variable: Organizational Performance

Source: Study data (2023)

Table 26 exhibits the results of the coefficients for the regression analysis exploring the relationship between organizational performance, corporate governance and organizational factors.

ST. PAUL'S UNIVERSITY

While Corporate Governance significantly and positively affects Organizational Performance, the influence of Organizational Factors is statistically insignificant in this model. For each unit increase in Corporate Governance, we can expect Organizational Performance to increase by 0 .843 units, assuming all other variables remain constant. Corporate Governance has a strong positive influence on Organizational Performance compared to other predictors in the model (Beta = 0.951). The t-value (19.929) is highly significant, indicating that the relationship between Corporate Governance and Organizational Performance is statistically significant. The p-value is very low ($p < 0.001$), indicating a highly significant relationship between Corporate Governance and Organizational Performance. For each unit increase in Organizational Factors, we can expect a negligible increase of only 0.039 units in Organizational Performance, assuming all other variables remain constant. Organizational Factors have a very weak positive influence on Organizational Performance compared to other predictors in the model Beta= 0.035). The t-value (0.729) is not significant, indicating that the relationship between Organizational Factors and Organizational Performance is not statistically significant. The p-value is relatively high, indicating that the relationship between Organizational Factors and Organizational Performance is not statistically significant at 0.05 levels of significance ($p > 0.05$).

The model is thus summarized as follows:

$$OP = 0.843 + 0.039_{OF} + 0.790_{CG}$$

Step Two: Regression of Organizational Performance on Composite Corporate Governance, Organizational Factors and Interaction Term

The second step entailed the estimation of the moderator's total effect as well as the direction on the relationships among dependent and the independent variables as shown in model 2.2:

$$OP=\beta_{08}+\beta_{09}CG + \beta_{10}OF * CG \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots \quad (2.2)$$

β_{09} and β_{10}represent the coefficients of the collaborative terms amongst CG and the OF variable.

In this step, organizational framework was introduced and the new r square value (r^2_2), beta coefficient for the interactive term together with the significance of interactive term are exhibited. The results of the regression model are as shown in Table 27:

Table 27

Model Summary

ST. PAUL'S UNIVERSITY

Model	R	R Squared	Adjusted R Squared	Std. Error of the Estimate
2.2	.963[a]	0.927	0.921	0.17675

[a] *Predictors: (Constant), CG*OF, Corporate Governance, Organizational Factors*

Source: Study data (2023)

Table 27 represents the results of the regression of organizational performance on composite corporate governance, organizational factors and an interaction term. The intercept term in a regression equation, accounts for the base value of the organizational performance when all other predictors are zero. CG*OF indicates an interaction effect between corporate governance (CG) and organizational factors (OF). An interaction term was used to account for the combined effect of corporate governance and organizational factors that could have an additive impact on the dependent variable independently. From the results, Table 27 indicates that the value of R^2 is 0.927 which means that the model predicted 92.7% of the changes in performance. The analysis of variance results is shown in Table 28 below.

Table 28

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
2.2	Regression	14.218	3	4.739	151.708	0.000[b]
	Residual	1.125	36	0.031		
	Total	15.343	39			

[a] *Dependent Variable: Organizational Performance*

[b] *Predictors: (Constant), CG*OF, Corporate Governance, Organizational Factors*

Source: Study data (2023)

The results in table 28 indicate that the regression model, as a whole, is statistically significant in explaining the variance in organizational performance. The predictors included in the model, jointly have a significant relationship with the dependent variable, as indicated by the low p-value (< 0.001) of the F-statistic.

Table 29

Coefficients[a]

ST. PAUL'S UNIVERSITY

Model		Unstandardized Coefficients		Standardized Coefficients		.
		β	Std. Error	Beta	t	Sig.
2.2	(Constant)	-0.303	0.676		-0.448	0.657
	Corporate Governance	1.064	0.161	1.280	6.588	0.000
	Organizational Factors	0.682	0.372	0.609	1.833	0.075
	CG*OF	-0.152	0.087	-0.730	-1.745	0.090

[a] *Dependent Variable: Organizational Performance*

Source: Study data (2023)

Table 29 indicates that corporate governance has a high standardized coefficient (Beta = 1.234) and a significant p-value ($p < 0.001$). This indicates a strong and statistically significant positive relationship with organizational performance. A unit increase in corporate governance is associated with a 1.064 increase in organizational performance. While organizational factors' unstandardized coefficient (B =0.682) suggests a positive relationship, the standardized coefficient (Beta = 0.609) is lower. Additionally, the p-value (0.075) is above the 0.05 threshold. This indicates a lack of statistical significance at the 0.05 significance level, indicating that organizational factors are not significantly related to organizational performance. The interaction term CG*OF has a negative Beta value of -0.152. This negative coefficient suggests that the interaction effect between Corporate Governance (CG) and Organizational Factors (OF) has an inverse relationship with Organizational Performance.

When both Corporate Governance and Organizational Factors interact (CG*OF), their combined effect shows a negative impact on Organizational Performance, as suggested by the negative B value. Similarly, the negative Beta value for the interaction term CG*OF (-0.730) signifies that when the variables Corporate Governance and Organizational Factors interact, they have a relatively strong inverse impact on Organizational Performance compared to other predictors in the model. The negative sign of the Beta value highlights that this interaction effect has an inverse relationship with the dependent variable (Organizational Performance) after standardizing the variables. However, the p-value ($p > 0.05$) indicates insignificant relationship. This term's impact on organizational performance is not strong enough to be considered statistically significant based on the 0.05 significance level.

The model may be summarized as follows:

ST. PAUL'S UNIVERSITY

$$OP = -0.303+1.064_{CG} + 0.682_{OF} -0.152_{CG*OF}$$

A number of studies have been carried on the moderating relationship between organizational factors and organizational performance. Ali et al. (2016) investigated company size and its effect on the relationship between management participation and organizational performance. The study failed to demonstrate whether company size moderated the relationship between management participation and organizational performance. These results corroborate the findings of the current study. Ali (2017) did a study on company size and its effect in dimensions of strategic planning and performance of manufacturing entities in Kenya. The study did not find size to be a significant moderator variable. These results align with the findings of the current study. Pervan et al. (2017) used a case of food industry in Croatia to link the age of an organization and organizational performance. The analysis demonstrated that company age had an inverse relationship with organizational performance. These findings are consistent with the results obtained in the present study. However, for the current study, the inverse relationship was statistically insignificant.

Omenyo and Muturi (2019) used a case of manufacturing Nairobi Securities Exchange-listed companies to explore entity size and performance relationship. The study found that size of an entity had significant influence on organizational performance. The results obtained in the current study are inconsistent with these findings. Reed (2020) sought to find out the effect of company age and company size on strategic agility and performance. The study found significant relationships between company age and strategic agility, and between strategic agility and company performance. The results obtained in the current study are inconsistent with these findings. Some other studies had inverse findings to the current study. Doucoure' and Diagne (2020) who analysed the size and age effect on performance of small companies dealing with food in Senegal. The study noted that company size and age significantly affected company performance. Similarly, Hung et al. (2021), used a case of private companies in Vietnam to provide the link between size and performance. The study found that total assets were the greatest proxy of a company that greatly impacts on organizational performance followed by overall labour and growth rate.

The current study hypothesized that organizational factors (company size and age) have no significant moderating effect on the relationship between corporate governance and organizational performance. The results of the current study are consistent with some previous studies, such as Ali et al. (2016), Ali (2017), and Pervan et al. (2017), which also did not find significant moderating effects of company size and age. However, there were inconsistencies

ST. PAUL'S UNIVERSITY

with other studies like Omenyo and Muturi (2019) and Reed (2020), where the size of a company showed significant influence on organizational performance. Reed's study found significant relationships between company age, strategic agility, and company performance. Findings from the studies by Doucoure' and Diagne (2020) and Hung et al. (2021) indicate that the impact of company size and age on organizational performance can vary in different industry contexts. For instance, in Senegal's food industry, company size and age significantly affected performance, whereas in private companies in Vietnam, total assets had the greatest impact.

4.7.7 Summary on Test of Hypotheses

Table 30

Summary of the Test Results for the Study Hypotheses

Hypothesis	Findings	Decision	Conclusion
H_{01}: Corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.	$p < 0.05$ **$p = 0.000$**	Reject **H_{01}**	Corporate leadership has a significant effect on organizational performance of listed companies at Nairobi Securities Exchange.
H_{02}: Organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.	$p < 0.05$ **$p = 0.000$**	Reject **H_{02}**	Organizational structure has a significant effect on organizational performance of listed companies at Nairobi Securities Exchange.
H_{03}: Strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.	$p < 0.05$ **$p = 0.017$**	Reject **H_{03}**	Strategic management process has a significant effect on organizational performance of listed companies at Nairobi Securities Exchange.
H_{04}: Organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya.	$p > 0.05$ **$p = 0.147$**	Fail to reject **H_{04}**	Organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange.
H_{05}: Organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance of listed companies at Nairobi	$p > 0.05$ **$p = 0.155$**	Fail to reject **H_{05}**	Organizational factors have no significant moderating effect on the relationship between corporate governance and organizational performance of

ST. PAUL'S UNIVERSITY

Securities Exchange in Kenya.			listed companies at Nairobi Securities Exchange.

Source: Study data (2023)

4.8 Analysis of Qualitative Data

The qualitative data was gathered from the open-ended section of the survey. The data was stored in the same dataset as extra qualitative variables. The qualitative variables were organized into five key areas: corporate leadership, organizational structure, strategic management process, organizational culture, and organizational performance, aligning with the study's objectives. The responses for each of the qualitative variables were summarized into key issues. The researcher achieved this by systematically examining the textual data to identify underlying concepts. The researcher summarized the qualitative data based on the study objectives. The findings of this analysis are detailed in the subsequent subsections.

4.8.1 Corporate Leadership

Regarding communication and transparency, the respondents highlighted the importance of open and transparent communication between leadership, the board, employees, and stakeholders regarding company performance, strategy, and challenges. On corporate governance and stewardship, the respondents emphasized the significance of governance structures, leadership accountability, and the role of the board in guiding the company's direction while ensuring adherence to ethical practices.

The results on strategic leadership and vision demonstrated the important roles that leadership plays in setting clear strategic objectives, vision, and guiding the workforce towards achieving these goals. Regarding employee engagement and development, the respondents stressed the importance of employee involvement, motivation, mentorship, coaching, talent development programs, and a supportive culture for fostering growth and success. On performance measurement and management, the respondents highlighted the importance of application of performance metrics such as objectives and key results (OKRs), balanced scorecards, regular appraisals, and incentive schemes to evaluate, monitor, and drive organizational performance. The results on risk management and accountability underscore the importance of identifying, assessing, and managing risks by leadership and accountability in decision-making processes.

On financial transparency and stability, the respondents highlighted the necessity for transparent financial reporting, managing debt, and maintaining the trust of financiers and

ST. PAUL'S UNIVERSITY

stakeholders by ensuring the company's financial stability. Regarding ethical leadership, the respondents stressed the importance of integrity, honesty, commitment, and the avoidance of conflicts of interest in corporate leadership. Adaptive leadership was a critical result highlighted by the respondents underscoring the need for leaders to understand emerging issues, adapt to change, and anticipate future challenges for sustainable profitability and growth. Receivership and failure was a critical outcome highlighted by the respondents who reported instances where poor leadership, lack of transparency, and mismanagement led to the companies' downfall, emphasizing the importance of effective leadership in preventing such situations.

In conclusion, the results from qualitative data on corporate leadership reflect the importance of various leadership qualities and practices in shaping the success or failure of a company, from effective communication and strategic planning to transparent governance and ethical leadership.

4.8.2 Organizational Structure

The results on geographical challenges by the respondents show that companies face challenges when controlling shareholders that are located in different countries. One respondent indicated that the shareholders:

> "*...being in South Africa, results in executives being distant from the operational reality, which affects decision-making*."

Regarding evaluation and oversight, the respondents indicated that new roles and functions, as well as effectiveness for well performing companies are evaluated quarterly by the human resources and remuneration committees, showing a structured evaluation process. The problems of rigidity was listed as a fundamental challenge facing old companies given that their structures were reported as not being agile. An agile structure was emphasized to quickly respond to changes in the business environment and to align with strategic priorities. Such a structure was deemed to support the implementation of company strategy and ensure alignment between structure and strategic goals. The respondents indicated that in such companies, there was resistance to change among staff, hindering adaptability even when change is necessary. In some such companies, efforts were made to introduce flexibility and reduce bureaucracy in processes. The respondents reported that company-wide bonus schemes encourage staff to perform their best, while a managing director's personal involvement with employees enhances morale.

ST. PAUL'S UNIVERSITY

Regarding clarity and communication, the respondents emphasized that clear job specifications, reporting relationships, and communication channels are critical in preventing duplication, ensuring efficiency, and reducing silo mentality. As far as delegation and empowerment are concerned, the respondents indicated that delegation of authority, dynamic resource allocation, and employee development initiatives enable empowerment and growth opportunities within the NSE listed companies. The respondents further pointed out that the companies that aim for a simple and flat structure with fewer layers are likely to encourage faster decision-making and communication. The results of this study show that the involvement of third parties like a company secretary and external auditors is fundamental, to ensure alignment with necessary policies. Regarding family influence, the respondents enumerated that in companies where the majority shareholders were family members with control over the business, they impacted decision-making and performance. Respondents indicated that companies with regular board interventions and meetings tend to address issues, align with strategic goals, and ensure effective communication and decision-making.

These results collectively illustrate the complexity of company structure, the challenges in balancing rigidity and agility, the importance of clear communication and empowerment, and the role of various stakeholders in driving NSE listed companies' success.

4.8.3 Strategic Management Process

The results on leadership and vision carriers, highlight the influence of majority shareholders in driving company vision and formulating strategies. This underscores the significance of strong leadership in shaping strategic direction. The respondents placed an emphasis on strategic planning and alignment with regards to aligning budgets, objectives, and management processes with the company strategic goals. Regular review and alignment of strategies with operational processes were seen as crucial for maintaining the NSE listed companies' competitive edge. The respondents considered as essential clear communication of strategic objectives, coupled with engagement and direction for employees. Engaging employees with purpose and intent was shown as critical in ensuring efficiency, performance tracking, and effect correction when necessary. The respondents emphasized the importance of Key Performance Indicators (KPIs) and their monitoring on a regular basis. This ensures that everyone understands the respective company's priorities and aids in tracking progress and making the necessary adjustments.

Regarding organizational alignment and structure, the respondents indicated that the companies with strategic management processes that involve aligning the entire company,

ST. PAUL'S UNIVERSITY

including its structures and processes tend to achieve the outlined strategies and goals. This ensures that strategy cascades down through the company structure and is aligned to all the players. The respondents recognized the need for adaptability, innovation, and consequence management. They indicated that failure to adapt to changing environments and achieving strategies should prompt consequence management. Additionally, innovation was highlighted as a positive outcome of this process.

The respondents vouched for a customer-centric approach. They suggested that the strategic management process should include a focus on understanding and meeting customer needs. The customer-centric approach was seen as critical in shaping strategies and meeting market demands. The respondents highlighted the need for the involvement of the board of directors in overseeing strategic plans and the challenges associated with leadership transitions. The need for effective management oversight and leadership continuity is evident in the responses provided. Additionally, the respondents highlighted that while strategies are articulated in most NSE listed companies, they observed that there are challenges in their timely execution and implementation, possibly due to resource allocation delays or shifts in leadership focus.

Overall, these results highlight the importance of strong leadership, clear communication, alignment, adaptability, and a systematic approach to strategic management processes for company success.

ST. PAUL'S UNIVERSITY

4.8.4 Organizational Culture

Regarding a strong corporate culture and unity of purpose, the respondents observed that successful companies placed an emphasis on a cohesive culture that fosters integration and a shared vision across regions where the company operates. Such companies encourage teamwork and a safe environment for expressing diverse opinions. In respect to decision-making challenges during divestment, the respondents highlighted the difficulties existing in companies with respect to decision-making, between local teams identifying opportunities and headquarters being hesitant due to returns on investment.

The respondents underscored the importance of attitude. The companies need to focus on inculcating the right attitudes through regular training and acknowledging areas that need improvement. According to the respondents, successful NSE listed companies tend to focus on integration, efficiency, and consistency. This is the culture that contributes to creating integration, synergies, efficiency in delivery, and consistency in policy implementation. Additionally, they focus on innovation, recognition and rewards. Such companies encourage

thinking outside the box coupled with recognition schemes and bonus policies for employees. The respondents placed an emphasis on investment in a purpose-led, value-driven, high-performance culture, and the use of core values.

The respondents recognized that poor decisions at the board level significantly impacted on employee efforts and overall success. They asserted that employee engagement, customer focus, and productivity contribute to employee engagement, customer satisfaction, higher productivity and impacts company stability and success. A related finding was about mentorship, leadership training, and strategy achievement. The respondents highlighted the importance of mentorship, leadership training, and their role in embedding positive culture, supporting strategy, and achieving goals. Additionally, they placed an emphasis on open communication, removal of fear of criticism, and fostering a team ethic to promote collaboration and exchange of ideas. The other guiding principles and values that the respondents highlighted include honesty, zero tolerance for harassment, and the provision of a whistle blowing facilities. In addition, the respondents placed an emphasis on the importance of a flexible and adaptable culture to respond effectively to changes in the business environment. The study findings indicate that this can be achieved if there is an expectation for employees to adhere to a clearly stated values.

Most NSE listed companies acknowledged difficulties in determining a company's culture due to limited interactions. The overall results highlight the significance of a strong, adaptive, and inclusive organizational culture in fostering unity, innovation, productivity, and success within the NSE listed companies.

ST. PAUL'S UNIVERSITY

4.8.5 Organizational Performance

A cardinal qualitative finding on organizational performance was the continuous focus on customer satisfaction. This entailed the following areas of concern: strengthening efforts to understand customer needs and preferences better; implementation of feedback mechanisms to gather insights for product or service enhancements; and investing in customer service training to maintain and further improve satisfaction levels. Another central qualitative finding on organizational performance was employee engagement and development. This focused on three areas of interest, namely: encouraging and supporting a culture of continuous learning and innovation; providing opportunities for skill development and career growth through training programs and workshops; and recognizing and rewarding employee contributions to foster a motivated and engaged workforce.

Notably, enhancement of digital transformation strategies was a finding that came out strongly on organizational performance. This encompassed: ensuring the alignment between the digital transformation plan and the evolving market needs; investing in cutting-edge technologies and tools to streamline processes and improve efficiency; and promoting a digital-first mindset across all departments and levels within the NSE listed companies. Another important qualitative finding on organizational performance was retention and attraction of talent. The critical points under this finding included: maintaining fair compensation and benefits packages to attract and retain skilled employees; offering opportunities for career advancement and a supportive work environment; and implementing initiatives to improve work-life balance and employee well-being.

Fundamentally, monitoring and adjusting performance metrics was a finding that came out explicitly on organizational performance. The two essential points under this finding were enumerated. Firstly, continuously evaluating and monitoring the key performance indicators (KPIs) related to revenue, profits, customer satisfaction, employee engagement, and digital transformation. Secondly, adjusting strategies based on data insights to ensure ongoing improvement and alignment with organizational goals. Regarding investing in innovation and creativity, the respondents underscored the need to foster a culture that values and rewards innovative ideas from employees, as well as establishing platforms or programs that encourage cross-departmental collaboration and idea sharing. Essentially, strategic planning for sustainable growth was a key finding that came out strongly on organizational performance. This encompassed two cardinal results, notably; developing a long-term strategic plan that integrates financial growth, customer satisfaction, employee development, and technological advancement; as well as regularly reviewing and updating the strategic plan to adapt to changing market dynamics.

These findings underscore the fact that NSE listed companies can further strengthen their position in the market, improve company performance, and sustain growth by fostering a positive work environment for its employees and meeting customer needs effectively and efficiently.

ST. PAUL'S UNIVERSITY

CHAPTER 5

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter provides an overview of the summary of the findings of the study, conclusions, contributions to the existing body of knowledge, recommendations, policy implications, and identifies potential areas for further research.

5.2 Summary of the Findings

Corporate governance stands as a cornerstone in shaping the trajectory of organizational performance of NSE listed companies. This section presents a summary the key findings of this study. The research was guided by five objectives in unraveling the intricate interplay between corporate governance mechanisms and organizational performance. The results illuminated pivotal insights into the relationship between corporate governance practices and organizational performance.

The first objective of the study was to assess the effect of corporate leadership on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O1}) was that corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. Corporate leadership had a statistically significant and strong positive relationship with organizational performance, indicating that the quality of corporate leadership was associated with changes in organizational performance. The study findings indicated that corporate leadership was a significant determinant of organizational performance of listed companies at the Nairobi Securities Exchange.

The successful leader will be one that promotes leadership development and encourages workers to assume their leadership role.Taqi Addin (2020) carried out an empirical review on the relationship between leadership and performance in organizations. The study acknowledged the changes brought about by globalization and competition arising from internationalization of companies. It was founded on the Full Range Model of Leadership by Tepret and Tuna (2015) which argues that effective leadership is one that has the capability of undergoing transformation with the aim of motivating junior staff, positively influencing their behavior and attitudes for improvement in performance results. The results indicated that distinguished performance is crystallized through organized complementarity between outstanding leadership and the successful management. However, this is reflected in the human element in an organization besides the surrounding environment and prevailing technology. An empirical review was adopted while the current study will adopt a causal research design involving the collection of primary data from the companies listed at the NSE.

ST. PAUL'S UNIVERSITY

The second objective of this study was to evaluate the effect of organizational structure on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O2}) was that organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The results of the study show that organizational structure has a statistically significant and strong positive relationship with the organizational performance, indicating that changes in organizational structure are associated with changes in organizational performance. The study therefore concluded that organizational structure was a significant determinant of organizational performance of listed companies at Nairobi Securities Exchange.

The third objective of the study was to evaluate the effect of strategic management process on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O3}) was that strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The study found that strategic management process has a statistically significant and relatively strong positive relationship with the organizational performance, indicating that changes in strategic management process may be associated with changes in organizational performance. The study therefore concluded that strategic management process was a significant determinant of organizational performance of the listed companies at Nairobi Securities Exchange.

The fourth objective of the study was to assess the effect of organizational culture on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O4}) was that organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. Organizational culture was found to have a statistically insignificant and weak negative relationship with the organizational performance, indicating that changes in organizational culture may not be associated with changes in organizational performance. The study therefore concluded that organizational culture was an insignificant determinant of organizational performance of listed companies at Nairobi Securities Exchange.

The last objective of the study was to evaluate the moderating effect of organizational factors on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The study thus hypothesized that organizational factors (company size and company age) have no significant moderating effect on the relationship between corporate governance and organizational performance of listed

ST. PAUL'S UNIVERSITY

companies at Nairobi Securities Exchange in Kenya. The study found that organizational factors (company size and company age) had no significant moderating effect on the relationship between corporate governance and organizational performance of listed companies at Nairobi Securities Exchange.

5.3 Conclusions

The first objective of the current study was to assess the effect of corporate leadership on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O1}) was that corporate leadership has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. Contrary to the null hypothesis, the study established a statistically significant and strong positive relationship between the quality of corporate leadership and organizational performance. This finding is in line with previous research studies exploring the influence of leadership styles and competencies on organizational performance in various contexts. The use of empirical evidence from different studies not only supported the rejection of the null hypothesis but also enhanced the credibility of the findings, suggesting a consensus within the academic community on the critical role of effective leadership in shaping organizational outcomes.

Additionally, the current study's reliance on empirical evidence from various sources adds weight to its credibility, showcasing a commitment to objectivity and a scientific approach. The consistent pattern observed across different research works suggests a general consensus in the academic community regarding the importance of effective leadership in influencing organizational outcomes. The acknowledgment of context-specific findings indicates an awareness that the impact of effective leadership may vary based on specific organizational or industry circumstances. Despite the focus on companies listed at the NSE in Kenya, the study asserts broader global relevance, emphasizing the universal importance of leadership in organizational performance. The identification of a recurring trend in various studies strengthens the argument for a general consensus within the academic community concerning the relationship between effective leadership and organizational outcomes. This notion implies a shared understanding among researchers, highlighting the widely acknowledged importance of effective leadership. The study underscores the significance of effective leadership as a key determinant in achieving positive organizational performance, serving as a focal point in emphasizing the crucial role of leadership in organizational success.

ST. PAUL'S UNIVERSITY

The second objective of this study was to evaluate the effect of organizational structure on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O2}) was that organizational structure has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. Conversely, a statistically significant and strong positive relationship between organizational structure and performance was found. The conclusion drawn was that organizational structure is indeed a significant determinant of organizational performance among listed companies at the Nairobi Securities Exchange. This finding was consistent with similar studies conducted in other countries, suggesting a globally applicable relationship between organizational structure and performance.

The research highlighted that changes in organizational structure corresponded to changes in performance, indicating a dynamic relationship. The central takeaway from the study was the confirmation of a statistically significant and positive relationship between organizational structure and performance. The implication is that alterations in organizational structure will lead to corresponding changes in organizational performance. The widespread consistency in findings across different countries and industries, such as manufacturing, service, technical, and higher education, further reinforced the notion that organizational structure plays a crucial role in determining performance. The identification of specific factors within organizational structure, structural formations, complexity, and centralization, emphasized the intricate and multifaceted nature of the relationship between organizational structure and performance.

The third objective of the current study was to evaluate the effect of strategic management process on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O3}) was that strategic management process has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The results indicated a statistically significant and relatively strong positive relationship between strategic management processes and organizational performance. This conclusion implies that alterations in strategic management practices are associated with corresponding changes in organizational performance, highlighting the pivotal role of strategic management process as a determinant of listed companies' performance at the Nairobi Securities Exchange. Notably, these findings align with similar results from diverse studies conducted in different countries and industries emphasizing the robust and consistent nature of the positive relationship between strategic management processes and organizational performance.

ST. PAUL'S UNIVERSITY

Moreover, the study contributes to a broader understanding by conducting a comparative analysis with related research in various countries, encompassing different sectors such as floriculture, construction, and health institutions. The positive relationship between strategic management process and organizational performance holds true across diverse geographical locations, industries and years emphasizing the effect of strategic management processes on performance. The rejection of the null hypothesis underscores the significance of strategic management process in influencing organizational performance and provides valuable insights for organizations and policymakers seeking to enhance performance through effective strategic management process practices.

In summary, the study establishes a robust link between strategic management processes and organizational performance among listed companies at the Nairobi Securities Exchange. The consistent positive relationship is not only evident in the current study but also supported by findings from various empirical studies conducted in different regions, industries, and time periods, reinforcing the idea that strategic management process plays a crucial role in determining organizational performance.

The fourth objective of the current study was to assess the effect of organizational culture on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The corresponding null hypothesis (H_{O4}) was that organizational culture has no significant effect on organizational performance of listed companies at Nairobi Securities Exchange in Kenya. The study concluded that there is a statistically insignificant and weak negative relationship between organizational culture and performance. This finding contrasts with previous research that indicated varying degrees of positive influence between organizational culture and performance across different contexts and industries. Challenges such as the lack of consensus in defining key concepts and diverse measurement models were identified, hindering the establishment of a clear, positive, and robust correlation between organizational culture and performance.

Various studies on the relationship between organizational culture and performance have yielded inconsistent results, with some showing a positive relationship and others demonstrating no significant correlation or even a negative relationship. The specific constructs used to measure organizational culture in the current study, including teamwork, code of conduct, adaptability, and core values, did not significantly impact performance. Divergent findings may be attributed to variations in models and components used to assess organizational culture, such as the Denison Organizational Culture Model, and components like

ST. PAUL'S UNIVERSITY

involvement, consistency, adaptation, and mission. The lack of consensus in defining key concepts, diverse measurement models, and mixed study findings continue to pose challenges in affirming a direct, positive, and robust correlation between organizational culture and organizational performance.

The fifth objective of a specific study focused on evaluating the moderating effect of organizational factors (company size and age) on the relationship between corporate governance and organizational performance of listed companies at the Nairobi Securities Exchange in Kenya. The study hypothesized no significant moderating effect of organizational factors on this relationship and concluded that, indeed, company size and age did not play a significant moderating role.

The current study established intricate relationship between organizational factors and organizational performance. Various studies have presented inconsistent findings on the significance of these relationships, indicating that outcomes may vary based on factors like industry, location, and the specific variables being studied. The study underscores the necessity for further research, to enhance comprehension of the nature of the link between organizational factors, corporate governance, and organizational performance. This may involve investigating additional moderating variables and refining methodologies to better grasp the context-dependent nature of these relationships. Reference to previous studies revealed mixed findings on the influence of company size. The complexity of the relationship between organizational factors and organizational performance is a crucial finding, acknowledging the need for further research to get into the granularity of these complexities and the exploration of additional moderating variables or methodological refinements.

In summary, the current study underscores the context-dependent and complex nature of the relationship between organizational factors, corporate governance, and organizational performance. The study examined the moderating effect of organizational factors in the context of listed companies at the Nairobi Securities Exchange in Kenya, concluding that company size and age do not significantly moderate the relationship. The broader discussion emphasizes the importance of considering contextual factors in research and the need for additional studies to gain a deeper understanding of these intricate dynamics.

5.4 Contributions of the Study to Knowledge

The current study adds to the theoretical understanding of the impact of corporate leadership on organizational performance. By examining listed companies at the Nairobi Securities Exchange in Kenya, the study found a statistically significant and strong positive relationship

ST. PAUL'S UNIVERSITY

between corporate leadership quality and organizational performance. It emphasizes the context-specific nature of these findings, recognizing that the effectiveness of leadership may vary based on organizational or industry circumstances. The study contributes to existing theories by highlighting the universal significance of effective leadership in achieving positive organizational outcomes, regardless of geographical location or industry. Additionally, the study enriches organizational theories by emphasizing the relationship between organizational structure and performance. It confirms the positive association between organizational structure and performance, indicating that changes in structure leads to changes in performance. The findings of the current study, consistent with research across diverse industries and locations, underscore the universality and complexity of this relationship, providing valuable insights for practitioners seeking to enhance organizational performance through strategic structural adjustments. The current study provides empirical evidence supporting the positive relationship between strategic management processes and organizational performance. Conducted within the context of listed companies at the Nairobi Securities Exchange in Kenya, the study found a statistically significant and relatively strong positive relationship between strategic management processes and organizational performance. These findings align with similar studies conducted across different sectors and countries, reinforcing the robustness and generalizability of the observed relationship.

Moreover, the study contributes to empirical literature by examining the relationship between organizational culture and organizational performance. While specific to listed companies at the Nairobi Securities Exchange in Kenya, the current study's findings contrast with previous research, suggesting an insignificant and weak negative relationship between organizational culture and performance. This highlights the inconsistent nature of findings across different contexts and industries, emphasizing the importance of considering specific constructs and measurement models when assessing this relationship. Additionally, the study explored the moderating effect of organizational factors on the relationship between corporate governance and organizational performance. While the current study finds no significant moderating effect of organizational factors such as company size and age, it acknowledges the complexity of this relationship and the need to consider industry, location, and other contextual factors. These insights contribute to advancing knowledge in organizational studies by highlighting the context-dependent nature of the relationship between organizational factors, corporate governance, and organizational performance.

ST. PAUL'S UNIVERSITY

5.5 Recommendations and Policy Implications

The current study underscores the pivotal role of corporate leadership in shaping the organizational performance of listed companies on the Nairobi Securities Exchange in Kenya. The identified statistically significant and robustly positive correlation between corporate leadership and organizational performance underscores effective leadership as a critical determinant of success for these entities. Drawing implications from these findings, it is imperative for regulatory bodies such as the Capital Markets Authority (CMA), governmental policymakers including the Government of Kenya (GOK), and advocates of corporate governance in Kenya, including, the Institute of Corporate Governance of Kenya (ICGK), the Institute of Certified Secretaries (ICS) and the Institute of Certified Public Accountants of Kenya (ICPAK) to prioritize initiatives aimed at augmenting calibre of corporate leadership. These endeavours may encompass the promotion of leadership development programs, formulation of guidelines delineating leadership competencies, and advocacy for transparency in leadership selection procedures. Moreover, endeavours should be directed towards fostering a conducive environment valuing and rewarding effective leadership practices, thereby facilitating organizational thriving under proficient leadership.

The recognition of consistent patterns across various studies, both within and outside the Kenyan context, underscores the global relevance of effective leadership in organizational performance. Policymakers and business leaders worldwide could derive benefits from these findings by integrating analogous strategies to foster and nurture effective leadership within their respective domains. Acknowledgment of the context-specific nature of the findings advocates for tailored approaches, recognizing that the impact of effective leadership may vary across different industries, organizational settings and geographies. Consequently, policies and interventions should exhibit flexibility to accommodate diverse organizational contexts while retaining a core focus on fostering and perpetuating effective leadership practices. In essence, the study furnishes a robust foundation for shaping policies that accord priority to and buttress effective corporate leadership, not only within Kenya but also on a broader global scale.

With regard to the second objective, the study yields several recommendations and policy implications. The NSE listed companies should recognize the significance of their organizational structure in shaping their overall performance. It is imperative to note that alterations in organizational structure, exert a substantial influence on performance outcomes. Consequently, companies stand to benefit from periodic reviews and adjustments of their organizational structures to align with strategic goals and bolster overall efficiency. Policy

ST. PAUL'S UNIVERSITY

implications extend to regulatory bodies and policymakers in Kenya, accentuating the importance of incorporating considerations related to organizational structure within corporate governance frameworks. Encouraging transparency and periodic evaluations of organizational structures in listed companies can contribute to enhanced performance and sustainability. Moreover, consistent findings across studies conducted in different countries and industries hint at potential global applicability of the relationship between organizational structure and performance. This underscores the need for policymakers at an international level to acknowledge and integrate considerations of organizational structure into broader discussions on corporate governance and economic policies, thereby facilitating the development of guidelines or standards promoting effective organizational structures and fostering positive performance outcomes globally.

The current study's identification of a consistent and robustly positive relationship between strategic management processes and organizational performance carries significant implications for both companies and policymakers. The companies spanning various sectors and countries should appreciate the importance of adopting effective strategic management process practices to augment their performance. The findings suggest that strategic management processes transcend specific industries or geographical locations, thereby underscoring its generalizability across diverse contexts. Consequently, companies in different sectors and regions should accord priority to the development and implementation of strategic management processes to enhance overall organizational performance.

From a policy standpoint, policymakers in countries like Kenya, where the study was conducted, and in other regions, should consider promoting and facilitating the adoption of strategic management process practices among companies. Policymakers can play a pivotal role in creating an environment conducive to companies investing in strategic management processes, potentially by providing incentives, offering educational resources, or fostering academia-industry collaboration. Recognizing the positive impact of strategic management processes on organizational performance, policymakers may design initiatives that advocate for the integration of strategic management principles into business operations. Overall, the findings underscore the imperative for both companies and policymakers to appreciate the significance of strategic management process in driving positive organizational outcomes and consider its integration into business strategies and policy frameworks.

The current study's findings regarding the relationship between organizational culture and the organizational performance of listed companies on the Nairobi Securities Exchange in Kenya,

ST. PAUL'S UNIVERSITY

yield several recommendations and policy implications. Firstly, companies in the Kenyan context, particularly those listed on the NSE, may need to re-evaluate the emphasis placed on certain aspects of organizational culture such as teamwork, code of conduct, adaptability, and core values. The statistically insignificant and weak negative relationship uncovered in this study, suggests that these specific constructs might not significantly influence organizational performance in this context. Consequently, organizations stand to benefit from a granular understanding of the elements of organizational culture genuinely impacting performance. The current study underscores the significance of context in comprehending the relationship between organizational culture and performance. Contrasting findings from studies conducted in other countries, spanning various industries such as banking and insurance, emphasize the need for organizations to tailor their approach to organizational culture, based on the specific conditions and industry dynamics of their operational environment. Policymakers and organizational leaders should factor in these contextual variations when formulating strategies and interventions related to organizational culture. Additionally, the current study underscores the complexity of the relationship between organizational culture and performance, suggesting that a one-size-fits-all approach may not be suitable, and a deeper understanding of the specific organizational and environmental factors at play is crucial.

In conclusion, the findings highlight the importance of conducting thorough industry-specific assessments when formulating corporate governance policies. Discrepancies with previous findings suggest that a singular approach may not be appropriate. Policymakers may need to tailor corporate governance guidelines based on industry characteristics to ensure regulations are effective and relevant in diverse contexts. Policymakers can benefit from staying abreast of the evolving research to inform and update corporate governance policies, ensuring they remain adaptive and effective in the face of industry-specific and contextual variations. Overall, the current study's implications underscore the importance of context-specific approaches and ongoing research to enhance the effectiveness of corporate governance policies, in fostering organizational performance in NSE listed companies.

5.6 Areas for Further Research

The current study recommends five critical areas for further research. First, it recommends that future research could focus on specific leadership competencies and styles suited to different organizational contexts, while also exploring cross-cultural dimensions to enrich global understanding and facilitate adaptive leadership approaches for companies, policymakers, and

ST. PAUL'S UNIVERSITY

organizational leaders. Second, it proposes new avenues for research in organizational structure and performance, emphasizing the need to explore global applicability, industry-specific dynamics, and cultural influences. Third, it establishes a strong link between strategic management process and organizational performance, suggesting further research to focus on specific strategies and contextual factors influencing this relationship. Longitudinal studies are recommended to understand the evolving impact of strategic management process implementation on organizational performance over time.

Fourth, the study highlights the complex relationship between organizational culture and performance, indicating varied results across different national and industrial contexts, necessitating further investigation into specific cultural elements and their contextual variations within organizations. The conflicting findings underscore the importance of considering context, suggesting that examining granular cultural aspects within specific sectors could offer insights into how organizational culture interacts with local or industry-specific dynamics to affect performance outcomes, prompting the need for standardized metrics in future research to ensure consistency. Fifth, it recommends that future research could investigate why certain organizational factors have varying effects in different contexts, emphasizing the importance of considering industry-specific variables and diverse business environments, to gauge the generalizability of findings and advocate for exploring additional moderating variables or methods.

ST. PAUL'S UNIVERSITY

REFERENCES

Abdallah, A. A.-N., & Ismail, A. K. (2017). Corporate governance practices, ownership structure, and corporate performance in the GCC countries. *Journal of International Financial Markets, Institutions and Money*, *46*(C), 98–115.

Accountants Act No.15 of 2008, 38 Pages (2008).

Adner, R., & Helfat, C. E. (2003). Corporate effects and dynamic managerial capabilities. *Strategic Management Journal*, *24*(10), 1011–1025. https://doi.org/10.1002/smj.331

Adom, D., Hussein, E., & Joe, A.-A. (2018). Theoretical and conceptual framework: Mandatory ingredients of quality research. *International Journal of Scientific Research*, *7*(1), 438–441.

Afonina A. (2015). Strategic management tools and techniques and organizational performance: Findings from the Czech Republic. *Journal of Competitiveness*, *7*(3), 19–36. https://doi.org/10.7441/joc.2015.03.02

Aggarwal, C. C. (Ed.). (2014). *Data Classification: Algorithms and Applications*. Chapman and Hall/CRC. https://doi.org/10.1201/b17320

Agrawal, A., & Cooper, T. (2016). Corporate governance consequences of accounting scandals: Evidence from top management, CFO and Auditor turnover. *Quarterly Journal of Finance*, *07*(01), 1650014(41pages). https://doi.org/10.1142/S2010139216500142

Agwu, M. E. (2018). Analysis of the impact of strategic management on the business performance of SMEs in Nigeria. *Academy of Strategic Management Journal*, *17*(1), 1–20.

Ahmed M, & Shafiq S. (2014). The impact of organizational culture on organizational performance: A case study on telecom sector. *Global Journal of Management and Business Research*, *14*(3), 1–11.

Ali, M. J. (2017). *Effect of firm size on the relationship between strategic planning dimensions and performance of manufacturing firms in Kenya* [Thesis, Jomo Kenyatta University of Agriculture and Technology]. http://41.89.56.62:8080/xmlui/handle/123456789/1705

Ali M J, Mukulu E, & Kihoro J M. (2016). Moderating effect of firm size on the relationship between management participation and firm performance. *Strategic Journal of Business & Management*, *3*(3), 40–57.

ST. PAUL'S UNIVERSITY

Allen W.T. (2017). Our schizophenic conception of the business corporation. In *Corporate Governance* (pp. 79–99). Gower.

Alrayes. (2019). Shareholder empowerment, steps forward and steps back- Comparative analysis of the US and UK regulations. *Journal of Financial Regulation and Compliance*, *27*(2), 169–196.

Alvesson, M. (2002). *Understanding organizational culture*. SAGE.

Ambani B. (2022, May 20). Taxpayers to now foot new Kenya Airways bill. *Daily Nation*, Page 28.

Amboko J. (2022, May 4). Rules on NSE enlisting revised to promote trade. *Daily Nation*, Page 44.

Ambrosini, V., & Bowman, C. (2009). What are dynamic capabilities and are they a useful construct in strategic management? *International Journal of Management Reviews*, *11*(1), 29–49. https://doi.org/10.1111/j.1468-2370.2008.00251.x

Amoll D O. (2015). *Effect of board of directors composition on financial performance of companies listed in Nairobi Securities Exchange*. University of Nairobi.

Ansoff, H., Kipley, D., Lewis, A., Stevens, R., & Ansoff, R. (2019). *Implanting Strategic Management* (3rd Edition). Palgrave Macmillan. https://doi.org/10.1007/978-3-319-99599-1

Apollo, Mandalika, & Djamaluddin, S. (2018). Influence of composition of board of directors, board of commissioners, and audit committees to banking financial performance (Empirical Study on Banking Industry Listed in BEI 2011-2016). *International Journal of Innovative Research and Development*, *7*(4), Article 4. https://doi.org/10.24940/ijird/2018/v7/i4/MAR18040

Arora A. (2012). Corporate governance and firm performance in Indian pharmaceutical sector. *Asian Profile*, *40*(6), 537–550.

Arora, A., & Sharma, C. (2016). Corporate governance and firm performance in developing countries: Evidence from India. *Corporate Governance International Journal of Business in Society*, *16*(2), 420–436. https://doi.org/10.1108/CG-01-2016-0018

Asija, A., & Ringov, D. (2021). Dynamic capabilities: The role of board monitoring and managerial incentives. *BRQ Business Research Quarterly*, *24*(4), 268–280. https://doi.org/10.1177/2340944420916309

Asosheh, A., Nalchigar, S., & Jami Pour, M. (2010). Information technology project evaluation: An integrated data envelopment analysis and balanced scorecard approach. *Expert Systems with Applications*, *37*, 5931–5938. https://doi.org/10.1016/j.eswa.2010.02.012

ST. PAUL'S UNIVERSITY

Azeez, Dr. A. A. (2015). Corporate governance and firm performance: Evidence from Sri Lanka. *Journal of Finance and Bank Management*, *3*(1), 180–189. https://doi.org/10.15640/jfbm.v3n1a16

Bas Swaen. (2015, December 7). *Developing a conceptual framework for research (Sample)*. Scribbr. https://www.scribbr.com/dissertation/conceptual-framework/

Bashayreh, A. M. (2019). Organizational culture and organizational performance. *Human Performance Technology: Concepts, Methodologies, Tools, and Applications*, 1378–1393. https://doi.org/10.4018/978-1-5225-8356-1.ch067

Baum, C. F., & Lewbel, A. (2019). *Advice on using heteroscedasticity based identification* (975; Boston College Working Papers in Economics, pp. 1–10). Boston College Department of Economics. https://ideas.repec.org/p/boc/bocoec/975.html

Bebchuk, L. A., & Weisbach, M. S. (2010). The State of Corporate Governance Research. *The Review of Financial Studies*, *23*(3), 939–961.

Bell, E., Harley, B., & Bryman, A. (2022). *Business research methods* (6th ed.). Oxford University Press.

Bhasin, M. L. (2016). Satyam's Manipulative Accounting Methodology Unveiled: An Experience of an Asian Economy. *International Journal of Business and Social Research*, *6*(12), Article 12. https://doi.org/10.18533/ijbsr.v6i12.1010

Bhuiyan F, Baird K, & Munir R. (2020). The association between organizational culture, CSR practices and organizational performance in an emerging economy. *Meditari Accountancy Research*, *28*(6), 977–1011.

Boatright, J. R. (2017). Ethics and corporate governance. In *The Blackwell guide to business ethics* (pp. 38–60). Blackwell Publ. http://www.blackwellreference.com/subscriber/uid=4688/book?id=g9780631221234_9780631221234

Bryman, A. (2016). *Social research methods* (Fifth Edition). Oxford University Press.

Buallay, A., Hamdan, A., & Zureigat, Q. (2017). Corporate governance and firm performance: Evidence from Saudi Arabia. *Australasian Accounting, Business and Finance Journal*, *11*(1), 78–98. https://doi.org/10.14453/aabfj.v11i1.6

ST. PAUL'S UNIVERSITY

Business Daily. (2019, April 1). *NSE firms issue profit alerts*. https://www.businessdailyafrica.com/news/15-NSE-firms-issue-alerts-as-profits/539546-5050954-5srq0q/index.html

Business Daily. (2021, December 23). *State plans Sh146bn KQ bailout, drops takeover*. Business Daily. https://www.businessdailyafrica.com/bd/economy/state-plans-sh146bn-kq-bailout-drops-takeover-3662198

Business Daily. (2022, February 2). *Kenya Airways taps US firm Seabury to guide restructuring*. Business Daily. https://www.businessdailyafrica.com/bd/corporate/companies/kq-taps-us-based-seabury-as-restructuring-consultant-3703438

Cameron, K. S., & Quinn, R. E. (2006). *Diagnosing and changing organizational culture: Based on the competing values framework* (Rev. ed). Jossey-Bass.

Cano J A, Vergara J J, & Puerta F A. (2017). Design and implementation of a balanced scorecard in a Colombian company. *Revista Espacios*, *38*(31), 1–12.

Capital Markets Authority. (2002, May 14). *CMA Guidelines on Corporate Governance Practices by Public Listed Companies in Kenya*. Kenya Government Press.

Capital Markets Authority. (2015). *The code of corporate governance practices for issuers of securities to the public*. Kenya Government Press.

Capital Markets Authority. (2021). *The report on the state of corporate governance of issuers of securities to the public in Kenya*. Capital Markets Authority.

Carpenter, J. W. (2015). *Toshiba's Accounting Scandal: How it happened.* Investopedia. https://www.investopedia.com/articles/investing/081315/toshibas-accounting-scandal-how-it-happened.asp

Carpenter, M. A., Geletkanycz, M. A., & Sanders, Wm. G. (2004). Upper Echelons Research Revisited: Antecedents, Elements, and Consequences of Top Management Team Composition. *Journal of Management*, *30*(6), 749–778. https://doi.org/10.1016/j.jm.2004.06.001

CBK. (2020). *Kenya GDP*. https://www.google.com/search?client=firefox-b-d&q=KENYA+GDP

Census and Sample Survey | Collection of Data | Definition, Example, Advantages. (n.d.). BYJUS. Retrieved December 8, 2023, from https://byjus.com/commerce/census-and-sample-survey/

Certified Public Secretaries Act, Cap 534 (1988).

ST. PAUL'S UNIVERSITY

Chai M Y, Ng M B Y, Tong S Y, Lim J A, & Ngen J J. (2017). *The effect of corporate governance on timeliness of financial reporting: Empirical evidence from Malaysian public listed companies*. Universiti Tuuku Abdul Rahman (UTAR).

Chatman, J. A., Caldwell, D. F., O'Reilly, C. A., & Doerr, B. (2012). Organizational Culture and Performance: The Effects of Culture Content and Strength. *Academy of Management Proceedings*, *2012*(1), 10858. https://doi.org/10.5465/AMBPP.2012.10858abstract

Chatterjee, C., & Nag, T. (2015). Board Composition and Financial Performance: Evidence from Indian and Chinese Listed Firms. *South Asian Survey*, *22*(2), 127–135. https://doi.org/10.1177/0971523117753435

Chen, F.-H., Hsu, T.-S., & Tzeng, G.-H. (2011). A balanced scorecard approach to establish a performance evaluation and relationship model for hot spring hotels based on a hybrid MCDM model combining DEMATEL and ANP. *International Journal of Hospitality Management*, *30*(4), 908–932. https://doi.org/10.1016/j.ijhm.2011.02.001

Chigozie, M., Chijioke, E., & Ebele. (2015). Effect of organizational structure on performance of manufacturing firms in South East Nigeria. *GE-International Journal of Management Research*, *3*(12), 164–184.

Clacher, I., Doriye, E., & Hillier, D. (2008). Does Corporate Governance Matter? New Evidence from the United Kingdom. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.1293188

Claessens, S., & Yurtoglu, B. (2013). Corporate governance in emerging markets: A survey. *Emerging Markets Review*, *15*(C), 1–33.

Clauß, T. (2017). Measuring business model innovation: Conceptualization, scale development and proof of performance. *R& D Management*, *47*, 385–403. https://doi.org/10.1111/radm.12186

Cohen L, Manion L, & Morrison K. (2017). *Research Methods in Education* (8th ed.). Routledge. https://doi.org/10.4324/9781315456539

Committee on the Financial Aspects of Corporate Governance (Ed.). (1992). *Report of the Committee on the Financial Aspects of Corporate Governance. Hauptw. ...* (Reprint).

Companies Act, 515 pages (2015).

Cresswell J W & Cresswell J D. (2017). *Reseerch Design: Qualitative, Quantitative, and Mixwd Methods Approaches*. SAGE Publications, Inc.

ST. PAUL'S UNIVERSITY

Creswell, J. W., & Plano Clark, V. L. (2007). *Designing and conducting mixed methods research*. SAGE Publ. http://bvbr.bib-bvb.de:8991/F?func=service&doc_library=BVB01&doc_number=014939812&line_number=0001&func_code=DB_RECORDS&service_type=MEDIA

Creswell, J. W., & Plano Clark, V. L. (2018). *Designing and conducting mixed methods research* (Third edition). Sage.

Cronbach's Alpha: Definition, Calculations & Example—Statistics By Jim. (n.d.). Retrieved December 27, 2023, from https://statisticsbyjim.com/basics/cronbachs-alpha/

Crubellate, J. M. (2007). *Three neofunctionalist conceptual contributions to the institutional theory in organizations*. https://doi.org/10.1590/S1807-76922007000100006

Cuomo, M. T., Tortora, D., Mazzucchelli, A., Festa, G., Di Gregorio, A., & Metallo, G. (2016). Effects of corporate ethical practices on financial performance in the Italian banking services listed companies. *19th Toulon-Verona International Conference Excellence*, 165–182.

Cytonn Investments. (2016). *Kenya listed companies corporate governance analysis* (pp. 1–60). Cytonn Investments.

Daft, R. L. (2015). *Organization Theory and Design*. Cengage Learning.

Danso, A., Adomako, S., Lartey, T., Amankwah-Amoah, J., & Owusu-Yirenkyi, D. (2020). Stakeholder integration, environmental sustainability orientation and financial performance. *Journal of Business Research*, *119*, 652–662.

Davis J L, Alibasic H, & Norris S. (2018). Corporate leadership in sustainability: A Green Ranking Performance -Based Approach to understanding the corporate social responsibility(CSR) and positive marketing impact. *Creighton Journal of Interdisciplinary Leadership*, *4*(1), 3–16.

De Haes S, Joshi A, Huygh T, & Jansen S. (2017). Exploring how corporate governance codes address IT governance. *ISACA Journal*, *4*, 24–30.

Delima, V., & Ragel, V. R. (2017). *Impact of corporate governance on organizational performance.* (SSRN Scholarly Paper ID 3037826). Social Science Research Network. https://papers.ssrn.com/abstract=3037826

Detert, J. R., Schroeder, R. G., & Mauriel, J. J. (2000). A Framework for Linking Culture and Improvement Initiatives in Organizations. *Academy of Management Review*, *25*(4). https://doi.org/10.5465/amr.2000.3707740

ST. PAUL'S UNIVERSITY

Dhaouadi, K. (2018). Corporate Board and Upper Echelons: The Case of the American Most Admired Firms. *International Journal of Business and Management*, *13*(4), 245.

Dillman, D. A., Smyth, J. D., & Christian, L. M. (2014). *Internet, Phone, Mail, and Mixed-Mode Surveys: The Tailored Design Method*. John Wiley & Sons.

Doucoure' B, & Diagne A. (2020). The effect of size and age on the performance of Senegalese small food companies: The role of market orientation. *Transnational Corporations Review*, *12*(4), 349–359.

Drago, H. F., de Moura, G. L., da Silva, L. S. C. V., da Veiga, C. P., Kaczam, F., Rita, L. P. S., & da Silva, W. V. (2022). Reviewing the relationship between organizational performance, dynamic capabilities and strategic behavior. *SN Business & Economics*, *3*(1), 5. https://doi.org/10.1007/s43546-022-00392-2

Eisenberg, P. (2018). *Increasing Board Effectiveness with the Balanced Scorecard – Theoretical Assumptions and Application in Practice* (SSRN Scholarly Paper 3207803). Social Science Research Network. https://papers.ssrn.com/abstract=3207803

Eisenhardt, K. M. (1989a). Agency Theory: An Assessment and Review. *The Academy of Management Review*, *14*(1), 57. https://doi.org/10.2307/258191

Eisenhardt, K. M. (1989b). Agency Theory: An assessment and review. *The Academy of Management Review*, *14*(1), 57–74. https://doi.org/10.2307/258191

Eisenhardt, K., & Martin, J. (2000). Dynamic Capabilities: What Are They? *Strategic Management Journal*, *21*, 1105–1121. https://doi.org/10.1002/1097-0266(200010/11)21:10/113.0.CO;2-E

Estalaki K G. (2017). On the impact of organizational structure on organizational efficiency in industrial units: Industrial units of Kerman and Hormozgan provinces. *UNIFAP*, *7*(3), 95–105.

Fama, E. F., & Jensen, M. C. (1983). Separation of Ownership and Control. *The Journal of Law & Economics*, *26*(2), 301–325.

Faruqi, F., Ahsan, T., Mirza, S. S., & Rao, Z.-R. (2019). Corporate governance, cash flows, and bank performance: Developed and developing countries. *Multinational Finance Journal*, *23*(1/2), 1–36.

Ferrell, O. C., Fraedrich, J., & Ferrell, L. (2015). *Business ethics: Ethical decision making and cases* (Tenth edition). Cengage Learning.

ST. PAUL'S UNIVERSITY

Field, A. (2013). *Discovering Statistics Using IBM SPSS Statistics, 4th Edition* (4th edition). SAGE Publications Ltd.

Financial Times report. (2020, January 3). Financial Times. https://www.ft.com/content/2272febc-b7e5-4140-a8aa-76589a7c3cce

Finkelstein, S., Hambrick, D. C., & Cannella, A. A. (2009). *Strategic Leadership: Theory and Research on Executives, Top Management Teams, and Boards*. Oxford University Press.

Flick, U. (2018). *Doing Triangulation and Mixed Methods*. SAGE Publications Ltd. https://doi.org/10.4135/9781529716634

Freeman, R. E. (1984). *Strategic Management: A Stakeholder Approach*. Pitman.

Freeman, R. E. (2015). Stakeholder Theory. In *Wiley Encyclopedia of Management* (pp. 1–6). John Wiley & Sons, Ltd. https://doi.org/10.1002/9781118785317.weom020179

Friedman, M. (1970, September 13). A Friedman doctrine-- The Social Responsibility of Business Is to Increase Its Profits. *The New York Times*. https://www.nytimes.com/1970/09/13/archives/a-friedman-doctrine-the-social-responsibility-of-business-is-to.html

Garrison R H, Noreen E W, & Brewer P C. (2020). *Managerial Accounting* (17th Edition). McGraw-Hill International. https://www.mheducation.com/highered/product/managerial-accounting-garrison-noreen/M9781260247787.html

Garzón Castrillón, M. A. (2021). The concept of corporate governance. *Visión de Futuro*, *25, No 2 (Julio-Dic)*, 178–194. https://doi.org/10.36995/j.visiondefuturo.2021.25.02R.005.en

Gomera S, Chinyamurindi W T, & Mishi S. (2018). Relationship between strategic planning and financial performance. *South African Journal of Economic and Management Science*, *21*(1), 1–9.

Grace, K., Vincent, M., & Evans, A. (2018). Corporate governance and performance of financial institutions in Kenya. *Academy of Strategic Management Journal*, *17*(1).

Greve, H., & Argote, L. (2015). Behavioral Theories of Organization. *International Encyclopedia of the Social & Behavioral Sciences*. https://doi.org/10.1016/B978-0-08-097086-8.73121-7

Groves, R. M., Jr, F. J. F., Couper, M. P., Lepkowski, J. M., Singer, E., & Tourangeau, R. (2009). *Survey Methodology* (2nd ed.). John Wiley & Sons.

ST. PAUL'S UNIVERSITY

Guluma, T. F. (2021). The impact of corporate governance measures on firm performance: The influences of managerial overconfidence. *Future Business Journal*, *7*(1), 1–18.

Gupta, S. C., & Kapoor, V. K. (2001). *Fundamentals of applied statistics* (3rd ed). Sultan Chand & Sons.

Hair, J. F., Hult, G. T. M., Ringle, C. M., Sarstedt, M., Danks, N. P., & Ray, S. (2021). *Partial least squares structural equation modeling (PLS-SEM) using R: A workbook*. Springer.

Hambrick, D. C. (2007). Upper Echelons Theory: An Update. *The Academy of Management Review*, *32*(2), 334–343.

Hambrick, D. C. (2018). Upper Echelons Theory. In M. Augier & D. J. Teece (Eds.), *The Palgrave Encyclopedia of Strategic Management* (pp. 1782–1785). Palgrave Macmillan UK. https://doi.org/10.1057/978-1-137-00772-8_785

Hambrick, D. C., & Mason, P. A. (1984a). Upper Echelons: The organization as a reflection of its top managers. *The Academy of Management Review*, *9*(2), 193–206. https://doi.org/10.2307/258434

Hambrick, D. C., & Mason, P. A. (1984b). Upper Echelons: The Organization as a Reflection of Its Top Managers. *The Academy of Management Review*, *9*(2), 193–206. https://doi.org/10.2307/258434

Hammersley, M. (1993). *Social Research: Philosophy, Politics and Practice*. SAGE.

Hartnell, C. A., Ou, A. Y., & Kinicki, A. (2011). Organizational culture and organizational effectiveness: A meta-analytic investigation of the competing values framework's theoretical suppositions. *Journal of Applied Psychology*, *96*(4), 677–694. https://doi.org/10.1037/a0021987

Hillman, A. J., & Dalziel, T. (2003). Boards of directors and firm performance: Integrating agency and resource dependence perspectives. *The Academy of Management Review*, *28*(3), 383–396. https://doi.org/10.2307/30040728

Hove-Sibanda, P., Sibanda, K., & Pooe, D. (2017). The impact of corporate governance on firm competitiveness and performance of small and medium enterprises in South Africa: A case of small and medium enterprises in Vanderbijlpark. *Acta Commercii*, *17*(1), 11. https://doi.org/10.4102/ac.v17i1.446

ST. PAUL'S UNIVERSITY

Hung C V, Vinh T P, & Thai B D. (2021). The impact of firm size on the performance of Vietnamese private enterprises: A case study. *Problems and Perspectives in Management*, *19*(2), 243–250.

Hussain, N., Rigoni, U., & Orij, R. P. (2018). Corporate governance and sustainability performance: Analysis of triple bottom line performance. *Journal of Business Ethics*, *149*(2), 411–432.

Hutomo P T P & Pudjiarti E S. (2018). Corporate governance and HRM practice on consumption product sector of listed companies in Indonesia Stock Exchange. *EUROPEAN RESEARCH STUDIES JOURNAL*, *XXI*(Issue 3), 132–142. https://doi.org/10.35808/ersj/1049

Igbaekemen G O, & Odivwri J E. (2015). Impact of leadership style on organization performance: A critical literature review. *Arabian Journal of Business and Management Review*, *5*(142), 1–7.

J Mutua. (2024, June 12). MPs demand new revival strategy for limping KQ. *Daily Nation*, Page 20.

Jacoby, S. M. (2007). *The embedded corporation: Corporate governance and employment relations in Japan and the United States* (3. print. and 1. paperback print). Princeton Univ. Press.

Jan S, & Sangmi M. (2016). The role of board of directors in corporate governance. *Imperial Journal of Interdisciplinary Research*, *2*(5).

Jensen, M. C. (2002). Value Maximization, Stakeholder Theory, and the Corporate Objective Function. *Business Ethics Quarterly*, *12*(2), 235–256. https://doi.org/10.2307/3857812

Jensen M C. (2017). *Value maximisation, stakeholder theory and the corporate objective function*. Routledge.

Jensen, M. C., & Meckling W H. (1976). Theory of the firm: Managerial behavior, agency costs and ownership structure. *Journal of Financial Economics*, *3*(4), 305–360.

Jiang F, Kang J K, Kim J, & Zhu B. (2018, November 6). *Female board leadership, firm performance, and corporate governance: Evidence from China.*

John Lolkoloi. (2022, December 21). Let us uphold Chapter Six of the Constitution and end corruption and unethical conduct. *Daily Nation*, Page 17.

Johnson, E. (2013). Cronbach's Alpha. In F. R. Volkmar (Ed.), *Encyclopedia of Autism Spectrum Disorders* (pp. 823–824). Springer. https://doi.org/10.1007/978-1-4419-1698-3_307

Johnson, R. B., & Onwuegbuzie, A. J. (2004). Mixed Methods Research: A Research Paradigm Whose Time Has Come. *Educational Researcher*, *33*(7), 14–26. https://doi.org/10.3102/0013189X033007014

ST. PAUL'S UNIVERSITY

Joreskog K G, Olsson U H, & Wallentin F Y. (2016). *Multivariate analysis with LISREL*. Springer Berlin Heidelberg.

Kamaamia, A. T. (2017). *The effect of organizational culture on organizational performance: A case of Kenya School of Monetary Studies*. USIU-Africa.

Kaplan, R. S., & Norton, D. P. (1992, January 1). The Balanced Scorecard—Measures that drive performance. *Harvard Business Review*, *January–February 1992*. https://hbr.org/1992/01/the-balanced-scorecard-measures-that-drive-performance-2

Kasera, G. K. (2017). *Strategic management and organizational performance: Findings from health institutions in Nairobi County*. USIU-Africa.

Katambani A. (2014, September 15). *The role of Nairobi Securities Exchange in the Kenyan economy* [Online post]. Kenyan Economic Forum.

Katrutsa A, & Strijov V. (2017). Comprehensive study of feature selection methods to solve multicollinearity problem according to evaluation crriteria. *Expert Systems with Applications*, *76*, 1–11.

Kenya National Bureau of Statistics. (2021). *Economic Survey 2021*.

Kenya needs privatization to spark wave of IPOs. (2019, December 23). *Bloomberg.Com*. https://www.bloomberg.com/news/articles/2019-12-23/kenya-needs-privatization-to-spark-wave-of-ipos-regulator-says

Kiel, G. C., & Nicholson, G. J. (2003). Board composition and corporate performance: How the Australian experience informs contrasting theories of corporate governance. *Corporate Governance*, *11*(3), 189–205. https://doi.org/10.1111/1467-8683.00318

Kiliç, A., Uysal, İ., & Atar, B. (2020). Comparison of Confirmatory Factor Analysis Estimation Methods on Binary Data. *International Journal of Assessment Tools in Education*, *7*(3), Article 3. https://doi.org/10.21449/ijate.660353

Kish, L., & Verma, V. (1986). Complete censuses and samples. *Journal of Official Statistics*, *2*(4), 381–395.

Kono T. (2016). *Strategy and structure of Japanese enterprises*. Routledge.

Kostova, T., & Roth, K. (2002). Adoption of an organizational practice by subsidiaries of multinational corporations: Institutional and relational effects. *Academy of Management Journal*, *45*, 215–233. https://doi.org/10.2307/3069293

ST. PAUL'S UNIVERSITY

Lang, M. H. (2003). International Accounting in Light of Enron: Evidence from Empirical Research. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.434801

Latifi M, & Shooshtarian Z. (2014). The effects of organizational structure on organizational trust and effectiveness. *Polish Journal of Management Studies*, *10*(2), 73–84.

Liu, Y. (2020). *Firm size, firm age and firm profitability: Evidence from China* [Thesis, Wenzhou-Kean]. https://wkuwire.org/handle/20.500.12540/356

Lung'atso M & Otuya W. (2019). Corporate governance and financial performance of commercial banks in Kenya: A critical review of literature. *American Based Research Journal*, *8*(12), 1–6.

Luukkonen R, Saikkonen P, & Terasvirta T. (1988). Testing linearity against smooth transition autoregressive models. *Biometrika*, *75*(3), 491–499.

Luyima A N. (2015). *Corporate governance and organizational performance of insurance companies in Kenya*. University of Nairobi.

M O Aluoch. (2023). Corporate governance and performance of commercial banks listed at Nairobi Securities Exchange, Kenya. *European Scientific Journal*, *19*(10).

Madhani, Dr. P. (2009). Corporate governance from compliance to competitive advantage. *The Accounting World*, *7*(8), 26–31.

Maina C W. (2021). *Strategy implementation imperatives and performance of county governments in the Central Region, Kenya*. St. Paul's University.

Maina, J. W. (2016). *Influence of organizational culture on performance of commercial banks in Kenya*. University of Nairobi.

Mandala N, Kaijage E, Aduda J, & Iraya C. (2017). Board structure, CEO tenure, firms' characteristics and performance of financial institutions in Kenya. *European Scientific Journal*, *13*(31), 39–63.

Manduku, D. O. (2017). *The influence of ethical leadership on the financial performance of listed firms in Kenya.* USIU-Africa.

Maroa J G, & Muturi W. (2015). Influence of strategic management practices on performance of floriculture firms in Kenya. *International Journal of Economics, Commerce and Management*, *3*(7), 497–513.

ST. PAUL'S UNIVERSITY

Martin J, W. (2002). Organizational Culture: Mapping the Terrain. *Journal of Comparative Policy Analysis*, *4*, 217–221. https://doi.org/10.1023/A:1015468409408

McCahery J A, Sautner Z, & Starks L T. (2016). Behind the scenes. *The Journal of Finance*, *71*(6), 2905–2932.

Menary, R. (2016). *Pragmatism and the pragmatic turn in cognitive science*. https://philpapers.org/rec/MENPAT-10

Merriam, S. B., & Tisdell, E. J. (2016). *Qualitative research: A guide to design and implementation* (Fourth edition). Jossey-Bass.

Meyer, J., & Rowan, B. (1991). Institutionalized organizations: Formal structure as myth and ceremony. *Journal of Economic Sociology*, *12*, 43–67. https://doi.org/10.17323/1726-3247-2011-1-43-67

Minja D. (2016). The role of corporate governance and strategic Leadership practice in mitigating risks in stock brokerage firms in Nairobi. *Journal of Language, Technology and Entrepreneurship in Africa*, *7*(1), 35–55.

Miring'u A N, & Muoria E T. (2011). An analysis of the effect of corporate governance on performance of commercial state corporations in Kenya. *International Journal of Business and Public Management*, *1*(1), 36–41.

Mishra, A. K., Jain, S., & Manogna, R. L. (2021). Does corporate governance characteristics influence firm performance in India? Empirical evidence using dynamic panel data analysis. *International Journal of Disclosure and Governance*, *18*(1), 71–82. https://doi.org/10.1057/s41310-020-00098-7

Mishra, P., Pandey, C. M., Singh, U., Gupta, A., Sahu, C., & Keshri, A. (2019). Descriptive statistics and normality tests for statistical data. *Annals of Cardiac Anaesthesia*, *22*(1), 67. https://doi.org/10.4103/aca.ACA_157_18

Mohajan, H. K. (2017). Two Criteria for Good Measurement in Research: Validity and Reliability. *Annals of Spiru Haret University. Economic Series*, *17*(3), 59–82.

Mohamud G Y, Mohamud A S, & Mohamed B H. (2015). The relationship between strategic management and organizational performance in Mogadishu-Somalia. *European Journal of Research and Reflection in Management Sciences*, *3*(2), 42–51.

ST. PAUL'S UNIVERSITY

Mollah S, & Zaman M. (2015). Shari'ah supervision , corporate governance and performance: Conventional vs. Islamic banks. *Journal of Banking & Finance*, *58*, 418–435.

Molnar, M. (2017). Revitalizing China's Economy by Improved Corporate Governance and State-Owned Enterprise Reforms. *Journal of International Commerce, Economics and Policy*, *08*(03), 1750015. https://doi.org/10.1142/S1793993317500156

Mousavi S A, Hosseni S Y, & Hassanpour N. (2015). On the effects of organizational culture on organizational performance: An Iranian experience in state bank branches. *Iranian Journal of Management Studies*, *8*(1), 97–116.

Mugenda O M & Mugenda A G. (2019). *Research Methods: Quantitative and Qualitative Approaches* (3rd Edition). Centre for Innovative Leadership and Governance.

Muturi P K. (2015). Organizational structure and customer perspective of large manufacturing firms in Kenya. *Journal of Studies in Management and Planning*, *1*(07), 623–631.

Mwaniki C. (2022a, February 16). Investment at Nairobi securities Exchange. *Business Daily*, 1 & 4.

Mwaniki C. (2022b, May 27). ARM Cement creditors suffer Sh 11 billion loss. *Business Daily*, Page 1.

Mwaniki C. (2022c, July 11). NSE performance ranked second poorest in Africa. *Business Daily*, Page 16.

Mwaniki C. (2023, October 5). Why NSE has been ranked the worst performing in Africa. *Business Daily*, 1–2.

Mwenda E. (2022, March 14). Kenya ranked lowest in Africa stock Listing. *Business Daily*, Page 16.

Nandasinghe, G. (2020). Leadership and organization performance: A review on theoretical and empirical perspectives. *Global Journal of Management and Business Research*, *Vol 20*, 1–9.

Naranjo-Valencia, J. C., Jiménez-Jiménez, D., & Sanz-Valle, R. (2016). Studying the links between organizational culture, innovation, and performance in Spanish companies. *Revista Latinoamericana de Psicología*, *48*(1), 30–41. https://doi.org/10.1016/j.rlp.2015.09.009

Neely, B., Lovelace, J., Cowen, A., & Hiller, N. (2020). Metacritiques of Upper Echelons Theory: Verdicts and Recommendations for Future Research. *Journal of Management*, *46*(6), 1029–1062. https://doi.org/10.1177/0149206320908640

ST PAUL'S UNIVERSITY

Neralla, N. G. (2022). Can corporate governance structure effect on corporate performance: An empirical investigation from Indian companies. *International Journal of Disclosure and Governance*, *19*(3), 282–300.

Ng'ong'a, A. E., Awiti, L., & Imbambi, R. (2019). Organizational Structure, in the Context of Change Management and Performance of Companies Listed in Nairobi Securities Exchange in Kenya. *International Journal of Academic Research in Business and Social Sciences*, *9*(5), 251–267.

Ngotho S. (2022, May 27). Portland Cement on its knees as workers go without pay. *Daily Nation*, Page 14.

Ngulumbu, O., & Aduda, D. J. (2016). Relationship between board composition and financial performance of companies listed at the Nairobi Securities Exchange. *American Journal of Finance*, *1*(2), 72–90.

Nier E W, & Merrouche O. (2010). *What caused the global financial crisis? Evidence on the drivers of financial imbalances 1999-2007.* (SSRN Scholarly Paper ID 1735474). Social Science Research Network. https://doi.org/10.2139/ssrn.1735474

Nikpour, A. (2017). The impact of organizational culture on organizational performance: The mediating role of employee's organizational commitment. *International Journal of Organizational Leadership*, *6*(1), 65–72. https://doi.org/10.33844/ijol.2017.60432

Niven, P. R. (2006). *Balanced scorecard step-by-step: Maximizing performance and maintaining results* (2nd ed). Wiley.

Njiru, J. N., & Nyamute, D. W. (2018). The effect of organizational structure on financial performance of state corporations in Kenya. *International Journal of Finance and Accounting*, *3*(2), 72–87.

Noora Shrestha. (2020). Detecting Multicollinearity in Regression Analysis. *American Journal of Applied Mathematics and Statistics*, *8*(2), 39–42. https://doi.org/10.12691/ajams-8-2-1

NSE. (2020). *History of NSE - Nairobi Securities Exchange (NSE)*. https://www.nse.co.ke/nse/history-of-nse.html

NSE. (2021a). *Market snapshot—Nairobi Securities Exchange (NSE)*. https://www.nse.co.ke/market-statistics/market-snapshot.html

NSE. (2021b, November). *ESG Disclosures Guidance Manual by NSE*.

ST. PAUL'S UNIVERSITY

Nurhaslia R T. (2016). The effects of leadership on organizational effectiveness of Health Department in Wakatobi District South East Sulawesi, Indonesia. *International Journal of Humanities and Cultural Studies*, *3*(2), 313–325.

Oduol, S. M. (2015). *Effects of organizational culture on performance of subsidiaries of selected regional commercial banks headquartered in Kenya* [Thesis, University of Nairobi]. http://erepository.uonbi.ac.ke/handle/11295/94009

OECD (Ed.). (2015). *OECD principles of corporate governance*. OECD. https://doi.org/10.1787/9789264236882-en

Ogbo, A. I., Chibueze, N. F., Christopher, O. C., & Anthony, I. A. (2015). Impact of structure on organizational performance of selected technical and service firms in Nigeria. *Corporate Ownership and Control*, *13*(1). https://doi.org/10.22495/cocv13i1c10p13

Ogbonna, E., & Harris, L. (2000). Leadership Style, Organizational Culture and Performance: Empirical Evidence from U.K. Companies. *International Journal of Human Resource Management - INT J HUM RESOUR MANAG*, *11*. https://doi.org/10.1080/09585190050075114

Okoth F O, & Litunya R. (2019). Effect of corporate governance on organizational performance: A case study of World Vision Kenya. *The Strategic Journal of Business & Change Management*, *6*(4), 428–442.

Omenyo D M, & Muturi W. (2019). Effect of firm size on financial performance of manufacturing firms listed in Nairobi Securities Exchange. *The Strategic Journal of Business & Change Management*, *6*(4), 1112–1119.

Onono, E. O. (2018). *The impact of organizational structure on performance at GE Africa*. United States International University - Africa.

Otman K A M. (2014). *Corporate governance and firm performance in listed companies in the UAE*. Victoria University of Melbourne.

Ouchi, W. G. (1981). Organizational paradigms: A commentary on Japanese management and Theory Z organizations. *Organizational Dynamics*, *9*(4), 36–43.

Ozuomba C, Uchenna O, Nkechi L, & Sixtus N. (2016). Effect of corporate governance on organizational performance: A case study of Nigeria Breweries Plc, Enugu State. *International Journal of Management Sciences and Business Research*, *5*(11), 1–21.

ST. PAUL'S UNIVERSITY

Parliamentary Budget Office, Kenya. (2021, May). *Unpacking of the year 2021-22 Budget*. Parliamentary Budget Office.

Pearson, N., Naylor, P.-J., Ashe, M. C., Fernandez, M., Yoong, S. L., & Wolfenden, L. (2020). Guidance for conducting feasibility and pilot studies for implementation trials. *Pilot and Feasibility Studies*, *6*(1), 167. https://doi.org/10.1186/s40814-020-00634-w

Pervan M, Pervan I, & C'urak M. (2017). The influence of age on firm performance: Evidence from the Croatian food industry. *Journal of Eastern Europe Research in Business and Economics*, *1*, 1–10.

Pfeffer, J., & Davis-Blake, A. (1986). *Administrative succession and organizational performance: How administrator experience mediates the succession effect*. https://doi.org/10.2307/255860

Powell, W. W., & DiMaggio, P. (Eds.). (1991). *The new institutionalism in organizational analysis*. University of Chicago Press.

Priem, R., & Butler, J. (2001). Is the Resource-Based View a useful perspective for strategic management research? *The Academy of Management Review*, *26*, 22. https://doi.org/10.2307/259392

Private Sector Initiative for Corporate Governance. (1999, November). *Principles for corporate governance in Kenya*. Private Sector Corporate Governance Trust.

Public Service Commission, & State Corporations Advisory Committee. (2015, January). *The Code of Governance for State Corporations*.

Qarashay D M, & Alzu'bi F A. (2018). The effect of strategic management on the organizational performance using balanced scorecard approach to measure performance: A case study in the Nursing Department at Al-Khalidi Hospital and Medical Center. *International Journal of Business and Management*, *13*(4), 259–270.

Quttainah M. A., Cocco j., & Al-Zufairi A. (2017). The determinants of the effectiveness of corporate governance at Islamic banks. *International Journal of Business Governance and Ethics*, *12*(2), 174–196.

Rao T S, & Gabr M M. (1980). A test for linearity of stationary time series. *Journal of Time Series Analysis*, *1*(2), 145–158.

Razia M A. (2015). A comparative analysis of organizational structure and effectiveness between public and private universities: A case of University of East Africa Baraton and Moi

ST. PAUL'S UNIVERSITY

University in Kenya. *International Journal of Humanities and Social Science Invention*, *4*(8), 15–25.

Reddy, K., Locke, S., & Scrimgeour, F. (2010). The efficacy of principle-based corporate governance practices and firm financial performance: An empirical investigation. *International Journal of Managerial Finance*, *6*(3), 190–219. https://doi.org/10.1108/17439131011056224

Reed J H. (2020). *The effects of firm age and firm size on strategic agility and performance*. Florida Institute of Technology.

Rhaimini E R & Charaf K. (2022). Relationship between organizational culture and performance: Literature review of the mediating and moderating effects. *Revue Du Contrôle de La Compatabilité et de I'Audit*, *6*(3), 129–146.

Rinkus R. (2016, November 29). *Parmalat*. Financial Scandals, Scoundrels & Crises. https://www.econcrises.org/2016/11/29/parmalat/

Robbins, S. P., Coulter, M. K., & DeCenzo, D. A. (2017). *Fundamentals of management* (Tenth edition, global edition). Pearson.

Robbins, S. P., & Judge, T. A. (2011). *Organizational behaviour* (14th ed). Pearson.

Rohana N S M, & Abdulla C Z. (2017). Leadership Competencies and Organizational Performance: Review and Proposed Framework. *International Journal of Academic Research in Business and Social Sciences*, *7*(8), 824–831.

Rosemann, M., & Brocke, J. vom. (2015). The six core elements of business process management. In *Handbook on Business Process Management* (pp. 105–122). Springer.

Rowe W L. (1982). Two criticisms of the agency theory. *Philosophical Studies*, *42*(3), 363–378.

Saad, R., & Daraghma, Z. (2016). Using of the balanced scorecard for performance evaluation: Empirical evidence from the listed corporations in the Palestine Exchange (PEX). *International Journal of Business and Management*, *11*(3), 215–222. https://doi.org/10.5539/IJBM.V11N3P215

Sackmann, S. A. (2021). Culture and Organizational Performance. In S. A. Sackmann (Ed.), *Culture in Organizations: Development, Impact and Culture-Mindful Leadership* (pp. 117–134). Springer International Publishing. https://doi.org/10.1007/978-3-030-86080-6_5

ST. PAUL'S UNIVERSITY

Sakyi, K. A., Musona, D., & Mweshi, G. (2020). Research Methods and Methodology. *Advances in Social Sciences Research Journal*, *7*(3), Article 3. https://doi.org/10.14738/assrj.73.7993

Salvioni, D. M., Gennari, F., & Bosetti, L. (2016). Sustainability and convergence: The future of corporate governance systems? *Sustainability*, *8*(11), 1203.

Sammoudi A A. (2016). Measuring the effect of organizational structure on the institution performance efficiency: Empirical study, elicited from the reality of Palestinian Ministry of Education and Higher Education. *International Journal of Social Science Studies*, *4*(10), 48–60.

Sarbanes-Oxley Act, 51 pages (2002).

Saunders, M. N. K., Lewis, P., & Thornhill, A. (2019). *Research methods for business students* (Eighth Edition). Pearson.

Schein, E. H. (1980). *Organizational psychology*. Prentice-Hall.

Schein, E. H. (2010). *Organizational Culture and Leadership*. John Wiley & Sons.

Scott. (1987). *The Adolescence of Institutional Theory | PDF | Institution | Theory*. Scribd. https://www.scribd.com/document/359071007/Scott-1987-The-Adolescence-of-Institutional-Theory

Sekaran U, & Bougie R. (2010). *Research methods for business: A skill-based approach* (5th ed.). John Wiley & Sons, Inc.

Senaviratna, N., & Cooray, T. (2019). Diagnosing Multicollinearity of Logistic Regression Model. *Asian Journal of Probability and Statistics*, 1–9. https://doi.org/10.9734/ajpas/2019/v5i230132

Shahwan T M. (2015). The effects of corporate governance on financial performance and financial distress: Evidence from Egypt. *Corporate Governance*, *15*(5), 641–662.

Shleifer, A., & Vishny, R. W. (1997). A Survey of Corporate Governance. *The Journal of Finance*, *52*(2), 737–783. https://doi.org/10.1111/j.1540-6261.1997.tb04820.x

Sidak, J. G. (2002). The failure of good intentions: The WorldCom fraud and the collapse of American telecommunications after deregulation. *SSRN Electronic Journal*. https://doi.org/10.2139/ssrn.335180

ST. PAUL'S UNIVERSITY

Silitonga, P. E. S., & Widodo, D. S. (2017). Organizational Performance Analysis: Organizational Commitment, Competence and Organizational Culture (Study on Bekasi City Government). *International Journal of Recent Scientific Research*, *8*(4), 16732–16740.

Silwal, P. P. (2022). Corporate cultures and financial performance: The mediating role of firm innovation. *Cogent Business & Management*, *9*(1), 2010480. https://doi.org/10.1080/23311975.2021.2010480

Singh, S., Tabassum, N., Darwish, T. K., & Batsakis, G. (2018). Corporate governance and Tobin's Q as a measure of organizational performance. *British Journal of Management*, *29*(1), 171–190. https://doi.org/10.1111/1467-8551.12237

State Department for Planning. (2007). *Kenya Vision 2030*.

Stevenson, A., & Waite, M. (Eds.). (2011). *Concise Oxford English dictionary* (12th ed). Oxford University Press.

Stewart K. (2023, December 8). *Chi-squared test | Definition, Formula, Types, & Facts | Britannica*. https://www.britannica.com/topic/chi-squared-test

Sultan, K. (2018). Effects of corporate governance on organization's performance: Evidence from Karachi Stock Exchange (30 Index). *International Journal of Academic Research in Accounting, Finance and Management Sciences*, *8*(3), 63–72.

Taber, K. S. (2018). The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education. *Research in Science Education*, *48*(6), 1273–1296. https://doi.org/10.1007/s11165-016-9602-2

Taouab, O., & Issor, Z. (2019). Firm performance: Definition and measurement models. *European Scientific Journal ESJ*, *15*(1), 93–106.

Taqi, A. N. (2020). The relationship between leadership and organizational performance; a review. *International Journal of Innovative Research in Engineering Research & Technology*, *7*(11), 120–128.

Tashakkori, A., & Teddlie, C. (Eds.). (2010). *Handbook of mixed methods in social & behavioral research* (2nd ed). SAGE Publications.

Team, M. S. (2016). *Business Performance Measurement (BPM) Definition | Operations & Supply Chain Dictionary*. MBA Skool-Study.Learn.Share. https://www.mbaskool.com/business-

ST. PAUL'S UNIVERSITY

concepts/operations-logistics-supply-chain-terms/15587-business-performance-measurement-bpm.html

Teddlie, C., & Tashakkori, A. (2009). *Foundations of mixed methods research: Integrating quantitative and qualitative approaches in the social and behavioral sciences*. SAGE.

Tedla T B. (2016). *The impact of organizational culture on corporate performance*. Walden University.

Teece D J. (2007). Explicating dynamic capabilities: The nature and micro foundations of (sustainable) enterprise performance. *Strategic Management Journal*, *28*, 1319–1350.

Teece D J. (2014). The foundations of enterprise performance: Dynamic and ordinary capabilities in an (economic) theory of firms. *Academy of Management Perspectives*, *28*(4), 328–352.

Teece D J, Pisano G, & Shuen A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, *18*(7), 509–533.

Tepret, N., & Tuna, K. (2015). Effect of Management Factor on Employee Job Satisfaction: An Application in Telecommunication Sector. *Procedia - Social and Behavioral Sciences*, *195*, 673–679. https://doi.org/10.1016/j.sbspro.2015.06.264

The Capital Markets Act, 485A 110 pages (2000).

The Financial Reporting Council. (2018, July). *UK Corporate Governance Code*.

Thompson A, Strickland A J, & Gamble J. (2015). *Crafting and executing strategy: Concepts and readings*. McGraw-Hill Education.

Todorovic, I. (2013). Impact of corporate governance on performance of companies. *Montenegrin Journal of Economics*, *9*(2), 47–54.

Tricker, R. I. (2015). *Corporate governance: Principles, policies, and practices* (Third edition). Oxford University Press.

Trustees (Perpetual Succession) Act, Cap 164 12 (1981).

Tshipa J., & Mokoaleli-Mokoteli T. (2015). The impact of gender diversity in the boardroom on firm performance: A South African perpective. *Corporate Board: Role, Duties and Composition*, *11*(1), 74–82.

Tsirikas, A., Katsaros, K., & Kosta, G. (2020). The impact of leadership on firm financial performance: The mediating role of employees' readiness to change. *Leadership &*

ST. PAUL'S UNIVERSITY

Organization Development Journal, *ahead-of-print*. https://doi.org/10.1108/LODJ-02-2019-0088

Van Teijlingen, E., & Hundley, V. (2002). The importance of pilot studies. *Nursing Standard (Royal College of Nursing (Great Britain) : 1987)*, *16*, 33–36. https://doi.org/10.7748/ns2002.06.16.40.33.c3214

Vatcheva, K., Lee, M., McCormick, J., & Rahbar, M. (2016). Multicollinearity in regression analysis conducted in epidemiologic studies. *Epidemiology Open Access*, *06*(2), 1–9. https://doi.org/10.4172/2161-1165.1000227

Visser W, McIntosh M, & Middleton C. (2017). *Corporate leadership for economic, social and political change: Lessons from South Africa*. Routledge.

Wachinga M G. (2016). *Organizational factors influencing financial performance of private companies in Kenya: A case of KTDA factories in Aberdare Ranges*. KCA University.

Wairange, L. R. (2019). *The link between corporate governance failure and the collapse of major private companies in Kenya.* [Thesis, University of Nairobi]. http://erepository.uonbi.ac.ke/handle/11295/108832

Wambugu W C, & Waiganjo E W. (2015). Effects of strategic management practices on organizational performance of construction companies in Nairobi City County, Kenya. *International Academic Journal of Human Resource and Business Administration*, *1*(4), 41–51.

Wang, C., & Ahmed, P. (2007). Dynamic Capabilities: A Review and Research Agenda. *International Journal of Management Reviews*, *9*. https://doi.org/10.1111/j.1468-2370.2007.00201.x

Wang, C. L., & Ahmed, P. K. (2007). Dynamic capabilities: A review and research agenda. *International Journal of Management Reviews*, *9*(1), 31–51. https://doi.org/10.1111/j.1468-2370.2007.00201.x

Wanjala M W. (2016). *Effect of corporate governance practices on performance of state corporations in the tourism industry in Kenya*. KCA University.

Wanjugu, G. E., Kangogo, K. L., Kibet, K. S., & Kisaka, S. E. (2015). The influence of ownership structure and corporate governance reforms on profitability and market value of privatized companies in Kenya. *International Journal of of Economics, Commerce and Management*, *III*(12), 17.

ST. PAUL'S UNIVERSITY

Wathanga, J. (2017). *The effect of corporate governance on the organizational performance of dairy co-operatives in Kenya* [Thesis, United States International University - Africa]. http://erepo.usiu.ac.ke:8080/xmlui/handle/11732/3657

Wawerũ, M. G. (2021). *Kenya's tax czar: The autobiography of MG Wawerũ*. Kenway Publications.

Wheelen T L, Hunger J D, Hoffman A N, & Bamford C E. (2017). *Strategic management and business policy*. Boston:pearson.

Winter, S. G. (2003). Understanding dynamic capabilities. *Strategic Management Journal*, *24*(10), 991–995. https://doi.org/10.1002/smj.318

Xie J, Hong T, Laing T, & Kang C. (2015). On normality assumption in residual simulation for probabilistic load forecasting. *IEEE Transactions on Smart Grid*, *8*(3), 1046–1053.

Yermack D. (2017). Corporate governance and block chains. *Review of Finance*, *21*(21), 7–31.

Yin, R. K. (2016). *Qualitative research from start to finish* (Second edition). The Guilford Press.

Young M N, Peng M W, Ahlstrom D, Bruton G D, & Jiang Y. (2008). Corporate governance in emerging economies: A revew of principal-principal perspective. *Journal of Management Studies*, *45*(1), 196–220.

Yu-Hua Y. (2016). Relationship between organizational culture and organizational effectiveness—A Study of nurses in Taiwan. *Studies in Health Technology and Informatics*, *225*, 957–958.

Zagorchev A, & Gao L. (2015). Corporate governance and performance of financial institutions. *Journal of Economics and Business*, *82*(C), 17–41.

Zhu, J., & Huang, F. (2023). Transformational Leadership, Organizational Innovation, and ESG Performance: Evidence from SMEs in China. *Sustainability*, *15*(7), Article 7. https://doi.org/10.3390/su15075756

ST PAUL'S UNIVERSITY

APPENDICES

Appendix I: Listed Companies at the Nairobi Securities Exchange

AGRICULTURAL
1. Eaagads PLC Ord 1.25 AIMS
2. Kapchorua Tea Kenya PLC Ord Ord 5.00 AIMS
3. Kakuzi PLCOrd.5.00
4. Limuru Tea Co. PLC Ord 20.00
5. Sasini PLC Ord 1.00
6. Williamson Tea Kenya PLC Ord 5.00
AUTOMOBILES AND ACCESSORIES
7. Car and General (K) PLC Ord 5.00
BANKING
8. Absa Bank Kenya PLC. Ord 0.50
9. Stanbic Holdings PLC. ord.5.00
10. I&M Holdings PLC Ord 1.00
11. Diamond Trust Bank Kenya PLC Ord 4.00
12. HF Group PLC Ord 5.00
13. KCB Group PLC Ord 1.00
14. NCBA Holdings PLC Ord 5.00
15. Standard Chartered Bank PLC Ord 5.00
16. Equity Group Holdings PLC Ord 0.50
17. The Co-operative Bank of Kenya PLC Ord 1.00
18. BK Group PLC Ord 0.80
COMMERCIAL AND SERVICES
19. Express PLC Ord 5.00

20. Sameer Africa PLC Ord 5.00
21. Kenya Airways PLC Ord 5.00
22. Nation Media Group PLC Ord. 2.50
23. Standard Group PLC Ord 5.00
24. TPS Eastern Africa (Serena) PLC Ord 1.00
25. WPP Scangroup PLC Ord 1.00
26. Uchumi Supermarkets PLC Ord 5.00
27. Longorn Publishers PLC Ord 1.00
28. Eveready EA PLC Ord 1.00
29. Deacons (East Africa) PLC Ord 2.50
30. Nairobi Business Ventures PLC Ord 1.00
31. Homeboyz Entertainment PLC Ord 0.50
CONSTRUCTION AND ALLIED
32. Athi River Mining PLC Ord 1.00
33. Bamburi Cement PLC Ord 5.00
34. Crown Paints Kenya PLC. 0rd 5.00
35. E.A.Cables PLC Ord 0.50
36. E.A.Portland Cement Company PLC Ord 5.00
ENERGY AND PETROLEUM
37. TotalEnergies Marketing Kenya PLC Ord 5.00
38. KenGen PLC Ord. 2.50
39. Kenya Power & Lighting Co. PLC Ord 2.50
40. Umeme PLC Ord 0.50
INSURANCE
41. Jubilee Holdings PLC Ord 5.00
42. Sanlam Kenya PLC 0rd 5.00

43. Kenya Re-Insurance Corporation PLC Ord 2.50
44. Liberty Kenya Holdings PLC
45. Britam Holdings PLC Ord 0.10
46. CIC Insurance Group PLC Ord 1.00
INVESTMENTS
47. Olympia Capital Holdings PLC Ord 5.00
48. Centum Investment Co PLC Ord 0.50
49. Trans-Century PLC Ord 0.50
50. Home Afrika PLC Ord 1.00
51. Kurwitu Ventures PLC Ord 100
INVESTMENT SERVICES
52. Nairobi Securities Exchange PLC Ord 4.00
MANUFACTURING AND ALLIED
53. B.O.C Kenya PLC Ord 5.00
54. British American Tobacco Kenya PLC Ord 10.00
55. Carbacid Investments PLC Ord 5.00
56. East African Breweries PLC Ord 2.00
57. Mumias Sugar Co. PLC Ord 2.00
58. Unga Group PLC Ord 5.00
59. Kenya Orchards PLC Ord 5.00
60. Flame Tree Group Holdings PLC Ord 0.825
TELECOMMUNICATION AND TECHNOLOGY
61. Safaricom PLC Ord 0.05
62. ILam Fahari I-Reit PLC Ord 20.00

Source: NSE (30 JUNE 2022)

ST. PAUL'S UNIVERSITY

Appendix II: Number of Directors in the Nairobi Securities Exchange Listed Companies

AGRICULTURAL

1. Eaagads PLC Ord 1.25 ……..4
2. Kapchorua Tea Kenya PLC Ord 5.00…….. 9
3. Kakuzi PLC Ord.5.00…… 11
4. Limuru Tea Co. PLC Ord 20.00 ……....6
5. Sasini PLC Ord 1.00……...7
6. Williamson Tea Kenya Ltd Ord 5.00…….... 7

AUTOMOBILES AND ACCESSORIES

7. Car and General (K) PLC Ord 5.00……8

BANKING

8. Absa Bank Kenya PLC Ord 0.50……9
9. Stanbic Holdings PLC ord.5.00……..8
10. I&M Holdings PLC Ord 1.00……..9
11. Diamond Trust Bank Kenya PLC Ord 4.00……...14
12. HF Group PLC Ord 5.00……11
13. KCB Group Ltd Ord 1.00…… 11
14. NCBA Holdings PLC Ord 5.00…… 12
15. Standard Chartered Bank PLC Ord 5.00……8
16. Equity Group Holdings PLC Ord 0.50…… 10
17. The Co-operative Bank of Kenya PLC Ord 1.00……...12
18. BK Group PLC Ord 0,80…… 7

COMMERCIAL AND SERVICES

19. Express PLC Ord 5.00……..6
20. Sameer Africa PLC Ord 5.00……7
21. Kenya Airways PLC Ord 5.00……..9
22. Nation Media Group Ord. 2.50……18
23. Standard Group PLC Ord 5.00……..8
24. TPS Eastern Africa (Serena) PLC Ord 1.00…… …….. 13
25. WPP Scangroup PLC Ord 1.00……9
26. Uchumi Supermarkets PLC Ord 5.00……..…11
27. Longhorn Publishers PLC Ord 1.00…… 9
28. Eveready EA PLC Ord 1.00…… 6
29. Deacons (East Africa) PLC Ord 2.50……..…6
30. Nairobi Business Ventures PLC Ord 1.00…… 5
31. Homeboyz Entertainment PLC Ord 0.50……. 3

CONSTRUCTION AND ALLIED

32. Athi River Mining PLC Ord 5.00 ……12
33. Bamburi Cement PLC Ord 5.00……13
34. Crown Paints Kenya PLC. 0rd 5.00……. 6
35. E.A.Cables PLC Ord 0.50……...7
36. E.A.Portland Cement PLC Ord 5.00……...9

ENERGY AND PETROLEUM

37. Total Energies Marketing Kenya PLC Ord 5.00…… 9
38. Ken Gen PLC Ord. 2.50 ……... 14

ST. PAUL'S UNIVERSITY

39. Kenya Power and Lighting Co. PLC Ord2.50…… 11
40. Umeme PLC Ord 0.50 ……10

INSURANCE

41. Jubilee Holdings PLC Ord 5.00…….…….9
42. Sanlam Kenya PLC 0rd 5.00…….... 9
43. Kenya Re-Insurance Corporation PLC Ord 2.50…….…..... 11
44. Liberty Kenya Holdings PLC Ord 1.00…… 8
45. Britam Holdings PLC Ord 0.10…….……..8
46. CIC Insurance Group PLC Ord 1.00…….....12

INVESTMENTS

47. Olympia Capital Holdings PLC Ord 5.00…….6
48. Centum Investment Co PLC Ord 0.50…… 9
49. Trans-Century PLC…… 6
50. Home Afrika PLC Ord 1.00 …… 7
51. Kurwitu Ventures PLC Ord 100 …… 7

INVESTMENT SERVICES

52. Nairobi Securities Exchange PLC Ord 4.00…….……11

MANUFACTURING AND ALLIED

53. B.O.C Kenya PLC Ord 5.00…….....8
54. British American Tobacco Kenya PLC Ord 10.00…….……11
55. Carbacid Investments PLC Ord 5.00…….....6
56. East African Breweries PLC Ord 2.00…….....13
57. Mumias Sugar Co. PLC Ord 2.00…….....11
58. Unga Group PLC Ord 5.00…….....8
59. Kenya Orchards PLC Ord 5.00 ……5
60. Flame Tree Group Holdings PLC Ord 0.825……7

TELECOMMUNICATION AND TECHNOLOGY

61. Safaricom PLC Ord 0.05……12
62. ILam Fahari I-Reit PLC Ord 20.00……..7

Source: The Companies' Repositories (June 2022)

ST. PAUL'S UNIVERSITY

Appendix III: Questionnaire

SECTION A: DEMOGRAPHIC INFORMATION

1) Category of Directorship

Executive [ ] Non-executive [ ]

2) Gender:

Male [ ] Female [ ]

3) Age:

Below 30 years [ ] 30 to 49 years [ ]

50 to 59 years [ ] 60 to 69 years [ ]

Above 69 years [ ]

4) Highest level of education achieved:

Certificate [ ] Diploma [ ] Degree [ ]

Masters [ ] PhD [ ]

Other (Please explain) ……

5) Duration of service in the company:-

1- 5 years [ ] 6-10 years [ ]

11-15 years [ ] above 15 years [ ]

ST. PAUL'S UNIVERSITY

SECTION B: CORPORATE LEADERSHIP

6) For each of these statements on corporate leadership, kindly indicate the extent of your agreement on how they affect your organization. Use the Likert scale which ranges from 1 -5 where 1= not sure; 2 =strongly disagree 3= disagree; 4= agree and 5= strongly agree.

	Statement	**1**	**2**	**3**	**4**	**5**
i.	There are proper channels of communication in the company.					
ii.	Employees use emails to effectively communicate with others in the company.					
iii.	All supervisors are encouraged to share the vision of the company with subordinates.					
iv.	The vision of the company is well articulated with the staff.					
v.	The company has well established sense of direction.					
vi.	There are clear goals that provide a sense of direction in the company.					
vii.	The company has coaching programs for new employees.					
viii.	The line managers in the company are trained on how to mentor new employees.					

7) Kindly identify the other role played by corporate leadership on performance of your company……
……

SECTION C: ORGANIZATIONAL STRUCTURE

8) For each of these statements on organizational structure, kindly indicate the extent of your agreement on how they affect your organization. Use the Likert scale which ranges from 1 -5 where 1= not sure; 2 = strongly disagree 3= disagree; 4= agree and 5= strongly agree.

	Statement	**1**	**2**	**3**	**4**	**5**
i.	There are clearly established reporting relationships among employees in the company.					

ST. PAUL'S UNIVERSITY

ii.	The reporting relationships ensure accountability among employees.					
iii.	The supervisors are encouraged to effectively communicate with their subordinate staff in the company.					
iv.	Formal communication is encouraged between staff across the departments in the company.					
v.	The long-term decisions are centrally made by senior managers in the company.					
vi.	There is a clear reporting system and employees do not disagree on who to report to.					
vii.	Within and between departments and sections, employees do not encounter conflict over responsibilities.					
viii.	There is an equitable allocation of resources and tasks between departments.					
ix.	The company has clear concise procedures on how work is done.					
x.	By allocating tasks, implementing work procedures, and dividing work, employees have been able to effectively perform their duties.					

ST. PAUL'S UNIVERSITY

9) In what other ways does organizational structure affect the performance of your company?

……
……

SECTION D: STRATEGIC MANAGEMENT PROCESS

10) For each of these statements on strategic management process, kindly indicate the extent of your agreement on how they apply in your organization. Use the Likert scale which ranges from 1 -5 where 1= not sure; 2 =strongly disagree 3= disagree; 4= agree and 5= strongly agree.

	Statement	**1**	**2**	**3**	**4**	**5**
i.	The company analyses its environment to identify viable opportunities for investment.					

ii.	Environmental analysis helps the company to identify possible threats to its operations.					
iii.	The company has clearly formulated strategies.					
iv.	The company formulates strategies based on the identified threats in the environment.					
v.	The overall strategies formulated are aligned with the mission of the company.					
vi.	The company implements the strategies in time.					
vii.	Strategies are implemented within budget in the company.					
viii.	Strategies are implemented by competent staff in the company.					
ix.	The company evaluates the strategies on a regular basis.					
x.	The company has in place Key Performance Indicators for tracking the strategic objectives that have been set.					
xi.	The Key Performance Indicators for tracking the strategic objectives are driving the right behaviours.					

ST. PAUL'S UNIVERSITY

11) How does strategic management process affect performance of your organization? Kindly explain.

……
……..

SECTION E: ORGANIZATIONAL CULTURE

12) For each of these statements on organizational culture, kindly indicate the extent of your agreement on how culture affects your organization. Use the Likert scale which ranges from 1 -5 where 1= not sure; 2 =strongly disagree 3= disagree; 4= agree and 5= strongly agree.

	Statements	**1**	**2**	**3**	**4**	**5**
i.	Team work is strongly encouraged among employees in the					

	company.					
ii.	Team work ensures that the formulated goals are realized in the company.					
iii.	Team work increases synergy among employees in the company.					
iv.	There is an established code of conduct.					
v.	The code of conduct outlines the disciplinary actions on undesired behaviour among employees in the company.					
vi.	The company hires employees who have strong adaptability skills.					
vii.	The company has well established core values.					
viii.	Employees are encouraged to carry out their duties in accordance with the core values.					
ix.	The company encourages the following skills upon employees: Analytical; Observation; Problem-solving and Logical thinking					
x.	The company encourages the following skills upon employees: Flexibility; Self-confidence; Determination and Diligence					

13. In what other ways does organizational culture affect performance of your organization?

……
……

ST. PAUL'S UNIVERSITY

SECTION G: ORGANIZATIONAL PERFORMANCE

14. For each of these statements on organizational performance, kindly indicate the extent of your agreement in relationship to your company. Use the Likert scale which ranges from 1 -5 where 1= not sure; 2 =strongly disagree 3=disagree; 4=agree and 5= strongly agree.

	Statements	**1**	**2**	**3**	**4**	**5**
i.	The revenue of the company has been increasing.					
ii.	The company has registered an improvement in profits generated.					

iii.	The customers are satisfied with the products and services of the company.					
iv.	The customers are loyal to the company.					
v.	Employees are encouraged to learn new ways.					
vi.	Employees in the company are innovative.					
vii.	The pay and benefits that employees receive are commensurate to the work that they do.					
viii.	There is a staff development program in place for employees.					
ix.	Employees are treated fairly and respectfully.					
x.	Employees tend to be retained in the company for a long time.					
xi.	The company experiences digital transformation.					
xii.	The company has a digital transformation plan in place.					
xiii.	There is business process automation.					

ST. PAUL'S UNIVERSITY

THANK YOU

Appendix IV: Introductory Letter to the Respondents

To: The Respondent

From: Geoffrey Gichangi Karuu

P.O Box 796-00621

Village Market

NAIROBI.

Phone: 0722806437

Email: geoffrey.g.karuu@gmail.com

Admission no. PBAM/LMR/5127/18

Dear Sir/Madam,

Subject: Doctoral Thesis Research Questionnaire, Data Collection

I am a PhD candidate at St. Paul's University and wish to carry out a research for my thesis on Corporate Governance and Organizational Performance: A Survey of Listed Companies at Nairobi Securities Exchange, Kenya, to fulfil the requirements for the Award of Degree of Doctor of Philosophy in Business Administration and Management (Strategic Management option).

Evidence for establishing relationships between corporate governance and performance of the companies listed at the NSE will be generated as a result of this research, which is essential. In order to address the problems that contribute to the apparently diminishing performance of NSE-listed companies, this knowledge base is important. This letter is consequently a request for you, as a director of …… to complete the questionnaire honestly and accurately. I guarantee that the data will be treated in the strictest of confidence. It will take roughly 15 minutes to complete the questionnaire.

Your responses will be extremely helpful, particularly, in developing the evidence base needed to strengthen NSE listed companies and generally, other similar companies worldwide. Kindly note that your response will be treated with utmost confidentiality and will be used only for research purposes. For any further clarification, please contact me through the contact provided above.

Thank you in advance for your attention and response.

Yours Faithfully,

Geoffrey Gichangi Karuu.

ST. PAUL'S UNIVERSITY

Appendix V: Introductory Letter to the Company Secretaries

From: Geoffrey Gichangi Karuu
P.O Box 796-00621
Village Market
NAIROBI.
Phone: 0722806437
Email: geoffrey.g.karuu@gmail.com
Admission no. PBAM/LMR/5127/18

Dear Sir/Madam,

Subject: Doctoral Thesis Research Questionnaire, Data Collection

I am a PhD candidate at St. Paul's University and wish to carry out a research for my thesis on Corporate Governance and Organizational Performance: A Survey of Listed Companies at Nairobi Securities Exchange, Kenya. This is in order, to fulfil the requirements for the award of degree of Doctor of Philosophy in Business Administration and Management (Strategic Management option).

Evidence for establishing relationships between corporate governance and performance of the companies listed at the NSE will be generated as a result of this research, which is essential. In order to address the problems that contribute to the apparently diminishing performance of NSE-listed companies, this knowledge base is important. This letter is consequently a request for you to facilitate the mobilization of executive and non-executive directors that have been randomly selected from your company. The list of the randomly selected directors is attached.

The responses from the selected directors will be extremely helpful, particularly, in developing the evidence base needed to strengthen NSE listed companies and generally, other similar companies worldwide. **Kindly note that the responses will be treated with utmost confidentiality and will be used only for research purposes.** For any further clarification, please contact me through the contact provided above.

Thank you in advance for your assistance.

Yours Faithfully,

Geoffrey Gichangi Karuu.

ST. PAUL'S UNIVERSITY

Appendix VI: Recommendation Letter to Conduct Research

ST. PAUL'S UNIVERSITY

Private Bag 00217 LIMURU, KENYA
Email: office@spu.ac.ke
Website: www.spu.ac.ke

Tel Office: +254 (0) 20-2020505/10
Mobile: +254 (0) 728 - 669000
(0) 736 - 424440

BOARD OF POSTGRADUATE STUDIES

31st August, 2022

National Commission for Science and Technology,
P.O. BOX 30623-00100,
Nairobi.

Dear Sir/Madam,

RE: RECOMMENDATION FOR GEOFFREY GICHANGI KARUU- PBAMLMR512718 –TO CONDUCT RESEARCH

This letter confirms the above-named person is a student of the Doctor of Philosophy in Business Administration at St. Paul's University.

The second year consists of a major research work leading to a dissertation. The student's selected topic is *" Corporate Governance and Organizational Performance: A Survey of Listed Companies at Nairobi Securities Exchange, Kenya."*

Kindly grant this student the required permit.

Yours Faithfully,

DIRECTOR POSTGRADUATE STUDIES ST. PAUL'S UNIVERSITY 31 AUG 2022 TEL: 020-2020505/2020510 P.O. PRIVATE BAG 00217, LIMURU

Dr. Julius Kahuthia
Director, Board of Postgraduate Studies

Appendix VII: Research Permit from National Commission for Science, Technology and Innovation

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **127532**

Date of Issue: **23/September/2022**

RESEARCH LICENSE



This is to Certify that Mr.. Geoffrey Gichangi Karuu of St. Paul's University, has been licensed to conduct research in Nairobi on the topic: CORPORATE GOVERNANCE AND ORGANIZATIONAL PERFORMANCE: A SURVEY OF LISTED COMPANIES AT NAIROBI SECURITIES EXCHANGE, KENYA for the period ending : 23/September/2023.

License No: **NACOSTI/P/22/20662**

127532

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.