CORPORATE GOVERNANCE AND ORGANIZATIONAL PERFORMANCE OF LARGE PARASTATALS IN KENYA: A CASE OF THE KENYA BUREAU OF STANDARDS

GRACE VUNDI

MBAMKS532521

A MASTERS DISSERTATION SUBMITTED TO THE SCHOOL OF BUSINESS AND LEADERSHIP MANAGEMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF A MASTER OF BUSINESS ADMINISTRATION (STRATEGIC MANAGEMENT) OF ST. PAUL'S UNIVERSITY

March, 2024

DECLARATION

This dissertation is my original work and has not been presented for award of a degree in any other university.

Signed:……. Date:……..

Grace Vundi

MBAMKS532521

Word Count:26,136

This dissertation has been submitted with our approval as university supervisors:

Dr. James Mwangi Njau

Signed:…… Date:…….

Dr. Mary Kibuine

Signed…….. Date…….

DEDICATION

I dedicate this dissertation to my father Josephat Mule, mother Margaret Vundi, daughters Kyla Nduku and Joy Ndunge for their selfless support. To you all, I owe a debt of gratitude and will always be grateful for the support and understanding while I worked on this research project and the entire study of my MBA course.

ACKNOWLEDGEMENT

I am eternally grateful to God for the gift of life and the opportunity to continue my academic career in excellent health. I also wish to express my gratitude to St. Paul's University for the opportunity to study, my classmates for the positive academic interaction, lecturers for sharing their knowledge with us, and especially my supervisors, Dr. James Mwangi and Dr. Mary Kibuine for expert guidance in the development of this research project; may God bless you all.

ABSTRACT

In the past, private sector placed a premium on corporate governance. However, at all levels, it is rapidly being seen as the most significant factor in determining the success of organizations in the public sector as well. However, gaps existed as organizations try to increase performance through better corporate governance. The purpose of this research was to determine how the concept influences performance of large parastatals in Kenya, with a focus on Kenya Bureau of Standards (KEBS). The study's specific objectives were to determine the effect of director independence on KEBS' performance, the impact of board accountability on KEBS' performance, and the impact of board composition on KEBS' organizational performance. Resource dependency, agency, virtue ethics, and stewardship theories were used to support the propositions of the study. Descriptive research design was adopted and the target population was KEBS top management and board of directors. The population for this study was the top management employees and board of directors of KEBS. There were 42 top management employees and 8 Board of Directors at KEBS. The study conducted a census survey of all top management and Board of Directors. Census survey was appropriate because the population of top management and Board of Directors was small. The decision to conduct a census survey for a small population of 42 top management members and 8 Board of Directors was justified by the need for accuracy, representativeness, and comprehensiveness. Thus the study sample size was 50 participants. Data was collected by use of questionnaires. Validity was confirmed through literature and expert reviews as well as proposal presentation to panel of experts. Reliability was checked by conducting a pilot study and subjecting data to Cronbach's alpha test. Data was analyzed using descriptive and inferential analysis with the aid of Statistical Package for Social Sciences (SPSS) tool of analysis. Descriptive analysis was conducted using frequency, percentage, means, and standard deviation. To assess the nature of the relationship between the variables, inferential statistics was employed where Pearson's Correlation was used to determine the correlation of the variables while a multiple regression model aided in predicting the relationship. Tables were used for data presentation of descriptive data analysis. The study results indicated that there was a positive and statistically significant influence of Board of Director independence, accountability, composition and fairness on performance of KEBS. Apart from this board characteristic, other factors (B_0) contributed 10.181 units for every one unit of performance. Director Independence contributed .449 units, Board Accountability .213 units, Board Composition .728 units and Board Fairness .194 units per every increase in a unit of performance. The study concluded that there was a positive and statistically significant influence of Board of Director independence, accountability, composition and fairness on performance of KEBS. The study recommends enhancing Board of Director independence and diversity, increasing stakeholder participation for accountability, strengthening ethical practices and fairness, and implementing improved corporate governance policies for parastatals in Kenya, including borrowing from effective systems in other jurisdictions.

TABLE OF CONTENTS

DECLARATION ..... **II**
DEDICATION ..... **III**
ACKNOWLEDGEMENT ..... **IV**
ABSTRACT ..... **V**
LIST OF TABLES ..... **IX**
LIST OF FIGURES ..... **X**
ABBREVIATIONS AND ACRONYMS ..... **XI**
DEFINITION OF TERMS ..... **XII**
CHAPTER ONE **1**
INTRODUCTION **1**
1.1 Background of the Study 1
1.1.1 Corporate Governance in Kenya 4
1.1.2 Corporate Governance 5
1.1.3 Organizational Performance 8
1.1.4 Public Organizations 10
1.1.5 Corporate Governace at KEBS 11
1.2 Statement of the Problem 11
1.3 General objective of the study 13
1.3.1 Objectives of the Study 13
1.3.2 Research Questions 13
1.4 Significance of the study 13
1.5 Scope of the Study 15
1.6 Limitations of the Study 15
LITERATURE REVIEW **16**
2.1 Introduction 16
2.2 Theoretical Literature Review 16
2.1.1 Resource Dependency Theory 16
2.1.2 Virtue Ethics Theory 19
2.1.3 Agency Theory 20
2.1.4 Organizational Development Theory 22

2.2 Empirical Review....24
2.2.1 Director Independence and Performance....25
2.2.2 Board Accountability and Performance....28
2.2.4 Directors' Fairness and Performance....37
2.3 Study Gaps....39
2.4 Conceptual Framework....43
REASEARCH METHODOLOGY....45
3.1 Introduction....45
3.2 Research Design....45
3.3 Target Population....45
3.3 Census....46
3.5 Data Collection....46
3.6 Pilot Study....46
3.6 1 Validity....47
3.6.2 Reliability....47
3.7 Ethical Issues....48
3.8 Data Analysis....48
CHAPTER FOUR....51
DATA ANALYSIS, PRESENTATION AND INTERPRETATION....51
4.1 Introduction....51
4.2 Response Rate....51
4.3 Demographic Information....51
4.3.1 Demographics of the study....52
4.4 Influence of Corporate Governance on Organizational Performance....54
4.4.1 Influence of Board of Directors Independence on Performance of KEBS....54
4.4.2 Influence of Board of Director Accountability on Performance of KEBS....56
4.4.3 Influence of Board of Director Composition on Performance of the KEBS....59
4.4.4 Influence of Board of Director Fairness on Performance of KEBS....62
4.4.4 Performance of KEBS....65
4.5 Director Independence, Board Accountability, Board Composition, Directors Fairness on Performance of KEBS....68

CHAPTER FIVE **79**
SUMMARY, CONCLUSION AND RECOMMENDATIONS **79**
5.1 Introduction 79
5.2 Summary 79
5.2.1 Influence of board of directors independence on performance of KEBS 79
5.2.2 Influence of board of directors accountability on performance of KEBS 80
5.2.3 Influence of board of directors composition on performance of KEBS 80
5.2.4 Influence of board of director fairness on performance of KEBS 81
5.3 Conclusions 81
5.4 Recommendations 83
5.6 Suggestions for Further Studies 84
REFERENCES **85**
APPENDICES **91**
Appendix I: Introduction Letter 91
Appendix II: Questionnaire for Top Management Employees and Board of Directors 92
Appendix VII: Budget of the Study 98
APPENDIX VIII: PLAGIARISM REPORT **99**

LIST OF TABLES

Table 1: Study Gaps Matrix 41
Table 2: Target Population 46
Table 3: Gender of the Respondents 52
Table 4: Age of the Respondents 52
Table 5: Highest Educational Level of the Respondents 53
Table 6. Period Worked in the Organization 53
Table 7. Position in KEBS 54
Table 8: Director Independence and performance of KEBS 55
9: Influence of Board of Director Accountability on Performance of the KEBS 57
Table 10: Board of Director Composition on Performance 60
Table 11: Influence of Board of Directors Fairness on Performance of KEBS 63
Table 12: Performance of KEBS 67
Table 13: Correlation Coefficients 69
Table 14: Model Summary of model I 70
Table 15: ANOVA of model I 71
Table 16: Coefficients of model I 71
Table 17: Model Summary of Model II 72
Table 18: ANOVA of Model II 72
Table 19: Coefficients of Model II 72
Table 20: Model Summary of Model III 73
Table 21: ANOVA of Model III 73
Table 22: Coefficients of Model III 74
Table 23: Model Summary of Model IV 74
Table 24: ANOVA of Model IV 75
Table 25: Coefficients of Model IV 75
Table 26: Regression Coefficients of Model V 76
Table 27: ANOVA of Model V 77
Table 28: Model Summary 78

LIST OF FIGURES

Independent Variable Dependent Variable Figure 1 44

ABBREVIATIONS AND ACRONYMS

HRM	Human Resource Management
ISE	Istanbul Stock Exchange
KEBS	Kenya Bureau of Standards
OAGK	Office of the Auditor-General
PMS	Performance Measurement System
PSC	Public Service Commission
SCAC	State Corporations Advisory Committee
SCs	State Corporations
UK	United Kingdom
US	United States

DEFINITION OF TERMS

Accountability	Is the obligation of an individual or organization to account for his/her/its activities, accept responsibility for them, and disclose the results in a transparent manner. It also includes the responsibility for money or other entrusted property
Board Transparency	Refers to the degree to which a company's board of directors operates with openness, honesty, and accountability in their decision-making processes and communicates their actions and decisions to relevant stakeholders, including shareholders, employees, and the public.
Corporate governance	Refers to the system by which companies are directed and controlled.
Directors Fairness	Refers to board of directors treating all stakeholders equitably and transparently, with due regard for their rights and interests.
Organizational performance	Refers to an analysis of a company's performance as compared to goals and objectives.
Performance	Means both behaviors and results or employee outputs that focus on quality and quantity of work and the time taken to release such outputs.

CHAPTER ONE
INTRODUCTION

1.1 Background of the Study

Knowledge, skills and information technology are extremely important in today's cultural and economic environment because softheartedness of evolution of commerce which has been accelerated by globalization (Sener, Varoglu & Aren, 2011) resulting to the need for, quality leadership in management of learning organizations. To enhance organizational performance, modern business leaders should be able to rethink strategies and processes based on a diverse pool of information and talents available. Board of directors is an important aspect of organizational leadership and members should have a thorough understanding of their duties and organization, as well as possess the ability to lead a team that can foster cooperation in order to optimize performance (Haro, 2020). Many authors such as Boyd (2015); Lins and Miller (2014); Kibua and Mwabu (2016) among others explain the concept of corporate governance, but fail to provide a concise definition since it encompasses a wide range of interconnected domains, such as management, ethics, legal, regulatory, structural and behavioral elements.

The type of corporate governance that develops in a corporation or a country, as well as the tools that are used to enforce compliance, is determined by the strategy chosen, and focused by shareholders or stakeholders. Corporate governance is a process, not a destination and the field is constantly evolving. Haro (2020) explains that corporate governance refers to how a corporation's power is exercised in the stewardship of the corporation's entire portfolio of assets and resources with the goal of maintaining and expanding shareholder value as well as the satisfaction of other stakeholders in the context of its organizational mission. It is concerned with creating a balance between economic and social aims by including individual and communal goals, while promoting

resource efficiency, accountability, stewardship, and harmonizing the interests of individuals, corporations as well as that of the whole society.

The views of Chen (2020) indicates that the mechanism through which business corporations are governed and controlled is known as corporate governance and it is commonly thought of as defending the interests of shareholders from an economic standpoint or as a method of managing and guiding businesses. It comprises of executing business processes in accordance with stakeholders' wishes and honestly executed for the benefit of the company's stakeholders which culminates to creating a balance among personal, community, economic and social goals (Castrillon, 2020). The processes, methods, practices, and procedures that regulate institutions, the manner in which rules and regulations are implemented and followed, the relationships that the rules and regulations create, and the nature of those ties, all fall under the umbrella of governance. Essentially, governance is concerned with the institutional framework's leadership function and the fact that it underpins a company's functioning base has sparked widespread interest. As a result, the owners are expected to benefit from the adoption and implementation of the good corporate governance practice because they are completely committed to the use of the guidelines and mechanisms, which equates to effective monitoring of a company's activities in the broadest sense, especially when the principles of transparency and disclosure are adopted (Grantham, 2020).

According to Hill and Davis (2017), corporate governance has many advantages, including promoting corporate success and economic progress, increasing investor confidence, enabling organizations to raise capital efficiently and effectively and increasing stock prices. Corporate

governance also providing owners and management with the right incentives to achieve goals that are in the best interests of the shareholders and the company, minimizing waste, corruption, hazards, and mismanagement, and assisting in the construction and development of infrastructure. The Global Corporate Governance Forum (2021) notes in its mission statement that corporate governance has risen in relevance around the world and the Corporation is vital to the advancement of economic and social development. It is the world's economic engine, and it is increasingly in charge of supplying jobs, goods, and infrastructure. Corporate efficiency and responsibility are increasingly a matter of public and private concern, and as a result, governance has risen to the top of the global agenda.

The World Bank Group and the Organization for Economic Cooperation and Development (2016) established the Global Corporate Governance Forum to foster corporate growth and human capacity development in corporate governance-related domains, build consensus around necessary policy, regulatory, and business reforms, to organize and disseminate corporate governance initiatives, and train the numerous professionals involved in corporate governance. The second endeavor is the International Corporate Governance Network which was similarly founded to promote and coordinate corporate governance research and development.

The Global Corporate Governance Forum's Secretariat (1999), state that at a global level, companies in the emerging markets have historically been hesitant to pay for corporate governance-related services but now recognize the critical nature of changing their board and disclosure practices in order to attract international capital. Additionally, Commonwealth Heads of Government (1997) decided that all Commonwealth countries should develop or strengthen

their capacity to create corporations that promote good corporate governance in particular; codes of good practice that establish standards of behavior in the public and private sectors in order to ensure greater transparency and reduce corruption.

Due to widespread corporate scandals and failures around the world, there has been a renewed interest to study the influence of corporate governance on firm performance (Jiang & He, 2015; Enobakhare, 2010). There are a multitude of corporate governance problems facing developing countries such as Kenya which, include but not limited to risk and uncertainty, ineffective disclosure practices, agency problems, weak legal framework, lack of transparency and audit problem (Mang'unyi, 2017; Kiarie, 2018; Berglof & Von Thadden, 2014). All these corporate governance challenges affects the performance of firms. Thus, the researcher chose to study corporate governance and how it influences an organization's performance due to weaknesses of corporate governance in most organizations in Kenya.

1.1.1 Corporate Governance in Kenya

Kenya acquired similar Westminster institutional arrangements as a former British colony, generating both statutory and customary regulations and retaining a reasonable level of macroeconomic stability since independence in 1963 (Nolte & Väth, 2015). The Office of the Auditor General of Kenya (OAGK), which is mandated to promote good governance and accountability in the administration of public resources, is responsible for overseeing the Kenyan government's public financial management (Barako & Brown, 2016).

The role of public institutions in satisfying the needs of its primary stakeholders, the citizens, is directly related to the performance of public organizations in any country. When public sector

organizations work well, they become critical facilitators of a country's social and economic programs by means such as the fees charged by public organizations for their services becoming a critical source of revenue (World Bank Group, 2018). As a result, great performance is vital since it keeps public organizations afloat, boosts their value, and serves as a barometer of efficiency. The effectiveness of public-sector boards of directors is a critical factor affecting their performance and as such organizations are governed by boards of directors comprised of both executive and non-executive directors, and their managerial abilities have a substantial impact on how the organization operates (Tran & Nguyen, 2020). The literature on the importance of boards of directors influenced the study which seeks to find out the relationship between director independence, accountability, board composition and fairness on organizational performance.

1.1.2 Corporate Governance

The set of rules, policies, regulations, and practices that outline how organizations are governed, controlled, and administered are referred to as corporate governance (Penny, 2017). While Allen, Fukuda, Hoshi and Miyajima (2018) defines corporate governance as the mechanism or systems which govern the relationship between ownership and management so as to ensure that an organization achieves its objective while keeping in view the stake/interests of all stakeholders. Its structure shows out how the company's many participants are assigned rights and obligations, such as the board of directors, management, shareholders, and other stakeholders (Amran, Lee & Devi, 2014).

There are different parties involved in implementing corporate governance who include board of directors, CEO, managers and regulatory authority (Cahery, Sautner & Starks, 2016). However, the board of directors has the greatest responsibility in the implementation of corporate governance structures. The board is expected to offer direction, authority and oversight to management in the

execution of their duties to strike a balance between the management benefits and other stakeholders benefits. For this reason the board of directors must be independent, accountable, and composed in a manner that is representative of the various interest groups in an organization. Thus corporate governance comprises a range of mechanisms or attributes, including the , board size, board independence, role duality (CEO/chairman), and audit independence (Singh, Aggarwal & Anand, 2016). This study will focus on establishing the influence of the board of directors independence, accountability, composition and fairness on performance at KEBS.

Accountability is widely accepted to be an elusive concept whose meaning often depends on context. Gagalyuk (2017) stated that board accountability is observed from three perspectives of accuracy, clarity and adequate disclosures to the interested parties. Taking the requirement to provide an account first, directors have to provide accurate information concerning their decisions and actions, because shareholders need to be informed as to what has been done. An element of this part is transparency, which involves disclosing and reporting, and certainly candid reporting is an essential element. Full accountability requires not only that the board be required to provide information, but also to explain and justify its conduct to a third party against externally set criteria, be subject to questioning and judgment, and vulnerable to consequences (Joannides, 2012). Unless there are consequences for failing to account then accountability may be viewed as pointless and meaningless, thus directors should be held liable by a court or removed for a breach of their duties (Keay, 2017).

On the other hand, Rao and Tilt (2016) opined that board composition has a significant bearing on organization performance. The board should have an optimum mix of the required skills and competencies, optimum gender mix, age distribution, occupation, geographical coverage, ethnicity, academic qualifications as well as individual experience. A board with varied experience

and knowledge would more likely produce better processes and make efficient decisions resulting in better performance. Additionally, the board should have an optimum number of members such that it is not so lean nor so large. The larger boards are characterized with the problem of communication, free riding, efficiency and coherency, which may led to poor performance of organization. On the other hand too small board size might have challenges in delivering better access to several resources which are needed to enhance performance of the organization.

Independence of the board refers to the distinction between inside and outside directors. While Khan and Awan (2012) indicated that the main measures of board independence should not only include the proportion of outside directors on the board, it should as well include whether the directors are socially or professionally connected to the Chief Executive Officer (CEO) and separation of the roles and functioning of the Chairperson and the CEO. Independence of the board play an important role in a sound governance structure as managers may pursue their own goals rather than seek to maximize shareholder wealth, unless their discretion is kept in check by a vigilant, independent board . Boards should consider assigning a sufficient number of independent board members capable of exercising independent judgment to a task where there is a potential for conflict of interest (OECD, 2004b). Most researchers have argued that outside directors provide superior performance benefits to the firm as a result of their independence from firm‘s management (Baysinger & Butler, 1985). This is so because outside directors can bring to the board a wealth of knowledge and experience, which the company‘s own management may not possess. They can increase the element of independence and objectivity in board‘s strategic decision-making, and also help in providing independent supervision of the company‘s management. On the other hand without an independent chair, a board will not be able to perform its monitoring role effectively and it can also lead to CEO entrenchment (Wilson, 2008)

1.1.3 Organizational Performance

Singh, Darwish and Potocnik (2016), explained that organizational performance is the ability of an organization to effectively position itself in its industry or market by utilizing financial, human, and informational resources which facilitates comparison of expectations to actual results. The degree of balance between people and systems, as well as their surroundings, including resources, peers, clarity of corporate mission, vision, and strategy, and feedback, are some of the elements that influence organizational performance. In the private sector, performance is often regarded as a less complicated term because most stakeholders agree that excellent financial results are critical to business success, whereas in the public sector, no single metric of performance is as essential, and various stakeholders have significantly different definitions of success and failure. Consequently, performance is determined by evaluating the level of success in executing operations and the extent to which goals are achieved.

Organizational performance is critical to a company's sustainability and is recognized as a fundamental outcome variable of interest in business and management research, international business, operations management, human resources, marketing, strategy and information systems. It is calculated using subjective data obtained from managers or other dependable informants, such as how they rate their company's overall success, in human resource practices, market share, innovation efforts, profitability, among others. It has been stated that objective criteria are far more reliable than subjective ones since managers may be hesitant to point out flaws and instead want to exaggerate their performance in the organization (Singh, Darwish & Potocnik, 2016).

Both subjective and objective performance measures has merits and demerits which range from trustworthy, data comparability, consistency, legitimacy, completeness, accuracy among many others aspects (Melek, 2017). Performance of public institutions is multifaceted thus there is need

to use both subjective and objective performance measures. This is because public institutions are required to serve a range of purposes; some of which are in conflict and as a result, government institutions must monitor a range of performance measures. Boyne (2002) established five conceptual categories of performance dimensions which includes outputs, efficiency, effectiveness, responsiveness and democratic outcomes. Some of the outputs identified were quantity and quality of services; efficiency as determined by the cost per unit of outputs; effectiveness by the achievement of formal objectives; responsiveness by direct service users, citizens, and staff; and democratic outcomes by transparency, credibility and inclusion. This study will rely on both objective and subjective measures of performance of KEBS.

While the performance requirements have been defined, the ideal method of quantifying and executing them remains a mystery. Governments, for example, analyze the performance of public institutions using aggregated or board-level performance metrics as well as individual or narrow performance measurements. Aggregate measures synthesize performance data from a variety of sources to produce an overall score for a business or service. A balanced scorecard model (Kaplan & Norton, 1992) is a graphical depiction of the aggregated results of multiple measures. Individual measurements are frequently referred to as individual performance indicators and are intended to focus on a single aspect of performance in a single service area. On the other side, utilizing aggregate metrics obscures the contributions of unique management initiatives, while using individual metrics results in what educators and researchers refer to as teaching to the test. The 3Es model of economy, efficiency and effectiveness developed by Bouckaert and Peters (2002) or the model of Inputs-Outputs-Outcomes(IOO) developed by Leontief in 1951, are frequently used to assess organizational performance in public sector research (Gebczynska & Renata, 2020). This study will use various constructs to measure the performance of KEBS such as quality of service

delivery, level of customer satisfaction, provision of timely and efficient service, number of firms certified and accredited, adequacy of monitoring products in the market, ability to successfully develop a standard, offering satisfactory training, consultancy and research services and ability to react quickly and positively when there is quality problem or complain by citizens or consumers among others.

1.1.4 Public Organizations

Governments create public sector organizations, often known as state corporations, to serve peoples' social aims as well as commercial goals that increase government revenue. Other major motivations for public sector organizations' existence in Kenya include achieving political goals, correcting market errors, and redistributing income, such as through the development of underdeveloped areas. The State Corporation Act, Chapter 446 of the Kenyan Constitution, governs the establishment of state corporations in Kenya (Tran & Nguyen, 2020). The Act lays out how the government can establish state corporations, as well as how they should be managed and governed and therefore a state corporation can be seen as a legal body created or held by the government as a result of parliamentary or other written legislation. Despite the fact that the Act requires a board of directors to oversee the activities of a public sector organization, Kenyan state companies are often managed by the cabinet secretaries of the ministries in which they are located and boards of directors, on the other hand, continue to play an important role in determining how well state businesses perform.

Kenya's government intends to promote expertise, efficiency and efficacy in its institutions and state corporations (Constitution of Kenya, 2010). By providing services to citizens, making government more open and accountable, maximizing the use of new governance models and technologies to improve public service, and fostering appropriate cultures to enable a more

engaged and informed citizenry, state corporations are responsible for achieving the expected outcomes of their mandate (Tran & Nguyen, 2020). The introduction of performance contracting, which binds each state corporation and its members to specific performance targets each fiscal year and it exemplifies this commitment.

1.1.5 Corporate Governace at KEBS

The Kenya Bureau of Standards (KEBS) is one of the organizations that belong to the category of state corporations which was established by the Standards Act, Cap 496 Laws of Kenya, passed by parliament in 1974. It constitutes of the Standards Development Division, Quality Assurance and Inspection Division, Metrology and Testing Division, and Support Services Division. A National Quality Institute and Certification section of KEBS is responsible for quality and standardization system training and certification based on international standards (Cheruiyot, 2014). The purpose of KEBS is to provide testing and calibration facilities in order to promote the standardization of goods and services in Kenyan industries, maintain and disseminate the International System of Units (SI) and assist in the implementation and application of standards (Cheruiyot, 2014). The National Standards Council (NSC), KEBS' board of directors, are the corporation's primary governance body and the President of the Republic of Kenya appoints the Chairman, while the Minister for Industrialization appoints the other members of the NSC. The Managing Director of KEBS is appointed by the NSC and is in charge of running KEBS on a day-to-day basis while adhering to the NSC's broad policy parameters (Cheruiyot, 2014).

1.2 Statement of the Problem

The absence of good corporate governance practices is the underlying factor that affects good performance of most public organizations in Kenya (Laimaru, 2018; Karanja & Wagana, 2017). KEBS has had its fair share of challenges in regard to corporate governance such as accountability,

transparency, fairness, and integrity which has affected its performance (Lugadiru & Kitur, 2021). Thus, there is need to address the challenge of corporate governances so as to enhance performance of KEBS. None the less there has been diminutive study on influence of corporate governance on performance of KEBS.

Ideally, the board being the organ that is charged with responsibility of policy and Key decisions should have members with technical and managerial expertise;- combinations that are rare to come by given the considerations that must be made before a certain certification is ratified. Decisions concerning scientific accuracy such as standards of machinery, human and animal medicine, rage of equipment among the many other supplies that must be certified before releasing to the market demand objectivity in the processes because any shortcut can have serious repercussion to the citizens. Thus, the overall performance of KEBS highly depends on board of directors as they are responsible for strategy formulation, accountability, policy making and monitoring and supervision of executive activities**.**

Unfortunately the lack of proper corporate governance among other factors has led to poor performance of KEBS, which has led to most stakeholders to complain about flooding of market by counterfeits and sub standard goods, leadership wrangle, oversight flaws, sluggishness in addressing quality complains among others (Lugadiru & Kitur, 2021; Nduati, 2014; Wambui, 2013). Unfortunately there is not enough empirical evidence on the influence of corporate governance on performance of KEBS. Specifically, there exist theoretical, contextual, methodical and evidence knowledge gaps on the influence of corporate governance on performance of KEBS. Therefore, this study seeks to investigate the influence of board of directors independence, accountability, composition and fairness on the performance of KEBS.

1.3 General objective of the study

The overall aim of the study is to investigate the influence of corporate governance on performance of the Kenya Bureau of Standards.

1.3.1 Objectives of the Study

Specific objectives of the study were:

(i) To determine the influence of board of directors independence on the performance of KEBS.

(ii) To establish the influence of board of directors accountability on the performance at KEBS.

(iii) To assess the influence of board of directors transparency on the performance at KEBS.

(iv) To evaluate the influence of board of directors fairness on the performance at KEBS.

1.3.2 Research Questions

The following research questions were formulated to answer the objectives:

(i) How does the board of directors' independence influence the performance of KEBS?

(ii) How has the board of directors' accountability affected the performance of KEBS?

(iii) How has transparency of the board of directors affected the performance of KEBS?

(iv) How does the board of directors' fairness influence the performance of KEBS?

1.4 Significance of the study

The researcher is pursuing a Master of Business Administration, strategic management option, thus its justifiable to carry out research on corporate governance and organizational performance so as to broaden the researcher's knowledge on the subject issue. This study greatly contributes to the researcher's knowledge on strategic management as well as other aspect of business administration. The significance of corporate governance has been underscored in the fields of

strategic management, law, economics, finance and sociology, thus ascertaining its applicability to KEBS provided important performance indicators as firms try to be more efficient, effective and sustainable. The study, thus adds to the limited evidence available on corporate governance and performance. In the Kenyan context it adds to the existing pool of knowledge on the subject and creates a foundation for future research.

The results of this study are also vital to Kenyan policymakers as they put in place mechanisms for determining the membership of the boards of directors of state corporations in the future. This study will also assist other regulatory and policy making bodies such as Public Service Commission (PSC). The Organisation for Economic Co-operation and Development (OECD) to build better policies on corporate governance for enhancing organizations performance among other regulatory and policy making bodies. Consequently, one of the core contributions of this study is to provide empirical evidence lending support for the espousal of good corporate governance practices. A further contribution made by this study is to address the question of whether board transparency contributes to the corporate performance. In doing this, the aim of this paper is to contribute to the literature in two ways, first, by specifically examining director independence, accountability, board transparency and fairness a setting that has been more frequently analyzed in a context of multiple governance prescriptions, and second, by offering more topical evidence of potential relevance to emerging economies, and to Kenya in particular. This work is also predicted to be especially valuable for future scholars and other researchers interested in public sector corporate governance. Finally, this study will benefit the Ministry of Industrialization and other government bodies by providing information on various corporate governance efforts and policies.

1.5 Scope of the Study

In terms of its content, this study seeks to investigate the effects of corporate governance, specifically focusing on director independence, accountability, board transparency and board fairness on organizational performance. The study uses a case study of the Kenya Bureau of Standards (KEBS). Geographically, the study will focus on the KEBS' main office in Nairobi and regional offices in Coast (Mombasa), Lake (Kisumu), North Rift (Eldoret), and South Rift (Nakuru). The study is expected to take less than four months which is a period that is long enough for proper collection and assessment of data on the subject.

1.6 Limitations of the Study

The study used survey questionnaires that relied on self-report responses. However, the problem with using questionnaires is that it is based on the assumption that participants will respond to the questions in an honest and accurate manner. Nevertheless, it is not always the case that participants answer the questions in an honest manner. This is because participants often give answers that they believe to be desirable. To overcome this limitations, the researcher explained the importance of the study to the respondents, in order to enhance their accurate and honest response. The researcher also assured the study participants of their confidentiality and also assured them of observing research ethics and standards, this was supported by producing authorization letter from the university and a research permit from National Commission for Science, Technology and Innovation (NACOSTI).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides the literature relating to the study. The sub-topics that are discussed are as follows: Theoretical review, empirical review of the study variables which are board of director composition, independence, accountability fairness as well as the organization performance. By doing so the researcher was able to identify the research gaps and conceptualize the study variables.

2.2 Theoretical Literature Review

This chapter offers a review of ideas that are related to the research subject matter and that inform the theoretical basis. The resource dependency theory, virtue ethics theory, agency theory and organizational development theory were all examined. The conceptual framework was developed using the theories as a reference. The various study variables were informed by various theories as follows, resource dependency theory informed director composition, virtue ethics theory informed accountability, agency theory informed independence, while organizational development theory informed organization performance.

2.1.1 Resource Dependency Theory

Resource Dependency Theory was developed by Jeffrey Pfeffer and Gerald R. Salancik in the 1970s. The resource dependence theory emphasizes how a parastatal's external resources influence its behavior. This theory's core assumption is that an organization or a business activities are influenced by their reliance on important and critical resources, and that organizational decisions and actions can be elaborated depending on the specific dependency situation (Fuzi, Halim, & Julizaerma, 2016). When attempting to understand behavior and impact, the theory emphasizes the

significance of looking at the context in which an organization or business operates. The ability of most organizations or businesses to attract the resources required to fund their operations is critical to their survival. This idea expands on the value of a parastatal's environmental linkages and outside resources, which, when employed correctly, can improve performance. To improve performance, more emphasis is placed on the talents and other knowledge resources that directors may provide to the organization or business. Strategic planning, leadership, control, and board monitoring are among the abilities required. Board members should provide additional training and mentoring to executives to improve company behavior (Fuzi et al., 2016). Information, expertise, suppliers, buyers, public policy decision-makers, social groupings, and legitimacy are all resources that directors bring to the table that can help reduce uncertainty and so improve performance.

Several studies such as Weerink (2019); Muiruri (2018); Li, Armstrong & Clarke (2014) among others have relied on Resource Dependency Theory to study the influence of corporate governance and organization performance. However the major weakness of Resource Dependency Theory is that by directors co-opting resources from outside organizations also implies double loyalties and complex allegiances (Veasey & Di Guglielmo, 2008; Campbell, et al., 2012). None the less despite its shortcoming this theory will be applicable in this study as the performance of parastatals in Kenya is highly linked to availability and effectiveness of utilization of the scarce resources.

According to resource dependence theory, the board should intervene while also arguing for strong financial, human, and intangible support for the CEOs. As a result of their opportunities to obtain information and network in various ways, this idea supported the selection of directors to organization or business boards (Zubeltzu-Jaka, Ortas, & lvarez-Etxeberria, 2019). The theory is also significant to the study since it describes how the good corporate gorvance help in attracting

external resourses in order to improve corporate governance effectiveness and overall organization performance.

The performance of the organizations is dependent on the realization of the roles of Board of Directors (BODs) which dependents on availability and adequacy of resources for their survival, creation of shareholder value or creation of shared value (Hillman, Cannella & Paetzold, 2000). Resource Dependency Theory believes that a skilled, knowledgeable and experienced board will provide guidance in terms of running the firm by provision of supervision and oversight to the management which in tandem leads to improved performance of a firm. Resource Dependency Theory will inform the current study on board of directors composition as one of the independent variable of of the study. From the resource dependency perspective, qualified and skillful board members can be considered as a strategic resource to provide a strategic linkage to different external resources (Ingley & van der Walt, 2001). Organizations attempt to exert control over their environment by co-opting the resources needed to survive (Pfeffer & Salancik, 1978). Accordingly, boards are considered as a link between the firm and the essential resources that a firm needs from the external environment for superior performance.

The resources dependence theory views the board as a resource that can not only supplant its need for other resources, but also influence the environment in its favour, and thereby improve firm performance. In this study the researcher believes that board of directors skills, knowledge levels and others board composition characteristics should be considered when appointing persons to be members of board of directors as they greatly influence organization resources which are needed to enhance organization performance. Poorly skilled board members in the line of business might not provide the much-needed expertise resource needed to enhance organization performance. This study considered this theory in relation to the board composition and its ability to attract external

resources such as grants and donations to KEBS. The resources dependence theory is relevant to this study because it derives from the observation that resources play a significant role on performance and success of every organization without which little can be achieved.

2.1.2 Virtue Ethics Theory

Plato and Aristotle are considered the founding fathers of virtue ethics in the West, whereas Mencius and Confucius are considered the founder fathers in the East. It remained the dominant approach in Western moral philosophy until the Enlightenment, underwent a brief eclipse in the nineteenth century, and then re-emerged in late 1950s Anglo-American philosophy. It was ushered in by Anscombe's seminal article "Modern Moral Philosophy" (Anscombe, 1958), which encapsulated a growing dissatisfaction with the then-prevailing forms of morality and relativism.

The virtue theory brings to the fore the importance of good character in business. Different scholars such as Grant (2013); Muswaka (2016) and Buchanan (2011) have relied upon virtue theory to examine accountability and other related governance aspects in affecting firm performance. Good governance in an organization can only be achieved by maintaining upright morals among the different stakeholders such as employees, directors or managers. One crucial advantage of the virtue theory is that it avoids the pathologies that result from holding extreme moral views, because, as a theory, it is neither extremely individualistic nor extremely collectivist which subsequently, it manages to maintain a healthy and well-integrated conception of human nature (Albuquerque, 2010). However some weakness of virtue theory is that it's fragile because it cannot endure the corrosive effect of individualistic human nature characterized by greedy individuals (Solomon, 2003). The danger of corporate or organizations with dwindling virtues of its directors or managements is frequent corporate scandals and economic crises due to corruption and lack of

accountability (Lara, 2008). Virtue theory will inform the current study on board of director accountability as one of the independent variable of of the study.

Moral excellence, non-bias, goodness, chastity, excellent character, and expertise are all attributes that a board of directors should possess in order to ensure efficient corporate governance. Virtue is a state of mind in which one acts in a specific scenario. It's what Aristotle refers to as a disposition of choice or decision. Virtue has an intellectual component. The term intellectual connotes doing a good deed for the proper cause. Aristotle compares learning ethics to learning how to build a house. The board of directors become competent by contributing to the effective administration of the business via the process of education and exposure to noble values (Tran, 2021). In order to introduce the intangibles into an organization, virtue ethics is essential. Virtue ethics emphasizes the development of ethically beneficial action by emphasizing the virtuous character. This idea is important to the research because it explains how moral excellence, non-bias, goodness, chastity, good character, and competency can be used to improve corporate governance effectiveness. This theory was linked to board of directors accountability which is highly dependent on virtual and ethics.

2.1.3 Agency Theory

Stephen Ross and Barry Mitnick (1973) proposed the agency theory and it is characterized by a conflict of interest between principals (owners) and agents (managers), dubbed the agency dilemma. Agency theory has proven useful in understanding the nature of the interaction between the principal and the agent in a business. According to agency theorists, the board of directors must perform an effective oversight function in order to defend the principal's interests, and the size of the board should be determined by this. The principal-agent relationship has advantages since it permits shareholders, as risk bearers, and management to specialize in the firm's management. The

idea is founded on the assumption that the principal and the agent have incompatible goals (Tran, 2021).It focuses on the interactions that are obscured by the principal's basic structure and the agents that are working together but have different aims and attitudes toward risk.

When an agent pursues riskier projects, despite the fact that they may raise the asset's worth, the agent's job security is jeopardized. As a result, he isn't interested in such initiatives since they are perceived as a risk because the agent's preferences or aims differ from the principal's, giving the agent an incentive to go against the principal's wishes. The principal's interest is commonly presumed to be to maximize wealth. On the other side, the agent is interested in a number of topics, including career ambitions, huge incomes, corporate jets, luxury offices, and expensive account dinners (Agustiawan & Halim, 2019). Given this conflict of interest, if the agent is left to his own devices, he will pursue his own goals at the expense of the principal. As a result, shareholder monitoring solutions, particularly big ones, are a key instrument for persuading management to stay true to shareholder interests.

The board of directors is seen as an alternate mechanism in cases where ownership is fragmented. This illustrates that shareholder monitoring is dependent on the ownership structure; incentives can also be used to lower agency costs, and they are used to align shareholders' interests with management's. The agency theory refers to circumstances in which one person (referred to as the agent) is hired by another person (referred to as the principal) to act on his or her behalf based on a set fees (Kigen & Ndegwa, 2021). Because both individuals are supposed to be utility maximizers who are driven by both monetary and nonmonetary factors, incentive difficulties may occur, especially when uncertainty and informational asymmetry exist. The Agency hypothesis is founded on the notion that the principal and the agent have different goals. The underlying

structure of the principal and the agents, who are engaged in a joint effort but have different goals and attitudes toward risk, obscures the interactions.

The Anglo-Saxon model of corporate governance was developed as a result of agency theory, and it is extensively used to aid the board of directors in restricting excessive executive authority in management's hands. However, because the roles of the principal and agent have blurred, existing governance systems based on this concept have become self-limiting and ineffective (Kim & Lee, 2010). Attempts to supplement the agency theory with other theoretical frameworks like stakeholder theory and stewardship theory have occasionally put the board of directors in conflict with their legal obligation to act in the best interests of the shareholders.

The theory of the agency has its constraints since the dependence on the board of directors by stakeholders has been shown to be unhealthy and the amount of independence of certain boards of directors can be challenged. Rashid (2015) found that over 85% of Fortune 500 industrial companies had Chairmen who had also served as the corporations CEO. This theory was used in this study to anchor board of directors independence since it enhances the understanding of the relationships between agents and principals of organizations so that the interests and performance expectations of shareholders are offered every opportunity to be realized by the board of directors.

2.1.4 Organizational Development Theory

Kurt Lewin is considered as the founding father of Organizational Development Theory (Katz, 2007). Organizational Development Theory is a deliberate plan, organization wide effort to increase organization's effectiveness thereby enabling the organization to achieve its strategic goal (MacKenzie & Gordon, 2016). It involves processes that apply a broad range of behavioral science knowledge and practices to help organizations build their capacity to change and to achieve greater

effectiveness, including increased financial performance, customer satisfaction, and organization member engagement (Republic, 2012). While according to Worley and Cummings (2005), organization development is a system wide application and transfer of behavioral science knowledge to the planned development, improvement and reinforcement of strategies, structures, and processes that lead to organization effectiveness. Consequently, this theory is based on the fact that over the long term, culture, behavior and structures enhance knowledge, productivity and customer satisfaction for optimum performance of the organization (Katz, 2007).

Engaging in the process of organizational development ensures that an organization meets its objectives within the constraints of time, budget and external forces. It is therefore important that the organizational development system be properly installed from the onset to ensure that it gives proper direction and guidance for an organization (MacKenzie & Gordon, 2016).One of the primary goals of organizational development is to improve organizational performance. Organizational performance refers to the actual output or results of an organization as measured against its intended outputs, goals and objective (Jon & Randy, 2009). Organizational outcomes contain labor productivity, customer satisfaction, and quality of products and services.

Several scholars such as Almahri (2018); Agosu, (2014); and Susan, Thomas and Melissa, (2004) have relied upon Organizational Development Theory to examine firm performance, this can be attributed to the strength of Organizational Development Theory as it recognizes the dynamic environment in which organizations are based. Moreover Organizational development theory is supposed to generate outcomes that can be evaluated and compared between organizations as it clearly defines the goals to be reached and the means best suited to achieve the desired results.

Another basic assumption is that organizations are able to learn from their own experiences (Nelson & Quck, James, 2006). However, Organizational Development Theory has some limitations such as it can lead to cultural clash in diverse population if organizational development program does adjust to the existing culture so as to bring the desired results (Hatch, 1997). Nonetheless the Organizational Development Theory was relevant in the current study to determine organization performance of KEBS.

2.2 Empirical Review

Organizations can be judged on the basis of their performance measures. Most executives, investors, and stakeholders monitor and analyze metrics such as earnings, stock price, and sales in order to have a better understanding of how successfully their companies compete in the market and forecast future results. However, these indicators only give a partial picture of an organization's performance. Because different measures and referents convey varied information about an organization's functioning, it is beneficial to utilize a variety of performance metrics and referents. Furthermore, several regularly used metrics, such as accounting ratios, are heavily weighted toward the past. These indicators show stakeholders the outcomes of previous decisions, but they don't accurately predict future corporate performance. Strongly managed firms must establish a comprehensive grasp of what events or activities support better performance and then guarantee that these are measured as well. The role of director independence, board accountability, and board composition on organizational performance is examined in the following subsections.

2.2.1 Director Independence and Performance

According to Fuzi et al. (2016) corporate board independence is an important corporate governance instrument whose efficacy is influenced by managers' incentives and board members' abilities to monitor the company's management. Director independence has a long history around the world, and it is frequently accompanied by high levels of shareholder dispersion. In the majority of large corporations' control functions are not delegated to significant shareholders. Rather, independent directors control and manage the majority of businesses. The traditional understanding of this process of value protection and control sufficient monitoring and assessment procedures are required to protect shareholders from management's self-interests. The independence of directors makes it simple for them to mediate between shareholders' and top management's interests and disputes. Independent directors are better equipped to defend the interests of shareholders and potentially deter top management from making poor judgments or having too much control over a company (Yasser, Mamun, & Rodrigs, 2017). Independent directors can use their position as impartial parties to strengthen the board's capacity and credibility in monitoring management choices, thereby improving corporate governance, performance, and shareholder trust.

The announcement of the appointment of independent directors in American corporations usually results in an increase in the value of the company's shares, thereby increasing shareholder wealth (Zubeltzu-Jaka et al., 2019). When compared to companies with circumscribed director independence, companies with high director independence are less likely to encounter financial hardship or file for bankruptcy and thus director independence increases overall business or organization's performance.

In today's business world, director independence has become a critical component of corporate governance. The independence of directors has resulted in the expansion of the tasks of directors from a simple control organ of organizations to more complex expectations, such as the production of corporate value and the management of the demands and interests of various stakeholders. Organizations are extremely reliant on external sources of financial and physical resources, as well as knowledge gathered from the environment (Zubeltzu-Jaka et al., 2019). This reliance might make a company more vulnerable to threats.

To avoid risks, organizations should build and maintain a close relationship with resource owners. Some of the benefits of high director independence, according to the resource dependence theory, include adding legitimacy and credibility to an organization, improving organizational members' commitment, quality of communication, cost, and access to specific resources, and expanding the range of perspectives, intellectual capital, and advice (Müller, 2014). Businesses should assess independent directors' ability to offer key resources and their impact on performance.

Chesire (2021) carried out a study on the effect of board independence on performance of deposit taking SACCOs in Nairobi City County, Kenya. This study used the descriptive cross-sectional survey and the target population were top managerial employees of 35 Nairobi based deposit taking SACCOs. The study sample size was 3 respondents from all the 35 firms and data was collected using questionnaires. The study found out that board independence has a strong influence on the performance of the deposit taking SACCOs as the board independence affects the transparency, accountability and effectiveness of the decisions made by the board. Ineffective corporate governance may result in mismanagements of funds, corruptions, waste

mismanagement, loss of employees and customers' trust, nepotism, and even insolvency of the organization. Most of the deposit taking SACCOs have been riddled with financial scandals and management related challenges due to ineffective corporate governance leading to dismal performance. The study further established that the correlation coefficient for board independence and performance was 0.333 confirming that there was a moderate positive linear relationship between board independence and performance. This study focused on financial sector which is different from parastatals which is the focus of this study.

Fuzi, Halim and Julizaerma's (2016) study, used a meta-analytic perspective to investigate the influence of the independence of directors on corporate performance as well as the way the social and institutional contexts of countries influence that connection. The study established that the board of directors should collectively act in the best interest of shareholders such that combination of both executive and non-executive directors is necessary for the board to maximize the achievement of the interests of shareholders. Non-executive directors should exercise independence from management to ensure that their judgments about organizational issues are unbiased. Shareholders entrust independent directors to represent them, reduce agency problems and as a result, create a balance in the composition of board members and comprising of both executive and non-executive directors with the independence to make useful decisions. The study established that most of the listed firms across the world had a high number of independent directors. For example the study established that in most of the listed Malaysian Government-Linked Companies (GLCs) their board independence ratio was 39.5%, while in property sector companies the board composition was made up of about 63.4% of non-executive directors which is above the minimum requirement by Securities Commission as that of 33% of total board.

However having a high number of independent directors does not always assure an organization of increased performance and therefore, there is a need to monitor the existence of independent directors on board in order to bring positive shareholder values. The study results further showed that boardroom independence has a positive effect on the accounting function and a negative effect on market-based performance. The study is relevant to this study because it shows the need to actively re-balance the proportion of independent directors across different social and institutional contexts to enhance organizational performance.

2.2.2 Board Accountability and Performance

In different academic domains, accountability is seen in different ways. Accountability is defined by social psychologists as the explicit or implicit expectation of being able to justify one's behaviors, feelings, and beliefs to others. Accountability is defined by management experts as the observation and evaluation of a person's actions by others, with the possibility of incentives and penalties based on such assessments (Choi & Chun, 2021). These notions of accountability, on the other hand, are focused on the individual. Accountability in the field of public administration refers to the process by which public organizations and their employees manage a wide range of expectations from internal and external stakeholders, including organizational members, top executives, legal entities, and citizens (Agustiawan & Halim, 2019).

To meet these demands, public organizations require a variety of tools for ensuring accountability. Accountability is also the process of developing institutional frameworks to keep bureaucrats accountable for their participation in the policymaking process. It is assessed from this perspective based on the responsibilities it plays in corporate governance (Kim & Lee, 2010). According to this approach, the process of responsibility manifests itself in a variety of circumstances, such as

the interaction between public officials and citizens, whether the authorities are elected or not. As a result, accountability manifests itself in the interaction between a public institution, its leaders, and the general public.

Accountability improves the performance of public organizations in a variety of ways. Individual performance in context-specific tasks, such as fulfilling chores in a charitable organization or evaluating the correctness of performance reviews, can benefit from it (Han & Hong, 2019). Accountability may also help organizations become more productive in areas like policy implementation, rational budgeting, and contracting out. Accountability, on the other hand, can have a detrimental impact on individual and organizational performance in some instances. Multiple accountability duties have been proven in several studies to cause professional, bureaucratic, and political conflicts, which obstruct the attainment of the desired professional accountability aims and result in poor performance. For example, according to the findings of a study by (Kim & Lee, 2010), employees of a nonprofit organization encountered conflicts as a result of multiple accountability expectations from diverse stakeholders, such as superiors and clients, resulting in poorer job tension and performance.

There are two types of accountability: pre-factum and post-factum. Pre-factum accountability is a preventative component that helps mould organizational members' conduct, whereas post-factum accountability occurs after the fact (Tran & Nguyen, 2020). In other circumstances, though, it may be difficult to tell the difference between the two. Organizations may use sanctions to penalize misconduct due to lack of accountability, but they can also be used to prevent misconduct. As a result, it's possible that post-factum answers are predicated on pre-factum accountability because

the threat of punishment helps to keep people accountable (Tran & Nguyen, 2020). Both types of incentives can be viewed as an institutional mechanism for motivating people to act and perform in a certain way. Individuals, groups, and organizations can be significantly influenced by such responsibility, which was designed to handle the different expectations and obligations generated both inside and outside public organizations.

Managerial, personal, public, political, and professional responsibility are the five major components of accountability. The aims of applying accountability, the questions of "what" and "why" an action is performed, and the incentives or witnesses for acts committed are all significant variables to consider when interpreting the concept of responsibility (Tran & Nguyen, 2020). These considerations relate to all forms of responsibility, including public, political, financial, and organizational performance.

Choi and Chun (2021) conducted a study in Korean higher education institutions to look at the relationships between accountability and organizational success. Higher accountability leads to more desirable outcomes for businesses, according to the findings of their study. They discovered that legal responsibility is significantly linked to the majority of performance measures in higher education institutions. They did, however, point out that the link between legal accountability and procedural transparency isn't always evident. Second, the research found that across all organizations, hierarchical responsibility is consistently and favorably connected with procedural transparency and student happiness. Third, greater levels of institutional success and student happiness are linked to political responsibility. This study focused on education sector while the proposed study will focus on parastatals.

Tran and Nguyen (2020) conducted a study in Vietnam's public sector to investigate the mediating function of public accountability in the link between performance measurement systems (PMS) and organizational performance. Due to its apparent efficiency in improving the performance of public sector organizations, PMS in the public sector has been gaining increasing interest around the world. The study's theoretical foundations are mostly based on institutional ideas from a neo-institutional sociology perspective. Survey data was collected from 214 public organization accountants and managers in Vietnam who were chosen following the convenient method. The study results showed that PMS had a positive influence on the public accountability of public organizations in Vietnam. The study results further revealed that PMS could contribute to better accountability and productivity, however, that does not mean that it can serve both at the same time. The findings of a study revealed that public sector accountability fully mediates the association between PMS and organizational performance. The study focused on influence of accountability and not PMS on organization performance.

Han and Hong (2019) used a case study of the US federal government to evaluate the impact of accountability on organizational performance in public enterprises. Staffing, remuneration, and performance evaluation were the three aspects of human resource management (HRM) studied. Where employee perceptions on the three elements were assessed. The research was census of all 1,492,418 employee of 82 federal government agencies. The study results showed that there was a positive and significant impact accountability in staffing on organizational performance. The study results showed that there was a positive and significant impact accountability in performance evaluation on organizational performance. Conclusions drawn were that, through human resource

management, staffing and compensation functions, employees' autonomy tends to compound the positive impact of responsibility on performance. Han and Hong (2019) focused only on HRM aspects of accountability, the study focused on overall accountability of board of directors and how it influences organization performance.

Agustiawan and Halim (2019) in the special region of Yogyakarta, Indonesia, a study was conducted to explore the impact of accountability on the performance of public sector organizations. The study looked at legal, professional, financial, hierarchical, and performance accountability. The study established that financial accountability of public sector organizations is related to performance.

2.2.3 Board Composition and Performance

Sener, Varolu and Aren (2011) define board composition as a set of internal and external considerations that integrates a set of internal and external considerations to harmonize conflicts of interest between the agent and principal in an organization resulting from the separation of ownership and control. Governance controls are essential in any organization because they keep managers from diverting from the principal's interests. Using its legal fiduciary responsibility, the board can set the parameters for managerial decision-making, allowing it to oversee managerial behavior and protect the principal's financial interests (Martn & Herrero, 2018). As a result, boards play an important role in the governance of both public and private companies. To maximize the effectiveness of corporate governance and performance, boards should be used as the first line of monitoring and evaluation in organizations. Outsiders should control the board of directors, according to the agency theory perspective. Non-executive directors should be included on boards because they are better prepared to monitor the internal control mechanisms of public corporations.

The ability to solidify personal and business relationships, provide advice, signal when the organization is deviating from the desired direction, management's compensation is more likely linked to increasing shareholder wealth, and their title and prestige improve the image and reputation of the organization in its niche are all advantages of having outsiders and non-executives as directors in an organization (Müller, 2014). They are also valued as shareholder advocates in areas such as hostile takeovers, tender offer monitoring, and lowering the probability of financial statement fraud. When a company's board of directors is controlled by non-executive directors, stock prices tend to rise. Outsiders provide experience and reputational capital to the board of directors, supporting a company by advising management on how to implement the strategic options accessible to it.

Affiliated or executive directors are not suitable for organizational performance, according to the agency theory, because they are less objective, seek to protect or enhance their business relationship with the firm, and are ineffective in monitoring the affairs of their organizations (Sener et al., 2011). Conflicts of interest arise as a result of associated directors' existing and potential business affiliations with their organizations, impairing their ability to oversee and discipline other members of the organization and encourage organizational success.

Outsiders or external directors contribute experience, a robust monitoring framework, and their business networks to an organization, increasing the likelihood that it will strengthen its structures and explore more growth opportunities at the right moment to maximize shareholder value. As a result, appointing a bigger percentage of external and independent directors increases the value of businesses by giving significant growth opportunities (Yasser et al., 2017). In some circumstances,

however, a sour relationship between a mostly external board of directors and the chief executive and other members of top management has resulted in lower turnover and lower business performance.

There is also a need to encourage diversity in board composition. It is critical to pick directors from a variety of sociocultural backgrounds in cosmopolitan locations, taking into account criteria such as race, ethnicity, religion, age, gender, physical ability, place of origin, and degree of education. Several current research, for example, have found a strong beneficial association between women on corporate boards and organizational effectiveness (Martn & Herrero, 2018). Other studies in Western countries have found that having persons of various races on boards of directors increases organizational effectiveness and brand reputation.

The role of boards in organizations as monitors is critical. An external board offers additional problem-solving capabilities, which is one of its benefits. Boardrooms with a majority of insiders or executive directors are dysfunctional because they are unable to maintain impartial positions on organizational issues, negatively harming organizational effectiveness. Nonetheless, the fundamental advantage of executive directors is that, because of their expertise in organizational operations, they may function as arbiters in disputes between shareholders and internal managers (Zubeltzu-Jaka et al., 2019). They also lessen the risks faced by shareholders by creating value to a business, consequently increasing market trust and lowering the cost of capital due to their good name. Although executive directors may have useful information about an organization's activities, they erode the internal strength needed to make sound judgments. Furthermore, when the board is

dominated by insiders, the board's monitoring and control duties over the Chief Executive Officer (CEO) and top management are weakened since the CEO can influence inside directors' careers.

Martín and Herrero (2018) studied how the structure of boards of directors affects the success of organizations among listed firms in Spanish Stock Markets. The study used Tobin's Q ratio and economic profitability to measure organizational performance in their study. The study focused on three key features of board structure: diversity of directors, independence of directors, and board size. In terms of diversity, the researchers employed an index that took into account board members' age, gender, and nationality, because these aspects have a significant impact on directors' knowledge, abilities, and experience. The study results indicated that board size had a positive and significant influence on organization performance; diversity of directors also had a positive and significant influence on organization performance); while independence of directors had a negative but significant influence on organization performance. The study's findings confirmed that boards with a high degree of director independence and diversity promote good governance. The study also found that through the monitoring and advisory functions of directors, the makeup of boards has a considerable impact on the performance of businesses.

Şener, Varoğlu, and Aren (2011) investigated the effect of board composition on the performance of organizations in Istanbul, Turkey. The researchers gathered information from 80 publicly trading companies on the Istanbul Stock Exchange. The phenomena was investigated by taking into consideration a variety of environmental factors, including the organizations' product complexity as well as the vitality and wealth of the industries in which they operate. It also looked at how these dimensions influenced the relationship between board composition and organizational

performance. The effect of insider director proportion on Return on Assets (ROA) is found out to be negative, (β= -.267, p = .019, R^2 = .081) whereas the effect of affiliated director proportion on ROA is found out to be positive (β = .326, p = .004, R^2 = .115). The study's findings backed with the resource dependence theory's claim that putting together diverse board compositions to match changing environmental conditions improves organizational performance. This study will be different from Şener, Varoğlu, and Aren (2011) study, as the organizational performance was measured in terms of Return On Assets (ROA), while else the researcher intends to use non-financial metrics for measurement of organization performance since KEBS is a nonprofit making organization.

Ongore, K'Obonyo, Ogutu and Bosire (2015) carried a research study to investigate the effect of a board's composition on financial performance of firms that are listed in Kenya. The study carried a census survey of all 51 listed firms at Nairobi Stocks Exchange (NSE). The study established that board members who are independent did not have a significant effect on the financial performance and gender diversity had a significant positive effect on the firm's financial performance, while board size had an inverse relationship with financial performance. Thus board composition influences financial performance positively; if only positive net present value projects are vouched for in board decisions. But Boards are often composed of stakeholders; each stakeholder has some interest to safeguard through the board of directors, where these interests are not aligned the effect on financial performance could be negative. None the less this study focused on listed firms and never focused on large parastatals in Kenya, which was the focus of this study.

2.2.4 Directors' Fairness and Performance

One of the key aspects of corporate governance is ensuring fairness in the way a company operates, both internally and externally (Seetharaman & Lalwani, 2019). In this context, fairness means treating all stakeholders equitably and transparently, with due regard for their rights and interests. Internal fairness is about treating employees, management, and shareholders fairly. This can include ensuring that salaries and benefits are competitive, that promotions and opportunities are based on merit and not favoritism, and that employee grievances are addressed fairly and promptly. While external fairness is about how the company interacts with customers, suppliers, and the wider community. This can include ensuring that products and services are safe and of high quality, that customer complaints are handled fairly and promptly, and that the company conducts its business in an ethical and responsible manner. This can lead to stronger relationships with all stakeholders, and can help to build long-term value for the company (Arokiasamy & Hashim, 2020).

According to Pekin and Karaman (2021) director fairness refers to the impartiality and integrity with which directors carry out their duties, including their decision-making processes, conflicts of interest, and interactions with stakeholders. Director fairness helps to ensure that the company is managed in a way that promotes long-term sustainable growth and value creation. Fair directors are more likely to make decisions that balance short-term and long-term considerations and that take into account the interests of all stakeholders, not just shareholders. Director fairness also helps to build trust and confidence in the company among its stakeholders, including employees, customers, suppliers, and investors. When directors act fairly and transparently, they are more likely to be perceived as trustworthy and reliable, and this can enhance the company's reputation

and competitiveness. Director fairness can also help to mitigate the risk of legal and reputational damage to the company. If directors are found to have acted unfairly, unethically, or in violation of their fiduciary duties, they may be subject to legal action or regulatory scrutiny, which can damage the company's reputation and financial performance.

Zhang and Chen (2020) contends that fair directors are more likely to make decisions that are aligned with the company's long-term strategy, that are based on sound analysis and evidence, and that take into account the interests of all stakeholders. They are also more likely to foster a culture of integrity, trust, and accountability within the company, which can enhance employee engagement, innovation, and productivity. A well-governed company with fair directors is more likely to perform well, as it will have the right structures, processes, and incentives in place to support long-term value creation.

The study conducted by Xu, Tang and Tang (2021) investigates the relationship between board director fairness and corporate performance in Chinese firms. The authors propose that the fairness of board directors, defined as their impartiality and lack of self-interest, can affect corporate performance positively or negatively. They argue that when board directors are fair, they will make decisions in the interest of the company, leading to improved corporate performance. On the other hand, if board directors act unfairly, they may prioritize their personal interests, leading to negative effects on corporate performance. Specifically, the authors found that firms with fair board directors had higher Tobin's Q, return on assets, and return on equity, indicating better corporate performance. The study focuses on China, and it may not be representative of corporate

governance practices or cultural norms in other countries or regions. As such, the findings may not be generalizable to other countries like Kenya.

Alqahtani, Ghoneim and Taylor (2020) investigated the relationship between fairness perceptions of board directors and organizational performance in UK listed companies. The study found that fairness perceptions of board directors positively influenced organizational performance, especially in terms of Return on Equity (ROE). The authors also found that distributive justice and procedural justice were the most important predictors of fairness perceptions, while interactional justice had no significant effect on fairness perceptions. The study provides evidence of the importance of fairness perceptions in enhancing organizational performance and suggests that companies can improve their performance by ensuring that board directors perceive their decision-making processes as fair and just. The study also emphasizes the importance of distributive justice and procedural justice in shaping fairness perceptions and highlights the need for companies to ensure that their decision-making processes are transparent, consistent, and equitable. Alqahtani, Ghoneim and Taylor (2020) study was conducted in a developed country the United Kingdom (UK) which has a different socioeconomic aspect from developing countries like Kenya, which might affect the study outcomes.

2.3 Study Gaps

This section has been able to identify the research gap from various studies that were reviewed. Some of the studies such as the one carried out by Fuzi, Halim and Julizaerma (2016) has adopted different methodological approach from what this study intends to use; some studies such those carried out by Agustiawan and Halim (2019) and Martín and Herrero (2018) describe corporate governance and performance links as contradictory, mixed, and inconsistent. Han and Hong (2019)

carried out a study in developed countries which have different social economic aspect from developing country like Kenya; other empirical studies such as Şener, Varoğlu and Aren (2011) have focused on non-public sectors which is the focus of this study; while other empirical studies such as Mang'unyi (2017) and Kiarie (2018); have explored some partial or un related aspects to what this study intends to do. Thus there is need to establish the influence of corporate governance on performance of the Kenya Bureau of Standards.

While the corporations with the highest percentage of independent directors performed better, this did not guarantee superior firm performance. Thus, the participation of independent directors on the board of directors should be examined in order to maximize shareholder value. While it is sometimes expected that increased accountability will improve the performance of public organizations, this link has not been substantially researched in public administration. Despite much research, understanding of the board and its consequences remains limited. This is largely due to the fact that the majority of corporate governance research has focused exclusively on the direct correlation between board characteristics and organizational success. However, it is extremely difficult for public organizations to capture the dynamics of responsibility since, in many cases, it is unclear which authority serves as the focal point for changing expectations. However, there is scant evidence linking the accountability characteristics of public sector organizations to their performance.

Table 1: Study Gaps Matrix

Author	Objectives of the study	Methodology	Key Findings	Gaps	How current research addresses the gap
Fuzi, Halim & Julizaerma (2016)	Determine the association between board independence and firm performance	A meta-analysis of different firms in various countries around the world	No conclusive results	Choice of studies was not systematic and results were inconclusive. It recommended further studies on the same	To determine whether board independence has an influence on organization performance, in a large parastatal.
Han & Hong (2019)	To determine whether there was a relationship between staffing, accountability , compensation and organizational performance	Quantitative survey of U.S. Federal Government employees	Employee autonomy is not similar in different organizations.	The study was carried in developed country USA which is socially , economically developed and has different governance system from Kenya Response rate was 46.1% of 1.5 million employees. This was low to make conclusions.	Study replicated the study because of the significant differences with Kenya..
Sener, Varolu & Aren (2011)	Determine the effect of insider director representation on organizational performance .	The study used secondary data which was historical , Conclusions were inadequate for prediction.	The findings indicate that the effect of board composition on organizational performance vary among different environmental conditions.	Since board composition affected organizational performance it was necessary to study them in different set up. Therefore some of the information was inapplicable to the study, unavailable, out of date, incomplete and inaccurate and also biased	To ascertain the impact of board composition on organizational effectiveness in state-owned enterprises..
Choi & Chun (2021 year)	Determine the relationship between accountability and students performance to procedural transparency.	This study conducted a quantitative survey of higher education institutions in Korea	Accountability generates more desirable outcomes for organizations	Accountability in public organizations has diverse dimensions and it is affected by various dynamics .	This study conducted a study on the influence of accountability on organization performance in non-education sector.

Agustiawan & Halim (2019)	Determine if financial performance, hierarchical, legal and professional accountability were related to performance.	Quantitative survey of public sector organization in Indonesia	Financial accountability, performance accountability, and legal accountability had a positive effect on the quantitative and qualitative performance of public sector organizations.	The broad approach may not have provided detailed findings	Since the study is based on a single organization it will provide a deeper understanding of the variables.

2.4 Conceptual Framework

The conceptual framework is developed from review of the relevant literature on the study variables. It demonstrates the link between the research variables. Corporate governance is the independent variable in this study, whereas organizational performance is the dependent variable. It shows the relationship between the variables where corporate governance is evaluated based on the independence, accountability, and composition of the board of directors.

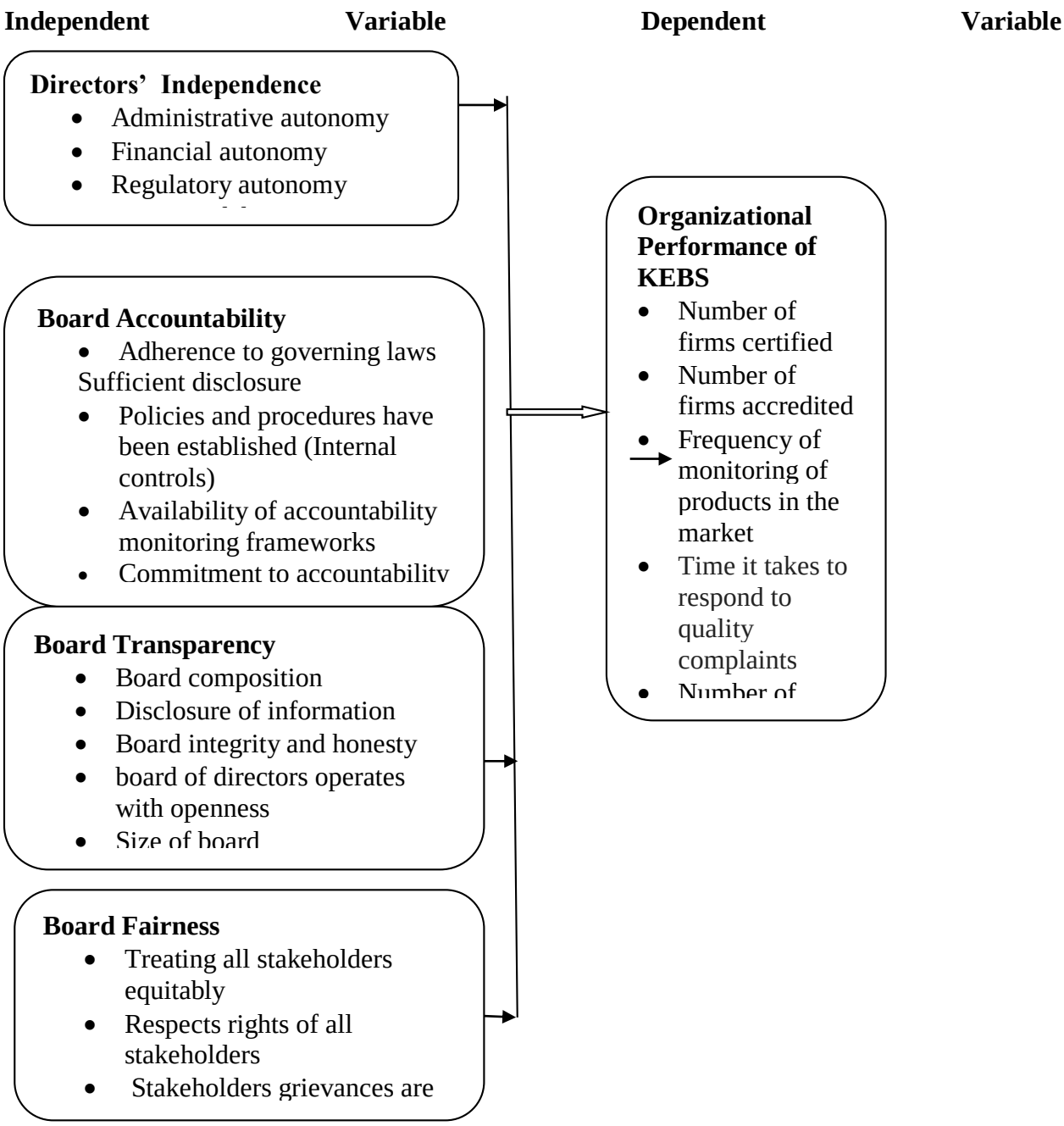

Independent Variable
Dependent Variable
Directors' Independence
Administrative autonomy
Financial autonomy
Regulatory autonomy
Board Accountability
Adherence to governing laws
Sufficient disclosure
Policies and procedures have been established (Internal controls)
Availability of accountability monitoring frameworks
Commitment to accountabilitv
Board Transparency
Board composition
Disclosure of information
Board integrity and honesty
board of directors operates with openness
Size of board
Board Fairness
Treating all stakeholders equitably
Respects rights of all stakeholders
Stakeholders grievances are
Organizational Performance of KEBS
Number of firms certified
Number of firms accredited
Frequency of monitoring of products in the market
Time it takes to respond to quality complaints
Number of

Figure 1

CHAPTER THREE

REASEARCH METHODOLOGY

3.1 Introduction

The purpose of this research was to investigate how corporate governance is related to performance with a focus on KEBS . This chapter contains details of the research methodology, its justification and procedures.

3.2 Research Design

According to Kumar (2011), the three basic types of study design are explanatory, descriptive, and exploratory. Both descriptive and explanatory methodologies were used in this investigation. The purpose of descriptive research is to show what is common in connection to a topic by methodically describing or providing data on it. Explanatory research, on the other hand, aims to explain why and how variables are linked (Zikmund, Babin, Carr, & Carr, 2012).

The study used a descriptive survey design. The design process includes descriptions of the target population's 'who', 'what', 'when', and 'where' (Leedy & Ormrod, 2016). Descriptive survey designs are used for gathering of information, summarizing, presenting and interpreting it for the purpose of clarification (Bhattacharyya, 2011; Mugenda &Mugenda 2008; Creswell, 2013). The research adopted a descriptive research design as it helped in describing the influence of corporate governance on the performance of KEBS (Groves, 2010; Kothari, 2007).

3.3 Target Population

The population for this study was the top management employees and board of directors of KEBS. According to the Ministry of Industrialization, Trade and Enterprise Development MoITED (2021) there are 42 top management employees and 8 Board Of Directors at KEBS.

Table 2: Target Population

Management Level	Number of Respondents	Percentage
Top Management	42	84
Board Of Directors	8	16
Total Number	50	100

Source: MoITED (2021)

3.3 Census

The study conducted census of all top management and Board of Directors. Census was appropriate as the population of top management and Board of Directors was small. The decision to conduct a census for a small population of 42 top management members and 8 Board of Directors is justified by the need for accuracy, representativeness, and comprehensiveness. Thus the study sample size was 50 participants.

3.5 Data Collection

Primary data was collected through questionnaires which are ideal instruments for data collection in survey studies (Cooper & Schindler, 2014; Saunders, 2009). The sampled top management and Board of Directors were asked to fill out questionnaires as part of the study. Questionnaires were ideal for study because it saved time and allowed the collection of substantial amount of data of data from a big population. The questionnaire was structured into several sections addressing specific constructs of the variables. It included closed-ended questions on a Likert scales ranging from 1 to 5, with 1 indicating the least preference and 5 being the most favorable. The questionnaire can be viewed at appendix II.

3.6 Pilot Study

Researchers use pilot studies to try out new research ideas and methods, as well as to uncover any potential problems in their current methodology or methodological approach before moving on with a full-scale project. According to Bryman and Bell (2011), the interviewer isn't present in

self-completion surveys, hence doing pilot tests is critical. Pre-testing the questionnaire on 5 employees from a parastatal within Nairobi selected for the study helped in determining its reliability. The questionnaires that have been pretested were used in the main research.

3.6 1 Validity

It is critical for a study's findings to be accurate and true in order to aid in drawing informed inferences that accurately reflect the diversity of the people in the target group (Cooper & Schindler, 2014). The correlation between an independent and a dependent variable can be used to determine the validity of a statistical finding. Three types of validity may be quantified: criteria validity, contemporaneous validity, and construct validity. To ensure validity, the researcher distributed the questionnaire to knowledgeable academicians: supervisors and consulted previously published questionnaires.

3.6.2 Reliability

Pre-testing research equipment reduces potential biases caused by measurement inaccuracies (Zikmund et al., 2013). The two categories of reliability that Zohrabi (2013) categorizes are external and internal reliability. To improve the study's external dependability, researchers must pay close attention to the most important aspects of the study. Cronbach's alpha is the most commonly used coefficient for estimating test score reliability and gauging internal consistency (Warrens, 2014). Internal consistency entails comparing and determining the consistency of responses to each question in the questionnaire (Saunders & Townsend, 2016). The alpha values of Cronbach's alpha range from zero to one. The test is more reliable if the alpha value is higher (Warrens, 2014). However, for a research instrument's reliability to be regarded dependable, it must have a Cronbach's alpha score of 0.7. (Tavakol & Dennick, 2011). The researcher established

that all variables constructs depicted that the values of Cronbach's Alpha are above the suggested value of 0.7; thus, the study was deemed reliable (Cooper & Schindler, 2014).

3.7 Ethical Issues

Ethical considerations must be taken into account in order to progress knowledge and solve problems, and the researcher must be aware of these considerations (Saunders & Townsend, 2016; Zikmund et al., 2013).

The fabrication, falsification, or plagiarism of study findings in any stage of the research proposal, execution, or review is considered research misconduct (Christensen et al., 2014). The standards of ethical behavior that are widely accepted in scientific research were used to govern this study's conduct. Specifically, an effort was taken to ensure that the identities of those who provided information was protected. The purpose of the study was made explicit to all participants, and their responses will be kept anonymous. No personal information was requested from respondents in the questionnaire. The researcher also got approval from Institutional Scientific & Ethics Review Committee (ISERC) and National Commission for Science, Technology and Innovation (NACOSTI).

3.8 Data Analysis

Data was prepared, analyzed using descriptive and inferential statistics. Errors and inconsistencies in the data collected from respondents was addressed, and the data was cleaned up (Kumar, 2011). Missing data in questionnaires might take the form of invalid data, incomplete data, inconsistent data, or faked data (Cooper & Schindler, 2014). The data was coded using numerical values that correlate as nearly as possible to the research variables (Creswell, 2013). Each questionnaire was allocated a unique identification to ease data analysis.

Descriptive statistics are metrics that show the center, spread, and form of a distribution, and they are valuable as initial tools for summarizing data. They assisted in describing the basic characteristics of the data by structuring and summarizing it succinctly (Cooper & Schindler, 2014; Peck & Devore, 2012). To help visualize trends that are not immediately apparent in raw data, descriptive statistics included tables. Descriptive statistics include measures of central tendency and dispersion (Saunders & Townsend, 2016). In this inquiry, descriptive statistics such as the mean, standard deviation, coefficient of variation, and frequency distribution were used.

An inferential statistic is a type of statistical process that is used to infer information about the entire population from a small sample. Inferential statistical techniques used in the study was regression in order to predict the relationship between the independent and dependent variable

Model of the study was as follows;

$Y = \beta_0 + \beta_1 DI + \beta_2 BA + \beta_3 BT + \beta_4 BF + ... \varepsilon$

Where Y= Performance

DI=Director Independence

BA=Board Accountability

BT= Board Transparency

BF= Board Fairness

β_0 = Constance

β_1, β_2 and β_3 =Coefficients

ε= Random Error Term

The qualitative data comprised of open-ended questions from the questionnaires. The qualitative data was analyzed through content analysis as per the study objectives. Content analysis helped the researcher to determine the presence of concepts, themes, patterns and key words so as to be able interpret, understand and draw insightful meaning and conclusion from the data (Creswell, 2013).

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

In this chapter, data analysis, interpretation and presentation of data collected from the field are discussed. The chapter covers general information of the respondents and findings of the questionnaire statements that sought information on study objectives.

4.2 Response Rate

A total of 44 questionnaires were sent and below is table that shows the number that was responded to and those that were not returned.

Table 3: Response Rate

Response Rate	**Top Management**		**Board of Directors**		**Total**	Percentage
	F	%	F	%	F	%
Non response	11	26.19	4	50.00	15	30.00
Actual respondents	31	73.80	4	50.00	35	70.00
Targeted respondents	42	100	8	100	50	100

Table 3 highlights the number of questionnaires that were filled and those not returned. The study targeted 44 top management employees and Board of Directors of KEBS; 35 respondents out of the 44 sample respondents filled in the questionnaires, resulting in a response rate of 79.54%. This reasonable response rate was achieved after the researcher made consistent efforts to remind the respondents to fill in the questionnaires. According to Earl (2009), a response rate of 50% and above is deemed adequate to proceed with data analysis.

4.3 Demographic Information

This section presents the demographic information of the respondents. The respondents' demographic information reflects the relevant attributes of the population; it forms the basis under which the study can rightfully access the relevant information. The captured respondents'

information includes: gender, level of education, age, number of years worked in KEBs and level of management.

4.3.1 Demographics of the study

The first question sought to identify the gender of the respondents. The responses are recorded on table 4 below.

Table 3: Gender of the Respondents

Gender	Frequency	Percent (%)
Male	22	62.85
Female	13	37.14
Total	35	100

Source: Research Data (2022)

The respondents were requested to indicate their gender. The findings presented in table 4 demonstrate that majority of the respondents were male 62.85%, while 37.14% were female. No gender was discriminated against when carrying out the research, thus the results are gender-inclusive. The high number of males can be attributed to the fact that majority of the managerial positions in Kenya are held by male.

Table 4: Age of the Respondents

Age Bracket (Years)	Frequency	Percent (%)
18-25 years	0	0
26-35 years	2	5.71
36-45 years	7	20
46-55 years	15	42.85
Above 55 years	11	31.42
Total	**35**	**100**

Source: Research Data (2022)

The findings show that majority of the respondents were aged 46-55 years (42.85%), 31.42% were above 55 years, 20% were 36-45 years, 5.71% were aged 26-35 years , while none 0% of the respondents were 18-25 years. Majority of the respondents were above 35 years as the respondents were in managerial positions which are dominated by aged employees. The study findings is as highlighted in table 5.

Table 5: Highest Educational Level of the Respondents

Education Level	Frequency	Percent (%)
Degree	14	40
Masters Degree	18	51.42
PhD	3	8.57
Others	0	0
Total	35	100

Source: Research Data (2022)

Table 6 establishes that majority of the respondents possess a Masters degree, Bachelor's degree (51.42%); 40% were Bachelor's degree holders and only 8.57% had Doctorate degrees, as their highest level of education. The findings showcase a high literacy level amongst top management employees and Board of Directors of KEBS; thus, the respondents well understood the questionnaires.

Table 6. Period Worked in the Organization

Period	**Frequency**	**Percent**
Less than 1 year	0	12.2
2-5 years	7	20
6-10 years	10	28.57
More than 10 years	18	51.42
Total	**35**	**100.0**

Source: Research Data (2022)

The study sought to establish the respondents' length of service at KEBS. The findings are presented in Table 7. The study results show that majority of the respondents (51.42%) had worked at KEBS for a period of more than 10 years; 28.57% of the respondents had worked for a period of 6-10 years; 20% of the respondents had worked for a period of 2-5 years; while none 0% of the respondents had worked for less than 1 year. This infers that most of the respondents had worked at KEBS for some considerable time hence they could give reliable and adequate information on the influence of corporate governance on performance of the KEBS.

Table 7. Position in KEBS

Position	Frequency	Percent
Top management	31	88.57
Board Of Directors	4	11.42
Total	**35**	**100.0**

Source: Research Data (2022)

The respondents were requested to indicate the level of employment/management they held at KEBS. The findings are presented in Table 8. The study results show that 88.57% of the respondents were top management, while 11.42% were Board of Directors. This indicates that majority of the respondents who took part in this study were in the management level as the study targeted only top employees who are likely to be aware of influence of corporate governance on performance of KEBS.

4.4 Influence of Corporate Governance on Organizational Performance

This section presents the descriptive statistics of the findings concerning various statements that outline the elements of corporate governance that determines the performance of KEBS. The objectives of the study were to determine the influence of the board of director independence on performance of KEBS, to establish the influence of the board of director accountability on performance of KEBS, and to assess the influence of the board of directors composition on performance of the KEBS. The results are presented in the subsections hereunder.

4.4.1 Influence of Board of Directors Independence on Performance of KEBS

The study requested the respondents to indicate their extent of agreement with statements regarding the influence of board of directors independence on performance of KEBS. The respondents were asked to give their opinion based on a 5-point Likert scale where 1-strongly disagree, 2- disagree, 3- neither agree or disagree, 4-agree, 5-strongly agree. The analysis is presented in table 10

Table 8: Director Independence and performance of KEBS

	SA(%)	A(%)	N(%)	D(%)	SD(%)	Mean	Standard Dev.
The board of KEBs is autonomous	0	31	43	23	3	3.0	0.54
The board takes decisions independently	0	29	40	26	6	2.9	0.65
KEBs has administrative autonomy	0	49	46	6	0	3.4	0.48
The board has the mandate to carry out resource allocation	11	69	20	0	0	3.9	0.83
The board decides on the internal controls to be instituted at KEBS	17	77	6	0	0	4.1	0.73
The board delegates some of its responsibilities to sub-committees or subordinates	11	83	6	0	0	4.0	0.63
The organization is at liberty to carry out policy reviews	51	49	0	0	0	4.5	0.55

The study findings show that the respondents strongly agreed with the statement that The organization is at liberty to carry out policy reviews, which had a mean score of 4.5142. The respondents agreed with the statements that the board decides on the internal controls to be instituted at KEBS; the board delegates some of its responsibilities to sub-committees or subordinates; the board has the mandate to carry out resource allocation. Each had mean scores of 4.1142, 4.0571 and 3.9142 respectively. The respondents neither agreed nor disagreed that KEBS has administrative autonomy, the board of KEBS is autonomous and the board takes decisions independently which had mean scores of 3.4285, 3.0815 and 2.9142 respectively. The study results infers relatively high level of board of directors independence which influences the performance of KEBS.

The study findings indicate that a significant percentage of respondents expressed agreement or strong agreement with various aspects of board of directors independence in relation to the

performance of KEBS. Notably, 51.42% strongly agreed that the organization has the liberty to carry out policy reviews, while 68.57% agreed that the board has the mandate for resource allocation. Additionally, a substantial 77.14% agreed that the board decides on internal controls, and 82.85% agreed that the board delegates responsibilities to sub-committees or subordinates. However, some uncertainty exists regarding administrative autonomy, with 45.71% neither agreeing nor disagreeing. Other percentages can be seen on table 9 above. Overall, these results suggest a relatively high level of perceived board independence influencing KEBS' performance. The finding is consistent with Müller (2014) who established board of director independence helps in adding legitimacy and credibility to an organization, improving organizational members' commitment, and access to specific resources and guiding their expertise to the firm's and shareholder's interest. However the study results objectively differs with Yermack (2016) and Dalton, Daily, Ellstrand, & Johnson (2018) whose study failed to find a significant connection between board independence and firm performance.

4.4.2 Influence of Board of Director Accountability on Performance of KEBS

The study requested the respondents to indicate their extent of agreement with statements regarding the influence of board of directors accountability on performance of KEBS. The respondents were asked to give their opinion based on a 5-point Likert scale where 1-strongly disagree, 2- disagree, 3- neither agree or disagree, 4-agree, 5-strongly agree. The analysis is presented in table 11.

9: Influence of Board of Director Accountability on Performance of the KEBS

	SA(%)	A(%)	N(%)	D(%)	SD(%)	Mean	Standard Dev.
KEBS board adheres to accountability procedures set by law	3	66	31	0	0	3.7	0.68
There is stakeholder participation so as to enhance accountability	0	54	29	17	0	3.4	0.68
Resource allocation depends on accountability	17	66	17	0	0	4.0	0.40
KEBS board is held accountable for how the KEBs performs	0	31	43	23	3	3.0	1.04
KEBS board provides adequate information which enhances accountability	0	43	43	14		3.2	0.57
The KEBS board is committed to the accountability process	6	71	23	0	0	3.8	0.66
Compliance is determined by the level of participation in the accountability process	0	29	31	23	17	2.7	1.20
Independent financial reviews are carried out	71	29	0	0	0	4.7	1.04
Internal controls are in place to monitor the accountability process	17	77	6	0	0	4.1	0.56
There is resource monitoring to enhance accountability	34	66	0	0	0	4.3	1.20
Significant departures from accountability set targets are reported	17	77	6	0	0	4.1	0.66
The availability of monitoring frameworks enhances accountability	9	62	14	14	0	3.6	0.97
There is a clear methodology of tracking accountability	0	20	40	17	23	2.5	1.14
Risky areas that could have an impact on the accountability process have been identified	6	0		29	37	2.1	1.03

The study findings presented in table 10 show that the respondents strongly agreed with the statements that independent financial reviews are carried out which had a mean scores of 4.7. The respondents agreed that there is resource monitoring to enhance accountability; internal controls

are in place to monitor the accountability process; significant departures from accountability set targets are reported; the KEBS board is committed to the accountability process; KEBS board adheres to accountability procedures set by law; the availability of monitoring frameworks enhances accountability. Each of the statement had a mean score of 4.3, 4.1, 4.1, 4.1, 3.8, 3.7 and 3.6 respectively. The respondents neither agreed nor disagreed that There is stakeholder participation so as to enhance accountability; KEBS board provides adequate information which enhances accountability; KEBS board is held accountable for how the KEBs performs; compliance is determined by the level of participation in the accountability process and there is a clear methodology of tracking accountability. Each of the statement had mean scores of 3.4 3.2, 3.02, 2.72 and 2.6 respectively. The respondents disagreed that risky areas that could have an impact on the accountability process have been identified and had mean score of 2.1.

In terms of percentages the study's results suggest that the majority of respondents agree or strongly agree with statements related to the influence of board of director accountability on the performance of the Kenya Bureau of Standards (KEBS). Notably, 65.71% of respondents believe that the KEBS board adheres to accountability procedures set by law, while 71.42% think that independent financial reviews are carried out effectively. Additionally, 77.14% of respondents feel that internal controls are in place to monitor the accountability process, indicating a generally positive perception of accountability measures within KEBS. However, it's worth noting that there are areas, such as identifying risky areas impacting accountability, where opinion is more divided, with 37.14% of respondents indicating uncertainty or disagreement. Other percentages can be seen on table 10 above. Overall, these findings indicate a mixed perception of board accountability within KEBS, with room for improvement in certain areas.

The study results infers relatively moderate level of accountability by board of director which in turn influences the performance of the KEBS. This finding is consistent with the previous studies such as Han and Hong, (2019); Choi and Chun (2021); Tran and Nguyen, (2020) which found that the board of director accountability have a positive effect on firm performance. While there is a significant body of research suggesting that board of director accountability can have a positive impact on the performance of organizations, it's essential to acknowledge that not all studies find a strong relationship between board accountability and organizational performance. This study differs with Hermalin and Weisbach (2011) and Bebchuk and Weisbach (2010) who suggested that that suggest that board of director accountability may not always have a significant influence on organizational performance.

4.4.3 Influence of Board of Director Composition on Performance of the KEBS

The study requested the respondents to indicate their extent of agreement with statements regarding the influence of board of director composition on performance of the KEBS. The respondents were asked to give their opinion based on a 5-point Likert scale where 1-strongly disagree, 2- disagree, 3- neither agree or disagree, 4-agree, 5-strongly agree. The analysis is presented in table 12

Table 10: Board of Director Composition on Performance

	SA(%)	A(%)	N(%)	D(%)	SD(%)	Mean	Standard Dev
Board composition is diversified in regard to skills and competences	69	29	3	0	0	4.6	0.92
Board members possess the required knowledge to perform their roles	51	49	0	0	0	4.5	0.70
Board members have the skills required to perform their roles	83	17	0	0	0	4.8	0.68
Board members provides mutual support	0	54	29	17	0	3.4	1.31
Board members monitor the operations of the organization	14	69	17	0	0	3.9	1.11
Board members have the capacity to develop policies and procedures	17	66	17	0	0	4.0	0.80
During board formation, members' track record is considered	11	60	20	9	0	3.7	0.85
When appointing board member, there is gender balance	6	6	23	29	37	2.1	1.44
The integrity of board members is considered during board composition	9	74	17	0	0	3.9	0.72
The board of KEBs has both executive and non-executive/independent directors	3	3	11	46	37	1.8	1.10
The size of board of KEBs enhances its effectiveness and efficiency	6	60	20	14	0	3.5	0.99

The study findings from table 11, show that board members had the skills required to perform their roles; board composition was diversified in regard to skills and competences and board members possess the required knowledge to perform their roles. Each of the statement had a mean score of 4.83, 4.66 and 4.51 respectively. The respondents agreed that board members have the capacity to develop policies and procedures; board members monitor the operations of the organization; during board formation, members' track record is considered and the size of board of KEBs enhances its effectiveness and efficiency. Each of the statement had mean scores of 4.00, 3.97, 3.74 and 3.57 respectively. The respondents neither agreed nor disagreed that board members provides mutual support which had a mean score of 3.43. The respondents disagreed that and when appointing board member, there is gender balance and the board of KEBs has both executive and non-executive/independent directors. each had a mean score of 2.14 and 1.89 respectively. The study results infers board of director composition was relatively good as it had broad, quality and diverse in expertise and experience which in turn positively influences the performance of the KEBS.

The study results suggest that a majority of respondents believe that the board composition of KEBS positively influences its performance, with high percentages agreeing that board members have the required skills (82.85%) and knowledge (51.42%) for their roles. Additionally, a substantial number agree that board members provide mutual support (54.28%) and effectively monitor operations (68.57%). However, there is less agreement on factors like gender balance during appointments (5.71%) and the presence of both executive and non-executive directors (2.85%), indicating potential areas for improvement in board composition for KEBS. The study results infers board of director composition was relatively good.

This study results concurs with Jose and Begona (2018) and Kudal and Dawar (2020) who indicated that board of directors are great resource of the organization and they help improve their performance. This is so as a well composed board of directors provide quality guidance in policy making, give the right advice to the management, increase links and access of the organization to external environment, business contacts and critical resources. As the board of directors is the key element of corporate governance, their composition must put into consideration the basic functions of boards supervising and monitoring, providing advice to decision makers and avoiding opportunistic behaviour on the part of executives so as to improve the performance of organization. This study differs with Yermack (2016) who's study suggested that the board composition does not significantly affect organizational performance.

4.4.4 Influence of Board of Director Fairness on Performance of KEBS

The study requested the respondents to indicate their extent of agreement with statements regarding the influence of board of directors fairness on performance of KEBS. The respondents were asked to give their opinion based on a 5-point Likert scale where 1-strongly disagree, 2-disagree, 3- neither agree or disagree, 4-agree, 5-strongly agree. The analysis is presented in table 12.

Table 11: Influence of Board of Directors Fairness on Performance of KEBS

	SA(%)	A(%)	N(%)	D(%)	SD(%)	Mean	Std Dev
Board of directors treating all stakeholders equitably	3	62	17	17	0	3.5	0.7865
Board of directors upholds and respects rights of all stakeholders	6	77	17	0	0	3.8	0.8077
Board of directors treating all the stakeholders fairly	11	60	17	11	0	3.7	0.8493
Board of directors ensures all the stakeholders grievances are addressed fairly and promptly	14	69	17	0	0	3.9	0.8005
Board of directors ensures that KEBS conducts its business in an ethical and responsible manner	11	31	37	20	0	3.3	0.7599
Board of directors ensures that employees promotions and opportunities are based on merit and not favoritism	6	26	43	26	0	3.1	0.8332
Board of directors ensures that their decision-making processes is fair and just	9	57	26	9	0	3.6	0.8408
Directors develop and implement strategies to enhance fairness at KEBS	0	31	43	23	3	3.0	0.8603

The study findings from table 12 show that the participants agreed that board of directors ensured all the stakeholders grievances are addressed fairly and promptly, board of directors upholds and respects rights of all stakeholders, board of directors treating all the stakeholders fairly and board of directors ensures that their decision-making processes is fair and just. Each of the statement had mean scores of 3.974, 3.9 3.7142, 3.6571 and 3.5142 respectively. The study participants neither agreed or disagreed on whether board of directors ensures that KEBS conducts its business in an ethical and responsible manner, board of directors ensures that employees promotions and opportunities are based on merit and not favoritism, Directors develop and implement strategies to enhance fairness at KEBS. Each of the statement had mean scores of 3.3428, 3.1142 and 3.0285 respectively. The study's findings imply that the participants generally believed that the board of director fairness positively affects certain aspects of KEBS' performance, particularly in terms of addressing stakeholder concerns and upholding stakeholder rights. However, opinions were more divided on other aspects such as ethical business conduct and strategies to enhance fairness.

The study findings indicate that a significant majority of respondents agree that the fairness of the board of directors has a positive influence on the performance of the KEBS (Kenya Bureau of Standards). Over 60% of respondents agree or strongly agree that the board treats stakeholders equitably, upholds their rights, and ensures grievances are addressed promptly. Moreover, around 68.57% of respondents believe the board plays a role in ensuring ethical and responsible business conduct at KEBS. However, there are areas for improvement, as nearly 43% agree that directors need to develop strategies to enhance fairness within the organization, suggesting potential room for growth in this aspect.

The fairness exhibited by the board of directors plays a significant role in shaping the performance of the Kenya Bureau of Standards (KEBS). The findings from the study's analysis of respondents' opinions on various aspects of board fairness reveal that when the board ensures prompt and equitable resolution of stakeholder grievances, upholds the rights of all stakeholders, treats them fairly, and ensures just decision-making processes, it fosters an environment of trust and justice which in turn, are likely to enhance KEBS' overall performance. Fairness in the board's operations not only safeguards stakeholders' interests but also promotes ethical and responsible business conduct. However, the study also notes that participants were less certain about whether the board ensures ethical business conduct, merit-based employee opportunities, and strategies for fairness enhancement. Despite this, the demonstrated commitment to fairness in governance could potentially contribute to better organizational outcomes by fostering positive relationships, promoting ethical behavior, and creating an atmosphere conducive to effective decision-making and collaboration within KEBS. The study results concurs with Pekin and Karaman (2021) and Zhang and Chen, (2020) who also indicated that the fairness of a board of directors significantly influences the performance of a firm as it directly impacts decision-making, strategic direction, ethical behavior, and a positive corporate culture, all of which can positively affect employee morale, stakeholder trust, and long-term organizational performance. However this study dissents the finding of Bebchuk and Alma (2015) who found limited or no significant impact of board of directors fairness on performance.

4.4.4 Performance of KEBS

The respondents were requested to indicate their extent of agreement with statements regarding performance of KEBS. The respondents were asked to give their opinion based on a 5-point Likert

scale where 1-strongly disagree, 2- disagree, 3- neither agree or disagree, 4-agree, 5-strongly agree. The analysis is presented in table 13.

Table 12: Performance of KEBS

	SA(%)	A(%)	N(%)	D(%)	SD(%)	Mean	Std Dev
The number of firms certified by KEBs has steady increased	17	66	17	0	0	4.0	0.99
The number of firms accredited by KEBs has steady increased	49	51	0	0	0	4.5	0.52
KEBs frequently monitors products in the market	29	71	0	0	0	4.3	0.73
KEBs responds quickly to quality complain in the by citizens/consumers	6	66	11	17	0	3.6	1.65
KEBs has been able to satisfactory solve most of quality complain by citizens/consumers	11	60	20	9	0	3.7	1.45

The findings presented in table 13 show that the respondents agreed with the statements that the number of firms accredited by KEBs has steadily increased; the number of firms certified by KEBs has steadily increased; KEBs frequently monitors products in the market; KEBs has been able to satisfactorily solve most of quality complain by citizens/consumers and KEBs responds quickly to quality complain in the by citizens/consumers. Each of the statement had a mean score of 4.4857, 4.2857, 4.000, 3.7428 and 3.6000 respectively. In terms of percentage The study results indicate that a significant majority of respondents agreed with the positive statements regarding the performance of KEBS, with percentages ranging from 65.71% to 71.42%. Specifically, they perceived an increase in certified and accredited firms, frequent monitoring of products, and satisfactory resolution of quality complaints. However, there was a lower agreement percentage (5.71%) regarding the quick response to quality complaints, suggesting room for improvement in this area. The study results infers relatively high level of performance by KEBS. The study has established fair level of corporate governance at KEBS, which in turn has led to better performance. The study results support the work Black, Jang, and Kim (2016) and Arora, (2015) who established that firms with good corporate governance have better performance than the firms with poor corporate governance.

4.5 Director Independence, Board Accountability, Board Composition, Directors Fairness on Performance of KEBS

The study applied a regression model in order to predict how variations in director independence, accountability, board composition and director fairness affected performance of KEBS. In this section, Pearson product-moment correlation analysis was applied to determine whether a correlation between the corporate governance (board of directors independence, board of directors accountability, board of directors composition and directors fairness) and the performance of the KEBS existed. The study findings are as shown in table 14 below.

Table 13: Correlation Coefficients

		Director Independence	Board Accountability	Board Composition	Directors Fairness	Performance of the KEBS
Director Independence	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	35				
Board Accountability	Pearson Correlation	.134*	1			
	Sig. (2-tailed)	.022				
	N	35	35			
Board Composition	Pearson Correlation	.040	.072	1		
	Sig. (2-tailed)	.433	.263			
	N	35	35	35	35	
Directors Fairness	Pearson Correlation	.405	.391	.295	1	
	Sig. (2-tailed)	.315	.311	.360		
	N	35	35	35		
Performance of the KEBS	Pearson Correlation	.647**	.571**	.565**	.605**	1
	Sig. (2-tailed)	.001	.008	.015	0.002	
	N	35	35	35	35	35
	Key: *. Correlation is significant at the 0.05 level (2-tailed).					
	**. Correlation is significant at the 0.01 level (2-tailed). Source: (Researcher, 2022)					

Source : Research Data (2022)

The correlation results in table 14 demonstrate a positive and statistically significant relationship between board of director independence and performance of the KEBS, as shown by r = 0.647 and p=0.001<0.05.

The study results also show a positive and significant relationship between board of director accountability and performance of KEBS, as shown by r =0.571 and p=0.008<0.05

The correlation results show a positive and statistically significant relationship between board of directors composition and performance of KEBS, as shown by r = 0.565 and p=0.015 <0.05.

The correlation results show a positive and statistically significant relationship between board of directors fairness and performance of KEBS, as shown by r = 0.605 and p=0.002 <0.05 The overall correlation results showed that the independent variables had a linear relationship with the dependent variable and therefore further analysis by use of regression analysis could be done.

The study carried out bivariate regression analysis where the dependent variable was regressed on each of the independent variable. The following were the results

4.4.2.1: Director Independence and Performance of KEBS

$Y = \beta_0 + \beta_1 DI + ... \varepsilon$---------- model I

Where Y= Performance of the KEBS
DI=Director Independence
ε= Random Error Term

The regression results in table 15 show an adjusted R-Squared value of 0.088. These results demonstrate that 8.8% of the proportion of variation in performance of KEBS can be explained by the board of directors independence variable. The remaining 91.2% can be explained by other predictors not covered in this model.

Table 14: Model Summary of model I

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.296a	.088	.061	.58185

a. Predictors: (Constant), Director Independence

Table 15: ANOVA of model I

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.109	1	1.109	3.275	.009b
	Residual	11.511	34	.339		
	Total	12.619	35			

a. Dependent Variable: Performance of the KEBS

b. Predictors: (Constant), Director Independence

Source: Research Data (2022)

The ANOVA results show the significance of the regression model from which an f- value 3.275 and P value of p=0.009 . This implied that the model was fit to assess the relationship. This therefore means that the regression model has a confidence level of over 95% hence high reliability of the results.

Table 16: **Coefficients of model I**

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.825	.974		3.926	.000
	Director Independence	.367	.203	.296	-1.810	.009

a. Dependent Variable: Performance of the KEBS

Source: Research Data (2022)

Based on the findings of the regression analysis presented in table 17, the regression model becomes;

$Y = 3.825 + 0.367\,DI + \varepsilon$

From the findings in table 17, a unit increase in board of directors independence results in 0.367 units increase in performance of KEBS, holding all other variables constant. The results further show that ($\beta = 0.367$, $p=0.009<0.05$), thus there is a positive and statistically significant influence of board of directors independence on performance of KEBS.

Board Accountability and Performance of KEBS was accessed with the model below

$Y = \beta_0 + \beta_2 BA + ... \varepsilon$---------- model II

Where Y= Performance of the KEBS

BA=Board Accountability

ε= Random Error Term

Table 17: Model Summary of Model II

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.317a	.100	.074	.57787

a. Predictors: (Constant), Board Accountability

Source: Research Data (2022)

The regression results in table 18 show an adjusted R-Squared value of 0.08.8. These results demonstrate that 10.0% of the proportion of variation in performance of KEBS can be explained by the board accountability variable. The remaining 90.0% can be explained by other predictors not covered in this model.

Table 18: ANOVA of Model II

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.266	1	1.266	3.790	.049[b]
	Residual	11.354	34	.334		
	Total	12.619	35			

a. Dependent Variable: Performance of the KEBS

b. Predictors: (Constant), Board Accountability

Source: Research Data (2022)

The ANOVA results show the significance of the regression model from which an f- value 3.790 and P value of p=0.049 was established. This shows that the regression model has a 0.049 (4.9%) probability of giving a wrong prediction. This therefore means that the regression model has a confidence level of over 95% hence high reliability of the results.

Table 19: Coefficients of Model II

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.920	.599		1.536	.134
	Board Accountability	.259	.133	.317	1.947	.049

a. Dependent Variable: Performance of KEBS

Source: Research Data (2022)

Based on the findings of the regression analysis presented in table 20, the regression model becomes;
$Y= 0.920 + 0.\ 259BA + \varepsilon$

A unit increase in board of directors accountability results in 0.259units increase in performance of KEBS, holding all other variables constant. The results further show that ($\beta = 0.259$, $p=0.049<0.05$), hence there is a positive and statistically significant influence of board of director accountability on performance of KEBS.

Board Composition and Performance of KEBS was assessed with the following model

$Y = \beta_0 + \beta_3 BC+..... \varepsilon$---------- model III

Where Y= Performance of KEBS

BC= Board Composition

ε= Random Error Term

Table 20: Model Summary of Model III

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.453a	.205	.182	.54312

a. Predictors: (Constant), Board Composition

Source: Research Data (2022)

The regression results in table 21 show an adjusted R-Squared value of 0.205. These results demonstrate that 20.5% of the proportion of variation in performance of KEBS can be explained by the board composition variable. The remaining 79.5% can be explained by other predictors not covered in this model.

Table 21: ANOVA of Model III

ANOVA						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.590	1	2.590	8.781	.006b
	Residual	10.029	34	.295		
	Total	12.619	35			

a. Dependent Variable: Performance of KEBS
b. Predictors: (Constant), Board Composition

Source: Research Data (2022)

The ANOVA results show the significance of the regression model from which an f- value 8.781 and P value of p=0.006 was established. This shows that the regression model has a 0.006 (0.6%) probability of giving a wrong prediction. This therefore means that the regression model has a confidence level of over 95% hence high reliability of the results.

Table 22: Coefficients of Model III

Model		Coefficients			t	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	4.607	.861		5.351	.000
	Board Composition	.550	.186	.453	2.963	.006

a. Dependent Variable: Performance of KEBS

Source: Research Data (2022)

Based on the findings of the regression analysis presented in table 23, the regression model becomes;

$Y= 4.607 + 0.259BC + \varepsilon$

A unit increase in board of directors composition results in 0.550 units increase in performance of KEBS, holding all other variables constant. The results further show that ($\beta = 0.550$, $p=0.006<0.05$); therefore, there is a positive and statistically significant influence of board of directors composition on performance of KEBS.

Board Fairness and Performance of KEBS was analyzed using the mode as follows.

$Y = \beta_0 + \beta_4 BF + ... \varepsilon$---------- model IV

Where Y= Performance of KEBS

BF= Board Fairness

ε= Random Error Term

Table 23: Model Summary of Model IV

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.143a	.020	-.008	.60301

a. Predictors: (Constant), Board Fairness

Source: Research Data (2022)

The regression results in table 24 show an adjusted R-Squared value of 0.020. These results demonstrate that 2.0% of the proportion of variation in performance of KEBS can be explained by the board fairness variable. The remaining 98.0% can be explained by other predictors not covered in this model.

Table 24: ANOVA of Model IV

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.256	1	.256	.705	.407b
	Residual	12.363	34	.364		
	Total	12.619	35			

a. Dependent Variable: Performance of KEBS

b. Predictors: (Constant), Board Fairness

Source: Research Data (2022)

The ANOVA results show the significance of the regression model from which an f- value 0.705 and P value of p=0.407 was established. This shows that the regression model has a 0.407 (40.7%) probability of giving a wrong prediction. This therefore means that the regression model has a confidence level of less than 95% hence low reliability of the results.

Table 25: Coefficients of Model IV

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.544	.634		2.435	.020
	Board Fairness	.124	.147	.143	.840	.407

a. Dependent Variable: Performance of the KEBS

Source: Research Data (2022)

Based on the findings of the regression analysis presented in table 26, the regression model becomes;
$Y = 1.544 + 0.124BF + \varepsilon$

A unit increase in board of directors fairness results in 0.124units increase in performance of KEBS, holding all other variables constant. The results further show that ($\beta = 0.124$, $p=0.407>0.05$);

therefore, there is a positive and statistically not significant influence of board of directors fairness on performance of KEBS.

A joint effect of all the independent variables on performance was assed using the model below was applied to determine the relative importance of each of the predators variables (board of directors independence, board of directors accountability and board of directors composition) with respect to performance of KEBS. The regression model was as follows:

$Y = \beta_0 + \beta_1 DI + \beta_2 BA + \beta_3 BC + \beta_4 BF + \varepsilon$----------Model V

Where Y= Performance of KEBS

DI=Director Independence

BA=Board Accountability

BC= Board Composition

BF= Board Fairness

β_0 = Constance

β_1, β_2 and β_3 =Coefficients

ε= Random Error Term

Table 26: Regression Coefficients of Model V

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.181	2.649		3.870	.000
	Director Independence	.449	.055	.228	3.904	.000
	Board Accountability	.213	.064	.124	2.209	.037
	Board Composition	.728	.044	.142	2.512	.024
	Board Fairness	.194	.066	.239	3.915	.000

a. Dependent Variable: Performance of KEBS

Source: Researcher Data (2022)

Based on the findings of the regression analysis presented in table 27, the regression model becomes;

$Y = 10.181 + 0.449 DI + 0.213BA + 0.728BC + 0.213BF + \varepsilon$

From the findings in Table 15, a unit increase in board of directors independence results in 0.449 units increase in performance of the KEBS, holding all other variables constant. The results further

show that (β = 0. .449, p=0.000<0.05), thus there is a positive and statistically significant influence of board of directors independence on performance of KEBS.

A unit increase in board of directors accountability results in 0.213 units increase in performance of KEBS, holding all other variables constant. The results further show that (β = 0.213, p=0.037<0.05), hence there is a positive and statistically significant influence of board of director accountability on performance of KEBS.

A unit increase in board of directors composition results in 0.728 units increase in performance of KEBS, holding all other variables constant. The results further show that (β = 0.728, p=0.024<0.05); therefore, there is a positive and statistically significant influence of board of directors composition on performance of KEBS.

A unit increase in board of directors fairness results in 0.194 units increase in performance of KEBS, holding all other variables constant. The results further show that (β = 0.194, p=0.000<0.05); therefore, there is a positive and statistically significant influence of board of directors fairness on performance of KEBS**.**

Table 27: ANOVA of Model V

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.105	4	96.406	9.530	.021b
	Residual	0.326	31	10.116		
	Total	24.431	35			

a. Dependent Variable: Performance of KEBS

b. Predictors: (Constant), Director Independence, Board Accountability, Board Composition, Board Fairness

Source: Research (2022)

The ANOVA results show the significance of the regression model from which an f-significance value of p=0.001 was established. This shows that the regression model has a 0.021 (2.1%)

probability of giving a wrong prediction. This therefore means that the regression model has a confidence level of over 95% hence high reliability of the results.

Table 28: Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.857 a	.734	.691	.0174

a. Predictors: (Constant), Director Independence, Board Accountability, Board Composition, Board Fairness

Source: Research Data (2022)

The regression results in table 29 show an adjusted R-Squared value of 0.734. These results demonstrate that 73.4% of the proportion of variation in performance of KEBS can be explained by the board of directors independence, board of directors accountability, board of directors composition and board of directors fairness variables. The remaining 26.6% can be explained by other predictors not covered in this study.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents discussions of the key findings presented in chapter four, conclusions drawn based on such findings and recommendations thereto. This chapter is thus structured into discussions, conclusions and recommendations.

5.2 Summary

This section presents the summary as per the analysis of the findings of the study.

5.2.1 Influence of board of directors independence on performance of KEBS

The study findings reveal that a significant percentage of respondents (51.42%) strongly agreed that the organization is at liberty to carry out policy reviews, indicating a strong sense of autonomy. Additionally, a substantial proportion agreed with statements regarding board decision-making and resource allocation, with mean scores ranging from 3.9142 to 4.5142. However, there was an ambiguity in respondents' views on administrative autonomy and decision independence, with mean scores of 3.4285 and 2.9142, respectively. Overall, these results suggest a relatively high level of board of directors independence, which appears to positively influence the performance of KEBS.

The study established that there is a positive and statistically significant influence of board of directors independence on performance of KEBS. Board independence is a vital element of corporate governance, as board of directors with high level of independence can more easily achieve the supervising task, lessen the possibility of the complicity of top executives, and prevent misuse of company resources, and thus improving organization performance.

5.2.2 Influence of board of directors accountability on performance of KEBS

The results indicate that a significant majority (65.71%) of respondents agree that KEBS board adheres to accountability procedures set by law, with a mean score of 3.7142. Additionally, 71.42% strongly agree that independent financial reviews are carried out, scoring 4.7142 on average. However, there is some ambiguity regarding stakeholder participation in enhancing accountability, as 54.28% agree (mean of 3.4285), and resource allocation's dependence on accountability, with 65.71% in agreement (mean of 4.000). Overall, the study suggests that KEBS board's commitment to accountability is generally positive, but improvements may be needed in certain areas to enhance performance and accountability.

The study established that there is a positive and statistically significant influence of board of directors accountability on performance of KEBS. Maintain up to date and accurate records, having effective internal controls, carrying out regular independent financial reviews, ensuring stakeholder participation and delegation of duties can enhance transparency and accountability. Good corporate governance led to corporations that are managed with integrity, probity and transparency. The board must be held accountable and responsible for performance and results.

5.2.3 Influence of board of directors composition on performance of KEBS

The study's results indicate that the composition of KEBS board of directors has a generally positive influence on performance. High percentages of respondents agree that board members possess the required skills (82.85%) and knowledge (51.42%) for their roles, while also acknowledging mutual support (54.28%) and effective monitoring of operations (68.57%). However, there is less agreement regarding gender balance (5.71%) and the presence of both executive and non-executive directors (2.85%), suggesting potential areas for improvement in board composition. Overall, the study suggests that the board composition is relatively good, with mean scores reflecting positive perceptions.

The study established that there is a positive and statistically significant influence of board of directors composition on performance of KEBS. Composition of board of directors determines the characteristics of the board, diversity, size which can influence the knowledge, experience, skills of the directors, as well as the external links and access to business contacts and critical resources which in turn influence organization performance. The study results confirm a fair degree of compliance with the recommendations of the good governance code on composition of board of directors at KEBS.

5.2.4 Influence of board of director fairness on performance of KEBS

The study indicates that a majority of respondents (62.28% to 77.14%) agree that board fairness positively influences various aspects of KEBS' performance, with mean scores ranging from 3.5142 to 3.9714. However, opinions are mixed (mean scores around 3.0285 to 3.3428) regarding ethical business conduct and fairness-enhancing strategies, suggesting potential areas for improvement.

The study established that there is a positive and statistically significant influence of board of directors fairness on performance of KEBS. The study findings suggest that participants generally perceive the board of directors of KEBS positively in terms of addressing stakeholders' grievances, upholding stakeholders' rights, treating stakeholders fairly, and making fair and just decisions. However, there is less agreement on whether the board ensures ethical business practices, merit-based employee promotions, and the development of strategies to enhance fairness.

5.3 Conclusions

The study concludes that there is a positive and statistically significant influence of board of directors independence on performance of KEBS. The positive results high level of board of directors independence adds value to the organization by providing the firm with independent decisions and

judgments. The study concludes that board independence has a positive and statistically significant influence on the performance of KEBS as the board independence affects the transparency, accountability and effectiveness of the decisions made by the board.

The study further concludes that there is a positive and statistically significant influence of board of directors accountability on performance of KEBS. Accountability improves the performance of public organizations as they become more productive in areas like policy implementation, rational budgeting, contracting out as well as improvement in efficiency and effectiveness in utilization of resources.

The study also concludes that there is a positive and statistically significant influence of board of directors composition on performance of KEBS. Composition of board of directors can influence the knowledge, experience, skills of the directors, as well as the external links and resources which in turn influence organization performance. Lastly can be concluded that there exists a fair degree of compliance with the recommendations of corporate governance by companies and organizations.

The study also concludes that there is a positive and statistically significant influence of board of director fairness on performance of KEBS. It can also be concluded that the participants generally perceive KEBS Board of Directors as addressing stakeholders' grievances, upholding rights, and making fair decisions. However, there is room for improvement in areas such as ethical business conduct and ensuring fairness in employee promotions.

In conclusion, the findings suggest that KEBS has exhibited a relatively high level of performance, as indicated by positive responses from respondents regarding the accreditation and certification of firms, active product monitoring, and the satisfactory resolution of quality complaints. Additionally, the study highlights the significant positive impact of board independence, accountability, composition, and fairness on KEBS' overall performance, reinforcing the importance of strong

governance practices in enhancing the organization's effectiveness and transparency. Thus the study also concludes that all the study variables were of great significant in the study.

5.4 Recommendations

The study recommends that there is need to improve on board of director independence by increasing its autonomy, so as directors are able to take decisions independently without political interference. Board of directors independence can also be enhance by having more non-executive or independent directors.

The study established low number of female and independent directors at KEBS. Hence the study recommends the need of having more independent directors at KEBS, as the board which has more independent directors enhances firm performance effectively. The study further recommends further diversity in board composition by including more number of female directors.

The study also recommends that to increase board of director accountability and improve performance of KEBS, the following suggestions are offered. The study recommends that there is need to improve on stakeholders participation on accountability, developing detailed and clear internal control, methodology and frameworks of tracking accountability. This will lead to timely, detailed, and accurate financial reporting to minimize accountability challenges such as financial scandals, fraud and other management related challenges due to ineffective corporate governance and this in turn will lead to improvement of performance of KEBS.

Regarding influence of board of directors fairness on performance of KEBS, the study made the following recommendations: There is need for KEBS to strengthen its commitment to ethical practices and fairness throughout its operations. KEBS also need to strengthen its commitment to ethical practices throughout its operations. The board should communicate more effectively with

stakeholders about their efforts to promote fairness and also involve stakeholders in these discussions to ensure that strategies are both effective and perceived as such.

The Government of Kenya should also consider policies and laws that improve corporate governance in parastatals in Kenya. This can be done by borrowing and developing some of the laws, regulations and practices guiding state corporations act here in Kenya or any other jurisdictions with efficient and effective corporate governance systems and legal frameworks. By doing so this will greatly improve corporate governance in parastatals in Kenya.

5.6 Suggestions for Further Studies

This study sought to establish corporate governance and organizational performance of large parastatals in Kenya with particular focus on KEBS. The study recommends replication of this research across other parastatals in Kenya so as to compare, contrast and enrich the study results. Future research could also include other corporate governance factors that could influence performance of KEBS, such as audit committee, CEO duality and among others.

REFERENCES

Agosu J. (2014) Influence of organization development on organizational performance in Nigeria public sector.

Agustiawan, K., & Halim, A. (2019). Accountability and Performance of the Public Sector Organization. *Proceedings of the International Conference of CELSciTech 2019 - Social Sciences and Humanities Track (ICCELST-SS 2019), 373,* 108–113. Pekanbaru, Indonesia: Atlantis Press. doi: 10.2991/iccelst-ss-19.2019.23

Allen, F., Fukuda, S., Hoshi, T., & Miyajima, H. (2018). Corporate governance: Editor's introduction. *Journal of Japanese and International Economies*, 47, 1- 2.

Almahri, S. (2018). *Organizational Development in the United Arab Emirates: Prospects for change in the Public Sector.* PhD thesis, University of York.

Alqahtani, K., Ghoneim, A., & Taylor, S. (2020). Fairness Perceptions of Board Directors and Organizational Performance: A Study of UK Listed Companies. *British Journal of Management,* 31(1), 26-43.

Amran, A., Lee, P., & Devi, S. (2014). The influence of governance structure and strategic corporate social responsibility toward sustainability reporting quality. *Business Strategy and the Environment*, 23(4), 217-235.

Barako, G., & Brown, M. (2016). The Corporate Governance of the Kenyan Public Sector. In K. E. Howell & M. K. Sorour (Eds.), *Corporate Governance in Africa* (pp. 223–247). London: Palgrave Macmillan UK. doi: 10.1057/978-1-137-56700-0_9

Bebchuk, A., & Alma, C. (2015). The Costs of Entrenched Boards. *Journal of Financial Economics* 78.2, 409-433.

Bebchuk, A., & Weisbach, M. S. (2010). The state of corporate governance research. *Review of Financial Studies,* 23(3), 939-961.

Berglof, E., & Von Thadden, E. L., (2014). The changing corporate governance paradigm: Implications for transition and developing countries. *Conference 89 paper: Annual World Bank conference on development economics.* Washington, DC.

Bouckaert, G., & Peters, G. (2002). Performance Measurement and Management: The Achilles' Heel in Administrative Modernization. *Public Performance & Management Review,* 25(4), 359-362.

Boyd, B. (2015). CEO Duality and Firm Performance: A Contingency Model. *Strategic Management Journal*, 16(4), 301-312.

Boyne, A., (2002). Concepts and Indicators of Local Authority Performance: An Evaluation of the Statutory Frameworks in England and Wales. *Public Money & Management*, 22, 17–24.

Bryman, A., & Bell, E. (2011). *Business research methods* (3rd ed.). Cambridge; New York, NY: Oxford University Press.

Buchanan, A. (2011). *Accountability and Aspiration: An Insight Approach for Organizational Ethics.* Thesis, Saint Paul's University, Canada.

Cahery, A., Sautner, Z., & Starks, T. (2016). Behind the scenes: The corporate governance preferences of institutional investors. *The Journal of Finance*, 71(6), 2905-2932.

Castrillon, A. (2020) The Concept of Corporate Governance. *FIDEE Research Group*. doi: 10.36995

Chen, J. (2020). Corporate Governance Definition. Investopedia. Updated March 16, 2020.

Cheruiyot, K. (2014). Approaches To The Determination Of Strategy And Effect On Organizational Performance Of Standards Regulatory Bodies, A Case Study Of Kenya Bureau Of Standards (KEBS). *IOSR Journal of Business and Management*, *16*(9), 28–34. doi: 10.9790/487X-16932834

Chesire, Z. (2021). Board Independence as an Antecedent for Firm Performance in the Context of Deposit Taking Savings and Credit Co-Operative Societies in Nairobi City County, Kenya. *International Journal of Managerial Studies and Research (IJMSR*), *9 (8), 54-64.*

Choi, S., & Chun, H., (2021). Accountability and Organizational Performance in the Public Sector: Analysis of Higher Education Institutions in Korea. *Public Administration*, *99*(2), 353–370. doi: 10.1111/padm.12683

Christensen, B., Johnson, B., & Turner, A. (2014). *Research methods, design and analysis* (12th ed.). Boston: Pearson.

Cooper, R., & Schindler, P. S. (2014). *Business research methods* (12th ed.). New York, NY: McGraw-Hill/Irwin.

Creswell, W. (2013). *Qualitative inquiry and research design: Choosing among five approaches* (3rd ed.). Los Angeles: Sage Publications.

Dalton, D. R., Daily, C. M., Ellstrand, A. E., & Johnson, J. L. (2018). Meta-analytic reviews of board composition, leadership structure, and financial performance. *Strategic Management Journal*, 19(3), 269-290.

Enobakhare, A. (2010). *Corporate governance and bank performance in Nigeria*. Master's Thesis. University of Stellenbosch.

Fuzi, S., Halim, A., & Julizaerma, K. (2016). Board Independence and Firm Performance. *Procedia Economics and Finance*, 37(2016), 460–465. doi: 10.1016/S2212-5671(16)30152-6

Gebczynska, A., & Renata, B. (2020) : Review of selected performance measurement models used in public administration. *Administrative Sciences.* ISSN 2076-3387, MDPI, Basel, 10 (4), 1-20.

Grant, L. (2013). *Virtue Ethics and Corporate Governance*. University of Waikato, Hamilton, New Zealand.

Grantham, R. (2020). *Law and Practice of Corporate Governance*. Sydney, NSW Australia: LexisNexis.

Groves, R. (2010). Survey methodology. Student Scholarship. *Journal of Public Affairs Education,* 12 (3), 313-334.

Han, Y., & Hong, S. (2019). The Impact of Accountability on Organizational Performance in the U.S. Federal Government: The Moderating Role of Autonomy. *Review of Public Personnel Administration*, *39*(1), 3–23. doi: 10.1177/0734371X16682816

Haro, L. (2020). Corporate governance in agile organizations: A path dependency scheme or a source for growth. In A. Kostyuk, M. J. C. Guedes, & D. Govorun (Eds.), *Corporate Governance: Examining Key Challenges and Perspectives* (pp. 161-166). Sumy: Virtus Interpress.

Hatch J. (1997). *Organization theory: modern, symbolic, and postmodern perspectives*. (2nd ed.). Oxford University Press, 2nd Edition.

Hermalin, E., & Weisbach, M. S. (2011). The effects of board composition and direct incentives on firm performance. *Financial Management,* 5-16.

Hillman, J., Cannella A., & Paetzold, L. (2000) The Resource Dependence Role of Corporate Directors: Strategic Adaptation of Board Composition in Response to Environmental Change. *Journal of Management Studies,* 37: 235–54.

Ingley, C. B., & Van der Walt, N. T. (2001). The Strategic Board: The Changing Role of Directors in Developing and Maintaining Corporate Capability. *Corporate Governance: An International Review,* 9(3), 174-185.

Jiang, Q. & He, W. (2015). A strategic choice of the corporate social responsibility and sustainable development of private businesses. *Business Journal for Economics and Administration,* 11(2), 50-80.

Joannides, V. (2012). Accountability and the problems of accountability. Critical Perspectives on Accounting 23, 244.

Keay, A. (2017). Stewardship Theory : Is Board Accountability Necessary? *International Journal of Law and Management,* 59 (6).

Kiarie, W. (2018). *A survey of internal auditors' risk management practices in the banking industry in Kenya*. Master's Thesis. University of Nairobi, Kenya.

Kibua, J. & Mwabu, N. (2016). The Performance of Regulatory State Corporations in Kenya. The Relationship that Exists Between their Sustainable Performance Capacity and Corporate Governance. *Review of Financial Studies,* 22, 2133-2168.

Kigen, J., & Ndegwa, P. (2021). Corporate Governance Practices and Performance of Kenya Revenue Authority, Nairobi County. *International Journal of Business Management, Entrepreneurship and Innovation, 3*(3), 82–102. doi: 10.35942/jbmed.v3i3.218

Kim, E., & Lee, W. (2010). Impact of Competing Accountability Requirements on Perceived Work Performance. *The American Review of Public Administration*, 40(1), 100–118. doi: 10.1177/0275074008329469

Kothari, C. (2007). Research Methodology: Methods and Techniques, New age international publishers. *New Delhi*.

Kumar, R. (2011). *Research methodology: A step-by-step guide for beginners* (3rd ed.). Los Angeles: Sage Publ.

Laimaru, S. (2018). *Influence of governance principles on performance of commercial state corporations in Kenya.* PhD Thesis. Jomo Kenyatta University Of Agriculture And Technology.

Leedy, P. D., & Ormrod, J. E. (2016). *Practical research: Planning and design* (11th ed.). Boston: Pearson.

Li, Y., Armstrong, A., & Clarke A., (2014). *The relationship between corporate governance and financial performance of small corporations in Australia.* Thesis. Victoria University.

Lins, K., & Miller, D. (2014). Concentrated Control of Corporate Governance in Developing, Transition and Emerging-market economies. *OECD Publishing.* 22-37 (5) 99.

Lugadiru, B., & Kitur B. (2021). Leadership Structure, Corporate Reporting and Employee Performance in State Corporations: A Case Study of Kenya Bureau of Standards (KEBS). *IJRP,* 88(1), 220-237.

Mang'unyi, E. (2017). Ownership structure and corporate governance and its effects on performance, *International Journal of Business Administration*, 2(3), 8-9.

Martín, G., & Herrero, B. (2018). Boards of Directors: Composition and Effects on the Performance of the Firm. *Economic Research-Ekonomska Istraživanja*, *31*(1), 1015–1041. doi: 10.1080/1331677X.2018.1436454

Melek S. (2017). Comparison of Objective and Subjective Methods on Determination of Differential Item Functioning. Universal Journal of Educational Research 5(9), 1435-1446.

Ministry of Industrialization (2021). *Trade and Enterprise Development*. MoITED.

Mugenda, O., &Mugenda, A. (2008). *Research Methods: Quantitative and Qualitative Approaches*. Nairobi: ACTS Press.

Muiruri, K. (2018). *The effect of board characteristics on the financial performance of firms listed at the Nairobi Securities Exchange.* Thesis. University of Nairobi.

Müller, O. (2014). The Impact of Board Composition on the Financial Performance of FTSE100 Constituents. *Procedia: Social and Behavioral Sciences*, *109*(2014), 969–975. doi: 10.1016/j.sbspro.2013.12.573

Muswaka P. (2016). *Virtue ethics as a catalyst for good governance and efficient service delivery in Zimbabwean local government systems.* Thesis. University of Fort Hare, Zimbabwe

Nduati, C. (2014). *Measures that can be taken to fight counterfeiting in Kenya.* Thesis. United States International University – Africa.

Nolte, K., & Väth, J. (2015). Interplay of land governance and large-scale agricultural investment: Evidence from Ghana and Kenya. *The Journal of Modern African Studies*, *53*(1), 69-92. doi: 10.1017/S0022278X14000688

Ongore, O, K'Obonyo, O, Ogutu, M., & Bosire, M. (2015). Board Composition and Financial Performance: Empirical Analysis of Companies Listed at the Nairobi 46 Securities Exchange. *International Journal of Economics and Financial Issues, 5(1), 23-43.*

Peck, R., & Devore, J. L. (2012). *Statistics: The Exploration & Analysis of Data*. Boston, MA: Cengage Learning.

Pekin, M., & Karaman, A. (2021). The impact of director fairness on firm performance: evidence from Turkey. Eurasian Business Review, 11(2), 239-258

Penny, J. (2017). Between coercion and consent: the politics of "Cooperative Governance" at a time of "Austerity Localism" in London. Urban Geography, 38(9), 1352-1373.

Pfeffer, J., & Salancik, G. (1978). The External Control of Organizations: A Resource Dependence Perspective. Harper & Row Publishers. Arokiasamy, R., & Hashim, A. (2020). Corporate governance, director fairness and firm performance: Evidence from Malaysia. Managerial Auditing Journal

Pfeffer, J., & Salancik, G. (1978). *The External Control of Organisations: A Resource Dependence Perspective.* New York: Harper and Row.

Potocnik, K., Darwish T. K., & Singh, S. (2016). Measuring Organizational Performance: A Case For Subjective Measures. *British Journal of Management*, 27, 214-224. doi: 10.1111/1467-8551.12126

Rashid, A. (2015). Revisiting agency theory: Evidence of board independence and agency cost from Bangladesh. *Journal of Business Ethics,* 130(1), 181-198.

Saunders, K., & Townsend, K. (2016). Reporting and Justifying the Number of Interview Participants in Organization and Workplace Research. *British Journal of Management*, *27*(4), 836–852. doi: 10.1111/1467-8551.12182

Seetharaman, A., & Lalwani, K. (2019). Board diversity, director fairness and firm performance: Evidence from India. *International Journal of Law and Management.*

Şener, İ., Varoğlu, A., & Aren, S. (2011). Board Composition and Organizational Performance: Environmental Characteristics Matter. *Procedia - Social and Behavioral Sciences*, *24*(2011), 1481–1493. doi: 10.1016/j.sbspro.2011.09.130

Singh, K., Aggarwal, A., & Anand, A. K. (2016). The impact of corporate governance mechanisms on earnings management: A case of Indian stock exchange listed companies. *Asia-Pacific Journal of Management Research and Innovation,* 12(3-4), 304-316.

Susan L., Thomas C., Melissa N., (2004). Selecting organization development theory from an HRD perspective.

Tavakol, M., & Dennick, R. (2011). Making sense of Cronbach's alpha. *International Journal of Medical Education*, *2*, 53–55. doi: 10.5116/ijme.4dfb.8dfd

Tran, T. (2021). The Link between Independent Directors and Firm's Performance: The Moderating Role of Corporate Social Responsibility. *Corporate Governance: The International Journal of Business in Society*, *21*(5), 831–844. doi: 10.1108/CG-05-2020-0176

Tran, T., & Nguyen, P. (2020). The Impact Of The Performance Measurement System On The Organizational Performance Of The Public Sector In A Transition Economy: Is Public Accountability A Missing Link? *Cogent Business & Management*, *7*(1), 1–17. doi: 10.1080/23311975.2020.1792669

Wambui, K. (2013). *The effects of counterfeits on pharmaceutical distribution and retailing in Mombasa county, Kenya.* MBA Thesis. University Of Nairobi.

Warrens, J. (2014). On Cronbach's Alpha as the Mean of All Possible k -Split Alphas. *Advances in Statistics*, *2014*, 1–5. doi: 10.1155/2014/742863

Weerink R. (2019). *The effect of board size on firm performance and how this relationship is influenced by uncertainty avoidance.* Thesis, University of Groningen.

World Bank Group (2018). Improving public sector performance through innovation and inter-agency coordination. *Global report on public sector performance.*

Xu, J., Tang, Y., & Tang, C. (2021). Board Director Fairness and Corporate Performance: Evidence from China. *Journal of Business Ethics,* 170(3), 545-561.

Yasser, Q. R., Mamun, A. A., & Rodrigs, M. (2017). Impact of Board Structure on Firm Performance: Evidence from an Emerging Economy. *Journal of Asia Business Studies*, *11*(2), 210–228. doi: 10.1108/JABS-06-2015-0067

Yermack, D. (2016). Higher market valuation of companies with a small board of directors. *Journal of Financial Economics,* 40(2), 185-211.

Zhang, Y., & Chen, Y. (2020). Director fairness and firm performance: Evidence from Chinese listed firms. *Journal of Business Research*, 111, 28-39.

Zikmund, G., Babin, J., & Carr, C., (2012). *Business Research Methods with Qualtrics Printed Access Card.* (9th ed.). Boston, MA: Cengage Learning US. Retrieved from http://ebookcentral.proquest.com/lib/qut/detail.action?docID=4453329

Zohrabi, M. (2013). Mixed Method Research: Instruments, Validity, Reliability and Reporting Findings. *Theory and Practice in Language Studies*, *3*(2), 254–262. doi: 10.4304/tpls.3.2.254-262

Zubeltzu-Jaka, E., Ortas, E., & Álvarez-Etxeberria, I. (2019). Independent Directors and Organizational Performance: New Evidence from A Meta-Analytic Regression Analysis. *Sustainability*, *11*(24), 1–25. doi: 10.3390/su11247121

APPENDICES

Appendix I: Introduction Letter

My name is Grace Vundi; I am a Master of Business Administration (MBA) student at St. Paul's University. As part of requirement for graduation am required to undertake a research project and therefore kindly assist me to complete my studies by participating in responding to this questionnaire. The data will be used for academic purpose and therefore there will be no disclosure of identity of the respondent neither will the data be used contrary to the expectation of the organization. I'm willing to share the findings of the study if may you have need for it. Your kindness, assistance and time are highly appreciated and may God bless you richly.

Yours faithfully

Grace Vundi

Appendix II: Questionnaire for Top Management Employees and Board of Directors

Section I: General Information. Kindly provide a response by ticking [√] on item or statement.

1: Indicate your gender?

Male **[ ]**

Female **[ ]**

2: Indicate your age bracket?

18-25 years **[ ]**

25-35 years **[ ]**

36-45 years **[ ]**

46-55 years **[ ]**

Above 55 years **[ ]**

3: Indicate the number of years worked in the organization

Less than a year **[ ]**

2-5 years **[ ]**

5-10 years **[ ]**

10 Years and above **[ ]**

4: Indicate the highest level of education you have attained?

Degree **[ ]**

Masters Degree **[ ]**

PhD **[ ]**

Others (specify) **[ ]**

5: Indicate your level of employment/management?

Top Management Employees **[ ]**

Board Of Directors **[ ]**

Section II: Board Transparency

6: Please indicate by use of a tick [√] the extent to which you agree with the following statement ranging from 5-Strongly Agree (SA), 4- Agree (A), 3- Neither Agree or Disagree (NC), 2- Disagree (D), 1- Strongly Disagree (SD)

	Items of Board Transparency	**Strongly Disagree**	**Disagree**	**Neither Agree or Disagree**	**Agree**	**Strongly Agree**
	The board of KEBs upholds transparency which enhance the KEBS reputation					
	Board of directors provides stakeholders with clear and open information about the KEBS operations, finances, and decision-making processes					
	The board of KEBs upholds transparency which enhance stakeholder trust					
	The board of KEBs upholds transparency which enhance effectiveness of addressing potential risks and problems					
	The board of KEBs always ddisclose information to the stakeholder					
	Board members possess the required knowledge and skills to perform their roles					
	Board composition is diversified in regard to skills and competences					
	During board formation, members' track record is considered					
	When appointing board member, there is gender balance					
	The integrity of board members is considered during board composition					
	The board of KEBs has both executive and non-executive/independent directors					
	The size of board of KEBs enhances its effectiveness and efficiency					

7: In your own opinion how does board transparency influence the performance of KEBS

……

……

8: In your own opinion what can be done to improve on board transparency of KEBS

……

……

Section III: Board Independence

9: Please indicate by use of a tick [√] the extent to which you agree with the following statement ranging from 5-Strongly Agree (SA), 4- Agree (A), 3- Neither Agree or Disagree (NC), 2- Disagree (D), 1- Strongly Disagree (SD)

	Items on Board Independence	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree
	The board of KEBs is autonomous					
	The board takes decisions independently					
	KEBs has administrative and autonomy					
	The board has the mandate to carry out resource allocation					
	The board decides on the internal controls to be instituted at KEBs					
	The board delegates some of its responsibilities to sub-committees or subordinates					
	The organization is at liberty to carry out policy reviews					

10: In your own opinion how does board independence influence the performance of KEBS

……

……

11: What is your recommendation on what can be done to improve on board independence of KEBS

……

……

Section IV: Board Accountability

12: Please indicate by use of a tick [√] the extent to which you agree with the following statement ranging from 5-Strongly Agree (SA), 4- Agree (A), 3- Neither Agree or Disagree (NC), 2- Disagree (D), 1- Strongly Disagree (SD)

	Items on Board Accountability	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree

13: In your own opinion how does board accountability influence the performance of KEBS

	KEBS board adheres to accountability procedures set by law					
	There is stakeholder participation so as to enhance accountability					
	Resource allocation depends on accountability					
	KEBS board is held accountable for how the KEBs performs					
	KEBS board provides adequate information which enhances accountability					
	The KEBS board is committed to the accountability process					
	Compliance is determined by the level of participation in the accountability process					
	Independent financial reviews are carried out					
	Internal controls are in place to monitor the accountability process.					
	There is resource monitoring to enhance accountability					
	Significant departures from accountability set targets are reported					
	The availability of monitoring frameworks enhances accountability					
	There is a clear methodology of tracking accountability					
	Risky areas that could have an impact on the accountability process have been identified.					

……

……

14: What is your recommendation on what can be done to improve on board accountability of KEBS

……

……

Section V: Directors Fairness

15: Please indicate by use of a tick [√] the extent to which you agree with the following statement ranging from 5-Strongly Agree (SA), 4- Agree (A), 3- Neither Agree or Disagree (NC), 2- Disagree (D), 1- Strongly Disagree (SD)

	Items of Director Fairness	**Strongly Disagree**	**Disagree**	**Neither Agree or Disagree**	**Agree**	**Strongly Agree**
	Board of directors treating all stakeholders equitably					
	Board of directors upholds and respects rights of all stakeholders					
	Board of directors treating all the stakeholders fairly					
	Board of directors ensures all the stakeholders grievances are addressed fairly and promptly					
	Board of directors ensures that KEBS conducts its business in an ethical and responsible manner					
	Board of directors ensures that employees promotions and opportunities are based on merit and not favoritism					
	Board of directors ensures that their decision-making processes is fair and just					
	Directors develop and implement strategies to enhance fairness at KEBS					

16: In your own opinion how does fairness of board of directors influence the performance of KEBS

……

……

17: What is your recommendation on what can be done to fairness of board of directors at KEBS

……

……

Section VI: Organizational Performance

18: Please indicate by use of a tick [√] the extent to which you agree with the following statement ranging from 5-Strongly Agree (SA), 4- Agree (A), 3- Neither Agree or Disagree (NC), 2- Disagree (D), 1- Strongly Disagree (SD)

	Items on Organizational Performance	**Strongly Disagree**	**Disagree**	**Neither Agree or Disagree**	**Agree**	**Strongly Agree**
	The number of firms certified by KEBs has steady increased					
	The number of firms accredited by KEBs has steady increased					
	KEBs frequently monitors products in the market					
	KEBs responds quickly to quality complain in the by citizens/consumers					
	KEBs has been able to satisfactory solve most of quality complain by citizens/consumers					

19: What recommendations can you give to improve corporate governance so as to enhance performance of KEBS

……

……

Appendix VII: Budget of the Study

Activity	**PROJECTED AMOUNT (KSH)**
Data Collection Expenses and Allowances	50,000
Technical Services	20,000
Expendable Supplies	10,000
Academic Materials and Books	20,000
Photocopying, Typing, and Binding Services	20,000
Miscellaneous 5% of the Project Cost	6,000
Grand Total	**126,000**

Appendix VIII: Plagiarism Report

Ouriginal

Document Information

Analyzed document	GRACE VUNDI 19th August 2022.docx (D143097906)
Submitted	8/20/2022 9:32:00 AM
Submitted by	
Submitter email	mbamks532525@spu.ac.ke
Similarity	5%
Analysis address	jkahuthia.unistp@analysis.urkund.com

Sources included in the report

SA	**Gateri 4-44-1.doc** Document Gateri 4-44-1.doc (D15816671)	5
SA	**eva tharamba.docx** Document eva tharamba.docx (D133605708)	2
W	URL: https://www.kebs.org/images/Careers/Permanent/KEBS_Vacancies_Announcement.pdf Fetched: 6/22/2022 5:21:54 PM	1
W	URL: https://www.researchgate.net/publication/341079743_Corporate_Governance_and_Organizational_Performance_Evidence_from_the_Nigerian_Manufacturing_Industry Fetched: 11/23/2020 9:03:33 PM	1
SA	**MERCY PROJECT.docx** Document MERCY PROJECT.docx (D111164893)	1
SA	**Effect of Corporate Governance Structure on Financial Performance of Investment Banks in Kenya.doc** Document Effect of Corporate Governance Structure on Financial Performance of Investment Banks in Kenya.doc (D108492705)	2
SA	**JACOB RESEARCH PROPOSAL.doc** Document JACOB RESEARCH PROPOSAL.doc (D29743158)	2
W	URL: https://www.sciencedirect.com/science/article/pii/S2212567116301526 Fetched: 10/28/2019 6:49:37 PM	1
W	URL: https://core.ac.uk/download/pdf/82705015.pdf Fetched: 10/28/2019 6:49:45 PM	3
SA	**MSC Proposal.docx** Document MSC Proposal.docx (D20939793)	2
W	URL: https://scholarworks.waldenu.edu/cgi/viewcontent.cgi?article=7085&context=dissertations Fetched: 11/15/2019 11:21:47 PM	3
W	URL: https://strategicjournals.com/index.php/journal/article/view/631 Fetched: 6/15/2020 2:44:09 PM	2
W	URL: https://www.iste.org/Journals/index.php/EJBM/article/viewFile/14944/15673/ Fetched: 8/15/2022 4:23:00 PM	1
SA	**Ouriginal Report - eva tharamba.docx (D133605708).pdf** Document Ouriginal Report - eva tharamba.docx (D133605708).pdf (D133608354)	1
SA	**49087280.pdf** Document 49087280.pdf (D132049798)	1
SA	**MARTIN KAPCHANGA-PROPOSAL.docx** Document MARTIN KAPCHANGA-PROPOSAL.docx (D128526186)	1
SA	**ABRAHAM WILBOURNE PROPOSAL.doc** Document ABRAHAM WILBOURNE PROPOSAL.doc (D40843391)	2
SA	**Proposal- orenge -June 2016.doc** Document Proposal- orenge -June 2016.doc (D20928919)	1
SA	**Rose mukabi Thesis Final 19.09.2016.pdf** Document Rose mukabi Thesis Final 19.09.2016.pdf (D21883438)	1
SA	**CAT 3 RESEARCH PROPOSAL.pdf** Document CAT 3 RESEARCH PROPOSAL.pdf (D122895815)	1

Entire Document

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

REF: SPU/32/2023 **Date: 7th July 2023**

TO: Grace Vundi

St. Paul's University

Dear Grace,

RE: Corporate Governance and Organizational Performance of Kenya Bureau of Standards

Greetings,

This is to inform you that SPU- Institutional Scientific Ethics Review Committee has reviewed the above-named research proposal. **Your ERB approval number is 41, for the period between 7th July 2023 – 7th August, 2024.**

This approval is subject to compliance with the following requirements;

i. Only approved documents including (informed consents, study instruments) will be used.
ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SPU- Institutional Scientific Ethics Review Committee.
iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SPU- Institutional Scientific Ethics Review Committee within 72 hours of notification
iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to *SPU- Institutional Scientific Ethics Review Committee* within 72 hours

v. Clearance for export of biological specimens must be obtained from relevant institutions.
vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
vii. Submission of an executive summary report within 90 days upon completion of the study to SPU-Institutional Scientific Ethics Review Committee.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) https://research-portal.nacosti.go.ke and also obtain other clearances needed.

Yours sincerely,



Dr. Daniel Nzengya, PhD Chairperson

SPU- Institutional Scientific & Ethics Review Committee



REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION



Ref No: **547857**

Date of Issue: **25/July/2023**

RESEARCH LICENSE

This is to Certify that Ms.. GRACE VUNDI of St. Paul's University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: Corporate governance and organizational performance of Kenya Bureau of Standards for the period ending : 25/July/2024.

License No: **NACOSTI/P/23/27972**

547857

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

Legal Notice No. 108: The Science, Technology and Innovation (Research Licensing) Regulations, 2014

The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was the established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be toregulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.