

**INVESTIGATING THE INFLUENCE OF WOMEN ON BOARDS IN SHAPING
CORPORATE GOVERNANCE PRACTICES OF LISTED COMPANIES IN KENYA**

TERESIA AWUOR NYAORO

152682

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COMMERCE AT STRATHMORE UNIVERSITY**



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DECLARATION

I declare that this work has not been previously submitted and approved for the award of a degree by this or any other University. To the best of my knowledge and belief, the dissertation contains no material previously published or written by another person except where due reference is made in the dissertation itself.

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Name of Candidate

Teresia Awuor Nyaoro

Approval

The dissertation of Teresia Awuor Nyaoro was approved by the following:

Dr. Freshia Mugo Waweru

Strathmore University Business School.

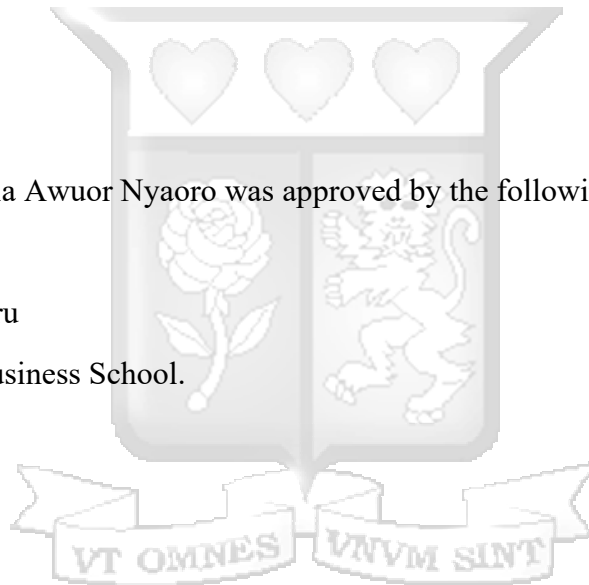
Dr. Ceaser Mwangi

Executive Dean

Strathmore University Business School.

Prof. Bernard Shibwabo

Director, Office of Graduate Studies



DEDICATION

To God, for his goodness and kindness through the writing journey, and to my parents, husband – Andrei and Son Azariah for their unending love.



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ABSTRACT

The aspect of corporate governance practices in organizations remains a fundamental issue to practitioners, policymakers, and researchers in corporate governance. The general objective of this study was to assess the influence of women in shaping corporate governance practices in publicly listed companies in Kenya. The specific objectives being to investigate how the role of women directors influences corporate governance practices of boards of publicly listed companies, investigate the value of women directors in enhancing corporate governance practices within the boards of publicly listed companies in Kenya and to investigate the extent of adherence to the one-third rule on gender diversity by the public listed firms in Kenya. The supporting theories in the study were the group diversity theory, agency theory and institutional theory. The study adopted the descriptive cross-sectional design which targeted 65 listed firms at NSE whereas the unit of observation were the company CEO and company secretary from each of the listed companies. Thus, the study population was 130 respondents comprising 65 CEOs and 65 company secretaries. Primary data was collected using a self-administered questionnaire for both the company CEOs and company secretaries. In addition, an interview session with the company secretaries was also conducted, within the mixed-methods sequential explanatory design. Data analysis was carried out using SPSS Version 28.0 generating descriptive and inferential statistics while content analysis was used to analyze qualitative data. From the data analysis, a positive significant relationship was established between the role of women directors and corporate governance practices of boards of publicly listed companies in Kenya (β 0.678, $p < 0.05$), the value that women directors have that enhance corporate governance practices within the boards of publicly listed companies (β 0.593, $p < 0.05$) and the adherence level of the one-third rule on gender diversity by the public listed firms (β 0.497, $p < 0.05$). The study concluded that women directors have a positive significant influence on governance practices of the NSE listed companies. The study hence recommends more representation of women in governance boards and stricter compliance with NSE listing rules and CMA regulations on adherence to the one third gender rule.

Key words: *women in boards, corporate governance practices, listed companies, Kenya*

TABLE OF CONTENTS

DECLARATION	ii
DEDICATION	iii
ACKNOWLEDGMENTS	iv
ABSTRACT	v
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF ACRONYMS AND ABBREVIATIONS	xii
DEFINITION OF TERMS	xiii
CHAPTER ONE: INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Corporate Governance Practices.....	2
1.1.2 Role of Women in Boards.....	4
1.1.3. Value of Women on Boards.....	5
1.1.4 One-Third Gender Rule	5
1.1.5 NSE-Listed Companies in Kenya	6
1.2 Problem Statement	7
1.3 Research Objectives.....	8
1.3.1 Specific Objectives of the Study.....	8
1.4 Research Questions	9
1.5 Scope of the Study	9
1.6 Significance of the study.....	10
1.7 Chapter Summary	10
CHAPTER TWO: LITERATURE REVIEW	12

2.1 Introduction.....	12
2.2 Theoretical Framework.....	12
2.2.1 Group Diversity Theory.....	12
2.2.2 Agency Theory.....	13
2.2.3 Institutional Theory.....	14
2.3 Empirical Review.....	15
2.3.1 Role of women in corporate governance and corporate governance practices.....	15
2.3.2 Value of women in corporate governance and corporate governance practices.....	17
2.3.3 One Third Gender Rule and Corporate Governance Practices	20
2.4 Research Gaps.....	21
2.5 Conceptual Framework.....	25
2.6 Operationalization of Variables	27
2.7 Summary of Literature.....	28
CHAPTER THREE: RESEARCH METHODOLOGY	29
3.1 Introduction.....	29
3.2 Research Philosophy.....	29
3.3 Research Design.....	30
3.4 Target Population.....	30
3.4.1 Sampling procedure	31
3.5 Data Collection Methods and Procedure	32
3.6 Data Analysis	33
3.7 Model Assumption Tests	35
3.8 Research Data Quality	36
3.8.1 Reliability.....	36

3.8.2 Validity	36
3.9 Ethical Consideration.....	37
3.10 Chapter summary	37
CHAPTER FOUR: PRESENTATION OF RESEARCH FINDINGS	38
4.1 Introduction.....	38
4.2 Demographic Information.....	38
4.2.1 Gender of Respondents	38
4.3.2. Highest level of Education.....	39
4.3.3 Number of Years in Firm.....	40
4.4 Diagnostic Test Results.....	40
4.4.1 Tests of Normality	41
“4.4.2 Tests of Multicollinearity.....	41
4.4.3 Tests of Heteroscedasticity	42
4.4.4 Reliability.....	42
4.5 Descriptive Statistics.....	43
4.5.1 Role of women directors in boards in enhancing corporate governance	43
4.5.2 Value of women in corporate governance	45
4.5.3 Adherence to the One Third Rule	47
4.5.4 Corporate governance Practices of listed firms	48
4.7 Inferential Statistics	50
4.7.1 Correlation	50
4.7.2 Regression Analysis.....	52
4.7.3 Qualitative Study findings	55
4.8 Summary of Findings.....	56

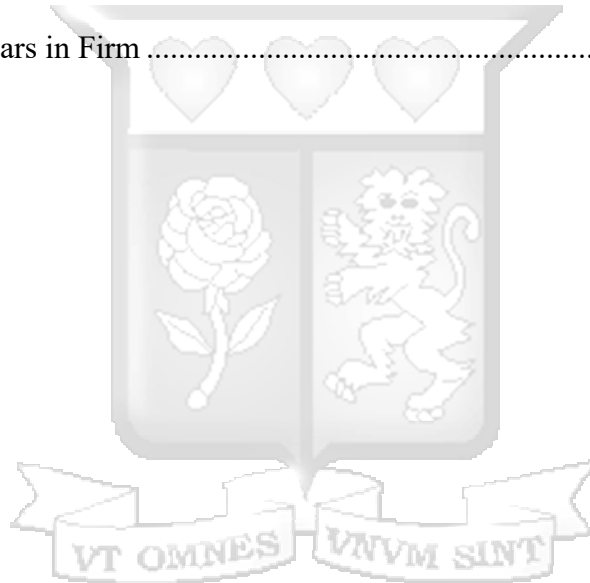
CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS	60
5.1 Introduction.....	60
5.2 Summary of Results.....	60
5.3 Discussion of Findings.....	62
5.3.1 Role of women directors in boards in enhancing corporate governance	62
5.3.2 Value of women in corporate governance	62
5.3.3 Adherence to the one-third rule	63
5.4 Conclusions.....	64
5.5 Recommendations.....	65
5.5.1 Recommendations for Practice	65
5.5.2 Recommendations for Policy.....	65
5.6 Limitations of the Study.....	65
5.7 Suggestions for Further Research.....	66
REFERENCES.....	67
APPENDICES.....	78
Appendix I: Questionnaire for company CEO and company secretaries of the listed companies at NSE.....	78
Appendix II: Interview guide for selected CEOs and company secretaries	84

LIST OF TABLES

Table 2.1: Summary of Research Gaps.....	22
Table 2.2 Variable description and measurement.....	27
Table 4.1 Response Rate.....	Error! Bookmark not defined.
Table 4.3 Test of Normality.....	41
Table 4.4: Test of Multicollinearity.....	41
Table 4.5: Test of Heteroscedasticity.....	42
Table 4.6 Reliability Test Results.....	43
Table 4.7: Role of women directors in boards in enhancing corporate governance.....	44
Table 4.8: Value of women in corporate governance.....	46
Table 4.9: Adherence to the one third rule.....	48
Table 4.10: Corporate governance of listed firms.....	49
Table 4.11 Correlation Analysis.....	50
Table 4.12: Model Fitness.....	52
Table 4.13: Analysis of Variance.....	53
Table 4.14: Regression Coefficients.....	54

LIST OF FIGURES

Figure 2.1 Conceptual Framework	26
Figure 4.1 Gender of Respondents.....	38
Figure 4.2: Highest level of Education	39
Figure 4.3: Number of years in Firm	40



LIST OF ACRONYMS AND ABBREVIATIONS

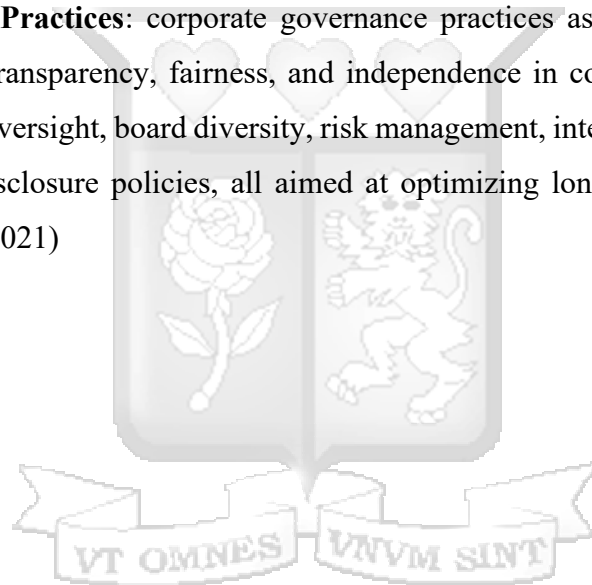
ANOVA:	Analysis of Variance
BGD:	Board Gender Diversity
CEOs:	Chief Executive Officers
CI:	Confidence Interval
CMA:	Capital Market Authority
EABL:	East African Breweries Limited
FTSE:	Financial Times Stock Exchange
ILO:	International Labour Organization
KPMG:	Klynveld Peat Marwick Goerdeler
NSE:	Nairobi Securities Exchange
OECD:	Organization for Economic Cooperation Development
ROA:	Return On Assets
ROE:	Return on Equity
SDG:	Sustainable Development Goal
SEC:	Securities and Exchange Commission
SPSS:	Statistical Package for Social Sciences
SSE:	Sustainable Stock Exchanges
UNDP:	United Nations Development Programme
VIF:	Variance Inflation Factors

DEFINITION OF TERMS

Board Diversity: Board diversity refers to the variety of characteristics, experiences, and perspectives represented among members of a corporate board, encompassing aspects such as gender, ethnicity, nationality, age, educational background, and professional expertise (Terjesen et al., 2016).

Corporate Governance: This is the system by which companies are directed and controlled," involving structures and processes that balance the interests of various stakeholders, including shareholders, management, customers, suppliers, financiers, and the government (Cardbury, 1992).

Corporate governance Practices: corporate governance practices as frameworks designed to enhance responsibility, transparency, fairness, and independence in corporate decision-making. These practices include oversight, board diversity, risk management, internal controls, shareholder rights protection, and disclosure policies, all aimed at optimizing long-term value creation for stakeholders (Nugroho, 2021)



CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Corporate governance remains a key issue for practitioners, policymakers, and researchers. According to OECD (2015), it involves principles, policies, and responsibilities enforced through the board to ensure transparency, accountability, and fairness (Guluma, 2021). Good corporate governance is a key driver of organizational performance (Amin et al., 2021) and helps reduce agency costs and information asymmetry, improving efficiency (Tulcanaza et al., 2024). A growing focus in corporate governance is board diversity, particularly the inclusion of women (Korenkiewicz & Maennig, 2023). Gender diversity aligns with global initiatives like UN Sustainable Development Goal (SDG) 5 and the Nairobi Securities Exchange (NSE) commitment to equality. While board size, independence, and duality are crucial governance factors, the role of women in boards remains debated (Lee et al., 2015). Some studies highlight a positive correlation between female representation and improved governance (Amin, Ali et al., 2022), while others question whether gender diversity alone enhances corporate performance (Korenkiewicz & Maennig, 2023).

Board composition significantly influences corporate governance, including risk management, audit oversight, and accountability (Amin, Ali et al., 2022). While some scholars argue that women on boards enhance financial performance and corporate social responsibility (Peng & Chandarasupsang, 2023; Simionescu et al., 2021), critics suggest gender diversity may lead to conflicts, decision-making delays, and increased costs (Papangkorn et al., 2022). They emphasize that an individual's expertise, rather than gender, should be the primary criterion for board selection.

Board gender diversity (BGD) varies worldwide. The European Union leads in female representation, with women holding 29.5% of board seats in 2020 and 39.1% in the UK's top 100 FTSE companies by 2021 (Conmy, 2022). France has the highest representation, with 45.1% of board seats held by women (Korenkiewicz & Maennig, 2023). In the U.S., women comprised 32% of S&P 500 board directors in 2022, up from 28.2% in 2020 (Catalyst, 2021; Spencer, 2022). In contrast, Asia-Pacific lags in gender diversity. Women accounted for just 6% of board members in 2011, increasing to 13% by 2016 following policy interventions (UNDP, 2020). Despite Japan's mandate for 30% female board representation, only 18.7% of board members are women (Yoshie,

2023). Similarly, in China, women comprised just 13.8% of board seats in 2021 (Peng & Chandarasupsang, 2023).

Africa is also making gradual progress in gender diversity on boards. Women hold 14% of board seats across the continent's top 307 listed firms (United Nations, 2022). South Africa recommends 30% female board representation but achieves only 20% among JSE-listed firms (Bosch et al., 2022), and there is no legal mandate for gender quotas. Nigeria's SEC Code suggests a 30% female board composition, but actual representation remains below 20% (KPMG, 2021). The lowest board gender diversity is found in Côte d'Ivoire (5.1%), Morocco (5.9%), Tunisia (7.9%), and Egypt (8.2%) (United Nations, 2022).

Kenya has made significant strides in promoting female board representation, guided by the 2010 Constitution, which mandates that no gender should exceed two-thirds of leadership positions in public entities. The NSE also requires listed firms to adhere to gender diversity policies, though it does not specify female representation (Kariuki, 2023). As of 2021, women held 36% of board seats in NSE-listed firms, up from 21% in 2017 (James, 2021). This increase is driven by regulatory requirements, including the NSE listing obligation that mandates at least 30% gender diversity in boards (NSE, 2021). However, representation varies across firms. For example, East African Breweries Limited (EABL) leads with 45.5% female board members, while overall representation across NSE-listed companies stands at 23% (Otieno & Mutisya, 2018).

Despite the progress, significant gaps remain. Many studies on board gender diversity have been conducted outside Kenya, limiting their applicability to local regulatory and cultural contexts. Additionally, little empirical evidence exists on the actual impact of women on corporate governance and whether their role in improving governance is based on perception or measurable outcomes.

1.1.1 Corporate Governance Practices

This is the backbone of operations in any organization. Corporate governance defines the manner companies are controlled, directed and oversighted (Cadbury Committee, 1992) and consists of laws, regulations, codes, and practices that define how a company is administrated and oversighted. According to Nugroho (2021), corporate governance is a means of organizing, managing, and guiding the company. Corporate governance is aimed at directing the company as per perceived good corporate governance practices that include responsibility, transparency,

accountability, fairness and independence (Nugroho, 2021). According to Kariuki, (2023), corporate governance is heavily influenced by the parties that are involved in a company's management structure, such as investors, shareholders, government, suppliers and employees. As such, optimizing long-term value for stakeholders and shareholders is the primary goal of implementing sound corporate governance.

Corporate governance is a fundamental managerial attribute related to the controlling, monitoring, and oversight of an organization's activities by the board (Lee et al., 2015). However, the efficient functioning of an organization's corporate governance may be influenced by a multiplicity of other factors like diversity and composition of the board shaping the way the organization is managed and how other market agents like investors, shareholders, managers, government and employee interact (Gaio & Gonçalves, 2022). Scholars and practitioners are in congruence that good corporate governance practices are essential recipes to better organizational performance and survivability (Affes & Jarboui, 2023; Nugroho, 2021). As per Tahtamouni et al. (2020), companies emphasizing good corporate governance practices are associated with better firm performance, higher competitive advantage and better corporate risk management. As per Simionescu et al. (2021), diversity of the boards by increasing female representation is essential for monitoring and monitoring firm management, deterring them from unethical behavior or opportunistic that would hinder efficient management of the organization. By meeting the regulatory policies requiring firms to at least include women in the board, this can bring a diversity of views and advice to the organization.

There has been rising championing of more women in the boards of organizations (ILO, 2020). However, the role of women in boards and value they add to corporate governance practices remains debatable, particularly on whether the enhance decision making process, accountability, audit and risk management, board independence, and ethical financial reporting (Wambui, 2018). While ILO (2020) argues that gender diversity in organization boards is an important practice which if observed enhances organizational performance and corporate governance practices, various studies have failed to establish unique value that increased women representation in boards add to firms and corporate governance practices. Further, ILO (2020) strongly argues increased board gender diversity helps companies get access to pool of qualified talent, competence, experience, and alternative opinion that women bring to boards. Simionescu et al. (2021) argues

that women in organization's board are better in company oversighting, monitoring and asserting authority, which may built better corporate governance practices in the organization. As per Murugami (2018), female leaders are able to reconfigure their competencies, abilities, social skills, perceptions and attitudes to overcome or deal with multiple other factors confronting the organization.

On the other hand, Velte (2019) argues women inclusion in boards does not necessarily enhance corporate governance practices nor does it add any value to firm. Stellingwerf (2016) found no sufficient evidence to proof that having more women on the board of directors will enhance corporate governance. This is an indication of controversies surrounding the urge to have more women included in the organization boards and whether these urge bring value to the organization. In an effort to fill the practice and research gaps concerning the role of women in boards and subsequently the value they add to corporate governance practices, this study interrogated the roles of women in the boards and how they influence corporate governance by focusing at listed firms in Kenya.

1.1.2 Role of Women in Boards

The composition of corporate boards is increasingly recognized as a key factor in corporate governance (Kijkasiwat et al., 2022). One area that has attracted scholarly debate is the inclusion of women in boards and their specific role in enhancing governance (EmadEldeen et al., 2021). While some scholars argue that women strengthen corporate oversight and improve governance practices, others remain skeptical about their impact (Wambui, 2018). Women in corporate boards play several critical roles, including enhancing decision-making, strengthening accountability, improving audit and risk management, promoting board independence, and ensuring ethical financial reporting (Wambui, 2018). Simionescu et al. (2021) argue that women bring diverse perspectives, strengthen company oversight, and assert authority, which may lead to better governance. Their ability to challenge traditional leadership norms contributes to a more balanced and transparent decision-making process (Murugami, 2018).

Additionally, women in leadership have been shown to reconfigure their competencies, abilities, and social skills to address complex corporate challenges (Murugami, 2018). Their diverse experiences and problem-solving approaches help firms navigate organizational risks and adapt to

changing market conditions (Peng & Chandarasupsang, 2023). Moreover, Alshirah et al. (2022) highlights that board diversity enhances oversight and governance effectiveness, ensuring firms adhere to best practices. Despite these positive assertions, some scholars challenge the significance of women's roles in boards. Velte (2019) argues that female inclusion does not necessarily improve governance outcomes, while Stellingwerf (2016) found insufficient evidence linking women on boards to improved corporate risk management. Similarly, Wambui (2018) failed to establish a strong connection between gender diversity and firm performance in Kenya.

1.1.3. Value of Women on Boards

While the role of women on boards is debated, there is a growing recognition of the value they bring to corporate governance and firm performance (ILO, 2020). Women provide a broader talent pool, diverse perspectives, and alternative viewpoints that enhance strategic decision-making. According to ILO (2020), gender-diverse boards improve access to skilled talent, enhance corporate governance structures, and contribute to overall organizational effectiveness. Women's presence in corporate boards also enhances non-financial aspects such as corporate social responsibility, customer satisfaction, and corporate image (Simionescu et al., 2021). Their participation fosters inclusivity and strengthens a company's reputation for diversity, which is increasingly valued by stakeholders. Similarly, Reguera-Alvarado and Bravo-Urquiza (2020) assert that diverse boards provide objective counsel, ultimately increasing firm profitability.

Empirical studies also link board diversity to better corporate performance. Isidro and Sobral (2015) found that female inclusion leads to more effective decision-making and risk assessment by leveraging a wider range of skills and expertise. Moreover, firms with gender-diverse boards often exhibit improved financial oversight and greater shareholder trust, which translates into stronger corporate governance (Alshirah et al., 2022). However, some scholars remain unconvinced of the unique value women add to governance. Stellingwerf (2016) suggests that the link between board gender diversity and corporate performance remains inconclusive, while Wambui (2018) argues that gender diversity does not always guarantee better firm outcomes.

1.1.4 One-Third Gender Rule

The one-third gender rule is a legal provision aimed at ensuring gender inclusivity in leadership and governance structures. In Kenya, this rule is enshrined in Article 27(8) of the 2010

Constitution, which mandates that no more than two-thirds of elective or appointive positions in public bodies should be occupied by one gender (Republic of Kenya, 2010). This principle is also reflected in the Public Service Commission Act (2017) and the Companies Act (2015), emphasizing gender diversity in public and corporate governance. The rule was introduced to address historical gender imbalances in leadership, promote equal representation, and enhance diversity in decision-making processes (Kariuki, 2023). Despite these legal provisions, enforcement has been inconsistent, particularly in the private sector, where companies often struggle to meet gender diversity requirements in their boardrooms (Kameri-Mbote, 2018).

The Nairobi Securities Exchange (NSE) Listing Regulations encourage listed companies to embrace gender inclusivity in corporate boards, but the one-third rule is not explicitly mandated for private firms (NSE, 2021). Research suggests that gender-diverse boards contribute to better corporate governance, improved financial oversight, and enhanced corporate social responsibility (Simionescu et al., 2021). However, critics argue that gender quotas alone do not guarantee improved performance or governance, as board effectiveness depends more on individual competencies rather than gender balance (Velte, 2019). Additionally, some scholars suggest that mandatory gender quotas could lead to tokenism, where women are appointed to meet legal requirements rather than based on merit (Stellingwerf, 2016). Despite these challenges, the one-third gender rule remains a critical framework for promoting gender equity and ensuring that women have a voice in corporate decision-making.

1.1.5 NSE-Listed Companies in Kenya

The publicly listed companies in Kenya, are mandated by the regulatory bodies, that is, the Capital Markets Authority (CMA) and Nairobi Securities Exchange (NSE) to observe good corporate governance practices that entail accountability, transparency, responsibility and stewardship in the management and use of company resources and risk management (Private Sector Corporate Governance Trust, 2012). These regulatory bodies require listed firms to ensure at least 30 percent of all board positions go to women.

NSE regulatory policies state that, for a company to be listed at the NSE, it must observe due corporate board guidelines that include gender diversity of the board. In Kenya, there exists an obligatory requirement by NSE for listed firms to exercise gender inclusivity in the board

memberships but does not specify it to women, an indication of both conceptual and contextual gaps. Currently, there are 65 firms listed at the NSE comprising financial and non-financial firms (NSE, 2023). However, the board gender diversity of these listed firms in terms of women representation differs significantly, and how this has influenced corporate governance practices of the organization is not conclusive in research findings. For instance, Kenya Airways has the largest number of women representation in the board (50 percent) followed by Trans Century, Express Kenya and Home Afrika yet Kenya Airways has not been performing well..grammar... National Bank of Kenya, Kenya Power and Lighting Company, Equity Bank, Cooperative Bank, Nation Media Group, Sameer Africa, EA Cables, and Uchumi have 15 percent women representations in their boards. As indicated above, the companies that have the most women in the board are not necessarily profitable. Likewise, companies that have the least women in the board have collapsed or under receivership anchoring the debate on the value of women in the organization boards.

1.2 Problem Statement

Measuring the effectiveness of corporate governance remains a challenge, leading many organizations to increase female board representation primarily to meet compliance requirements rather than to enhance governance effectiveness (Tipurić et al., 2014). Corporate governance practices guide board operations in listed firms in Kenya, encompassing board control, shareholder rights, stakeholder relations, ethical responsibility, accountability, risk management, internal controls, transparency, and dispute resolution (CMA, 2023). While these regulations encourage gender diversity, corporate governance challenges persist, with several listed firms collapsing or being delisted due to governance-related failures. For instance, the collapse of Uchumi has been attributed to corporate governance issues, while TransCentury, Mumias Sugar Company, and Kenya Power were delisted in 2018 due to weak governance structures, investor uncertainty, and poor financial performance (NSE, 2019). Similarly, National Bank was delisted in 2021.

Corporate governance effectiveness is shaped by multiple factors, including board independence (Lee et al., 2015), board size (Gaio & Gonçalves, 2022), audit committees (Amin et al., 2022), and board diversity (EmadEldeen et al., 2021). However, the debate on whether increasing female board members enhances corporate governance remains contentious among scholars, practitioners, and policymakers (Amin, Ali et al., 2022; Korenkiewicz & Maennig, 2023). Despite efforts to increase women's representation, their influence is often overshadowed by dominant male board

members. Studies suggest that assigning women leadership roles, such as board chair positions, may help counteract gender biases and improve governance effectiveness (Sidhu, 2020; Arguden, 2010).

The impact of female leadership on corporate governance is also debated. Some scholars argue that female CEOs enhance disclosure and transparency while reducing information asymmetry, particularly in family businesses (Loukil et al., 2020). However, others contend that female board representation has minimal or no significant impact on governance practices (Velte, 2019). Stellingwerf (2016) found no conclusive evidence that increasing female directors improves business risk management, while Kariuki (2023) reported an insignificant negative relationship between board diversity and risk-taking behavior in Kenyan insurance firms. Similarly, Wambui (2018) found that gender diversity had little effect on the financial performance of Kenyan commercial banks.

International studies provide mixed findings. Alves (2023) found that gender diversity positively influences earnings management among European listed firms, but these results may not be generalizable to Kenya due to regulatory and contextual differences. Kenya's listed companies currently have 36% female board representation (NSE, 2021), yet existing studies have not fully examined how this impacts corporate governance practices. Given these gaps, this study aims to determine whether women in Kenyan-listed company boards play specific roles that influence corporate governance. Specifically, it investigates the roles of women in boards, the value of women in boards, and compliance with the one-third gender rule contribute to corporate governance effectiveness among NSE-listed firms in Kenya. The findings will provide insights into whether gender diversity translates into tangible governance improvements or remains a symbolic compliance measure.

1.3 Research Objectives

The study was guided by main objective which was to investigate the value of women in board in influencing corporate governance practices in public listed companies in Kenya.

1.3.1 Specific Objectives of the Study

The specific objectives were to;

- i. To investigate how the role of women directors influence corporate governance practices of boards of public listed companies
- ii. To investigate the value of women directors in enhancing corporate governance practices within the boards of publicly listed companies in Kenya.
- iii. To investigate the influence of adherence to the one third rule on corporate governance practices within the boards of publicly listed companies in Kenya

1.4 Research Questions

- i. How do the roles of women directors influence and shape corporate governance practices within the boards of public listed companies?
- ii. What are the values that women directors bring that enhance corporate governance practices within the boards of publicly listed companies in Kenya?
- iii. To what extent are the Kenyan public listed companies adhering to the one-third rule on gender diversity at the board level?

1.5 Scope of the Study

This research investigated the role of women in influencing corporate governance practices within boards of listed companies in Kenya. The NSE regulatory policies state that for a company to be quoted at NSE, it must observe due corporate board guidelines that include gender diversity of the board. The study narrowed to the value that women directors bring that enhance corporate governance practices within the boards of publicly listed companies in Kenya. The study also investigated the level of adherence to the one-third gender rule by the listed firms at NSE. The study focused on 65 listed firms at NSE and was conducted between October 2024 and December 2024. The study investigated the value that women directors have that enhance governance within the boards of publicly listed companies and assessed how the roles of women directors on governance practices of boards of public listed companies in Kenya. The listed firms were selected because they reflect the significant corporate board guidelines that prompt companies that aspire to be listed at NSE to have a gender-diverse board (NSE, 2017). Further, Capital Markets Authority (CMA) the regulator of listed firms enact policies requiring listed firms to at least exercise gender inclusivity in the board memberships. In terms of study time scope, the study was conducted from May to June 2024.

1.6 Significance of the study

This research aims to examine the role of women in corporate boards and their impact on corporate governance practices among listed companies at the Nairobi Securities Exchange (NSE). Given the ongoing debate on whether gender diversity in boards enhances governance effectiveness, this study will address existing knowledge gaps by providing empirical evidence on the actual contributions of women in boardrooms.

The findings will be significant to policymakers, particularly the Capital Markets Authority (CMA), which regulates listed companies in Kenya. The results will inform policy revisions, streamline gender diversity regulations, and support the implementation of more effective corporate governance frameworks. By evaluating the extent to which NSE-listed firms comply with the one-third gender rule, this study will offer insights into whether this regulation has influenced governance practices through increased female representation.

Additionally, the study will provide practical implications for corporate boards, highlighting whether appointing more women enhances governance functions such as accountability, risk management, audit oversight, and decision-making. It will contribute to the ongoing debate by distinguishing whether gender diversity strengthens governance effectiveness or if other factors—such as board independence, expertise, and leadership roles—play a more significant role.

For the Nairobi Securities Exchange (NSE), the study will help assess the enforcement of gender diversity policies and benchmark compliance with the 2010 Constitution of Kenya, which mandates equitable gender representation in leadership positions. The findings will also offer a comparative perspective by evaluating whether board diversity in Kenya aligns with global best practices.

Finally, the study will serve as a valuable reference for future research on board diversity and corporate governance. Given the conflicting findings in past studies, this research will provide empirical clarity on whether gender diversity in boardrooms translates into better governance outcomes among NSE-listed firms in Kenya.

1.7 Chapter Summary

The chapter presented an in-depth synthesis of role of women in board in promoting corporate governance from global, regional, and local perspectives. Research gaps emanating from past

scholars regarding role of women in board in promoting corporate governance were explored. The statement of the problem was formulated and supported by statistics and research gaps. The chapter proceeds to outline the study scope and significance to practice, policymakers and future research. The chapter ended by presenting an organization of the study.



CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

The theories that directed the proposed research are presented in this chapter. In order to uncover research gaps, a thorough critical examination of earlier studies is conducted in accordance with research topic. A conceptual framework and the definition of the study variables are also shown as the chapter comes to a close.

2.2 Theoretical Framework

Group diversity theory anchored the study. It was also be guided by the agency theory and institutional theory. The study adopted a multi-theory approach to anchor this study. This is because one theory might not be sufficient to anchor all the objectives of the study. This is because every theory has a strength and weakness as discussed in the respective section.

2.2.1 Group Diversity Theory

The group diversity theory was advanced by Cox (1993) and it states that diverse group of individuals is more effective compared to a group made of similar individuals in the same background. Cox (1993) advanced group diversity theory with intention of informing organizational cultural diversity. Diversity according to Cox involves including individuals from distinct backgrounds, culture and social groups in an organization. Van Knippenberg et al. (2007) also noted that diversity enhanced the effectiveness of individuals in a group.

Though several diversity theories and empirical researches look at advantages of similarity, dissimilarity emanating from the assumption of symmetrical effect brings negative and dislike effects (Ozbilgin et al., 2015). Important strength of the theory revolves around its ability to inform diversity across cultures, social groups and nationalities. According to the group diversity theory, diverse groups in organization compared to homogenous groups are more innovative, creative and support in diverse opinion that aid proper decision-making. While homogenous tend to be more efficient and fast in making decisions, heterogenous groups are more effective. However, the theory fails to clearly illustrate how to tell which level of diversity is perceived good and what sort of diversity may fail. This limitation is cured by institutional theory that defines processes, structures, norms and rules guiding the organization.

Group diversity theory is relevant in understanding how listed companies in Kenya can constitute a gender diverse and effective board that provide counsel and advice to the company board. A properly constituted board brings diverse talents, skills, expertise and experiences to the listed companies. An effective board is likely to result in better corporate governance activities and practices. Furthermore, it is argued that a diverse board is healthy to the firm as it facilitates close monitoring of the organization and management. A well-managed and governed organization is effective at using firm resources thus promoting good corporate governance in organizations. It also is argued that the presence of women in organization boards allows firms to access some essential resources via competences, skills and knowledge which may differ if the board was largely homogenous. The role of a diverse board of management is to provide advice and resources include the initiation of strategies, active involvement in decision making and following up strategic choices. A diverse board of directors provides diverse beneficial resources to the firm.

2.2.2 Agency Theory

Jensen and Meckling proposed the agency theory in 1976. Based on their arguments, contractual arrangements between business owners (principals, shareholders) and others (corporate managers, acting as agents) entail giving agents some degree of decision-making and management authority. The principle entrusts the agent with a variety of managerial responsibilities within the organization. The separation of ownership and management that resulted from business management starting to oversee and manage assets (principals' assets) is what gave rise to the agency theory (Jensen & Meckling, 1976). In reality, managers and stockholders frequently have conflicting interests, which is known as an agency problem. It makes sense if the manager does not always behave in the best interests of the shareholders when both sides are equally motivated to maximize rewards or utility for themselves. Due to the inability of shareholders to closely monitor managers' performance, issues may emerge in the form of confidential information and acts taken for selfish reasons that could negatively affect the primary. Furthermore, asymmetry of knowledge occurs when management possess more information than stockholders (Johnson & Droege, 2004).

Nonetheless, detractors claim that the agency theory is an idea that is occasionally inappropriate for social situations. It makes the supposition that agents are indivisible and self-interested, and that social relationships have little bearing on the market (Lan & Heracleous, 2010). In addition to being costly, the control mechanisms proposed by agency theory are also economically ineffective because they may hinder the implementation of strategic decisions, limit group activities, skew investment plans, and disregard the interests of other stakeholders, which may cause them to become less dedicated to generating economic value (Segrestin & Hatchuel, 2011).

This idea is relevant because it attempts to describe listed companies' corporate management as a shared objective that seeks to align managers' and shareholders' interests. Unmonitored agency charges may impair listed companies' ability to operate. Reduced returns and the listed company's eventual demise are likely if agency issues outweigh the company's objectives. The inclusion of women in the board of organization is meant to bring some competencies and virtues associated with women like being keen to details, which is a critical aspect when it comes to financial reporting and auditing.

Inclusion of women in the board with diverse talents play unique role of ensuring that moral, ethics and responsibility guides operations of the firm and thus equal participation in creating value for the firm. The board of listed companies can thus be constituted properly by adhering to acceptable features of corporate governance including gender diversity of boards. Diversity of boards ensures that unique talents, capabilities, experiences and skills are brought to the firm. This difference in the capabilities of the board members may help to enhance board capital because of their skills and experience.

2.2.3 Institutional Theory

Institutional theory was fronted and interrogated by several authors comprising Rowan and Meyer (1977), Powell and DiMaggio (1983) and Powell and DiMaggio (1991). Institutional theory attempts to describe the social fabric and structure of an organization. It defines processes, structures, norms and rules that guide firm corporate engagement (Deephouse & Suchman, 2008; Meyer & Rowan, 1977). The various elements of the institutional theory define the course of action of an organization (Deephouse & Suchman, 2008). The identified institutions' facets have stood the test of time and are believed to influence corporate governance in organizations (DiMaggio &

Powell, 1991). The normative features, cognitive features and regulative features of the institutional theory are what drive the organization in the quest for value.

Institutions are passed in the organization in the form of symbols, routines, systems, and artifacts and operate various levels of the organization (Dacin, 1997). It is, however, important to note that institutions may be changed to suit the needs of the organization (Lammers et al., 2017). For organizations to survive, they have to abide to norms, rules and beliefs articulated in the institutions theory (Scott, 1995; Puffer & McCarthy, 2015). One major advantage of the institutional theory is that it help comprehend firm behaviours and its participants. Nonetheless, the institution theory suffers significant weakness particularly in measuring institutional facets in simplistic and nominal form (Peters, 2000; Deephouse, 1996). Moreover, institutional theory has also been criticized for its skewed explanation of only persistence and homogeneity of phenomenon (Goodstein & Scott, 2002) and thus full potentiality of the theory has never been achieved.

Institutional theory is relevant in structuring a gender diverse organization board for good corporate governance practices. Institutional theory is a vital theory whose premises are useful in addressing board structures of an organization. The creation of efficient and effective corporate boards of listed companies should be guided by rules, routines, norms and schemas. The different elements of the institutional theory are what define the course of action of an organization. In the context of the study, the inclusion of more women in boards of listed companies can only be achieved if there are specific guidelines, values and rules that obliges the organization to do so.

2.3 Empirical Review

2.3.1 Role of women in corporate governance and corporate governance practices

Existing literature presents varied insights into how female board representation affects governance practices. For instance, Maji and Saha (2024), drawing on Kanter's Theory, assessed the relationship between female directors and financial performance in India. They found that women significantly improved firm performance when their representation ranged from 10% to 20%. However, their focus remained on financial metrics, with limited engagement with governance mechanisms such as board accountability, transparency, or independence.

Awwad et al. (2023) extended this line of inquiry by exploring the influence of female directors on financial performance and CSR disclosures in Pakistan. Using panel regression, their study

highlighted the positive role of women in advancing financial and CSR goals, although it noted declines in environmental and employee-related disclosures. The scope of their study did not include internal governance processes such as compliance, audit effectiveness, or risk management, which are central to the present research.

Regionally, Areneke et al. (2023) conducted a study in Nigeria examining ethical corporate governance disclosures in relation to board gender diversity. Applying the Generalized Method of Moments (GMM), they identified a positive influence of female directors on ethical disclosures, enhanced by institutional investors and foreign board members. However, their analysis remained disclosure-centric, without addressing governance structures or board-level decision-making processes, key concerns in this study. Moreover, the distinct patriarchal context in Nigeria underscores the need for context-specific investigations such as this one, which is set in Kenya.

Mothapo et al. (2024) contributed by examining market reactions to board appointments on the Johannesburg Stock Exchange (JSE) through an event study methodology. They found that markets reacted negatively to female appointments due to perceived biases, while male appointments had marginal positive effects. Their focus on investor sentiment, though insightful, offers only an indirect assessment of corporate governance practices. The current study will instead employ a mixed-methods design with multiple linear regression to directly evaluate governance impacts.

In the Kenyan context, Githaiga (2024) explored how institutional ownership moderates the relationship between board gender diversity and earnings management. Using fixed-effect regression on EAC-listed firms, the study found that female directors reduced earnings manipulation, suggesting a monitoring role in governance. However, earnings management is just one dimension of governance. Other vital areas such as risk oversight, regulatory compliance, and strategic board functions remain underexplored. This study aims to provide a broader, more integrative view of governance effectiveness linked to gender diversity on boards. Overall, while existing literature affirms the importance of women on boards, much of it emphasizes financial or reputational outcomes. A gap remains in comprehensively linking female directorship to core governance practices transparency, accountability, compliance, and board effectiveness this study intends to address using a contextually grounded, mixed-methods approach

2.3.2 Value of women in corporate governance and corporate governance practices

This objective aims to explore the specific contributions that women directors bring to corporate governance, such as their perspectives, skills, experiences, and leadership styles, and how these factors impact the effectiveness of governance practices within the boardroom in the existing literature

Issa and Hanaysha (2023) conducted a study aimed to assess how the presence of women on corporate boards influences environmental, social, and governance (ESG) controversies in non-financial firms across Europe. It sought to determine whether a critical mass of female directors (three or more) makes a difference in mitigating ESG-related risks. The study analyzed firms in 13 European countries from 2004 to 2021 focusing on non-financial firms. Statistical models were used to examine the relationship between board gender diversity and ESG controversies. Firms with more women on their boards were less likely to face ESG controversies. The effect was strongest when a company had at least three female board members, suggesting a threshold effect in improving governance practices. The study highlighted that gender-diverse boards tend to enhance corporate sustainability strategies and help firms avoid social and environmental risks. The study highlights the value of women in governance over their role in ESG practices. The findings of the study cannot however be applicable to the Kenyan context as it focused on countries categorized as developed countries which have different socioeconomic and macroeconomic factors. The current study will hence explore a contextual gap by focusing on the value women bring to governance in the Kenyan context.

As per Terjesen et al. (2016), there is a claim that more women on the audit committee will probably enhance the competency and efficacy of the auditing process in the financial reporting of the business. The authors conducted a comprehensive study that provided an extensive review of existing literature on board diversity, examining the impact of diverse boards on corporate outcomes and offering directions for future research. The primary objective of the study was to synthesize existing research on board diversity, assess its implications for corporate governance, and identify gaps in the literature to guide future studies. The authors conducted a systematic review of academic articles, reports, and studies related to board diversity. They analyzed various dimensions of diversity, including gender, ethnicity, and professional background, and evaluated how these factors influence board dynamics and corporate performance. From the study they

established that board diversity, particularly gender diversity, is associated with improved firm performance and contributes to stronger corporate governance practices by promoting rigorous oversight and reducing the likelihood of unethical behavior. Their study underscores the value women bring to corporate governance by improving oversight on governance practices. Their review however cannot be generalized to the Kenyan context which is the aim of the current study.

Alhababsah and Yekini (2021) assert that because female auditors are more adept at monitoring and communicating than male auditors, gender-diverse audit committees can help improve communication between auditors and company management. It is said that more women in the board audit committee promotes information exchange and avoids errors with audit reports.

Focusing on 48 family firms in Bangladesh from 2013 to 2019, Meah et al. (2021) found that female directors on audit boards are keen to details that significantly positively affects firm performance. Likewise, Amin et al. (2022) examining the role of female directors' in corporate governance with focus on listed non-financial firms in the Pakistan Stock Exchange covering 2008-2019 showed that a board audit committee with women members is positively related with firm financial performance. However, there is an empirical gap arising from lack of consensus by other researchers pertaining the influence of proportion of women in firm's audit committee on corporate governance practices as some scholars indicate no significant relationship for instance Ha (2022). Also, Ha (2022) found no correlation between gender diversity on audit committees and disclosure about corporate governance. A divergence of viewpoints exists. The legal framework guiding the appointment of female directors into audit committee in Vietnam may differ from the policy framework of listed firms in Kenya.

A study by Oradi and E-Vahdati (2021) on the role of female directors in audit committees in Iran listed firms found that firm boards with women directors in audit committees are plagued with fewer internal control weaknesses, whereas male presence on audit committee are not significantly correlated with internal control weaknesses. Similarly, Emengini et al. (2020) and Chijoke-Mgbame et al. (2020) indicated that the diversity in gender of the audit committee positively but and insignificantly affects corporate performance of Nigeria's deposit money Banks. The studies presented a gap in concepts. Where the studies only highlighted the presence of women directors in audit committee, the proposed study also introduces the role of independent women directors and how it influences governance. In addition, the studies failed to specify the proportion of

women on the audit committee of the organization that the current study intends to investigate further, aside from identifying the nature of the link between the proportion of women on the audit committee and governance, pointing to a methodology gap.

It is postulated that the presence of female directors to the board promotes board balance and independence, which in turn promotes the corporate risk monitoring, identification, and mitigation in an organization (Singh, 2020). Female directors contribute to better corporate risk management because they bring new corporate governance perspectives and due consideration of governance issues (Peng & Chandarasupsang, 2023). More board independence associated by women may help minimize agency problems that enhances corporate governance. The presence of female directors in the board, their board independence from investors' perspective promote better corporate governance. Past studies have produced difference findings regarding the role of women directors in boards in promoting corporate risk management in organizations.

For instance, a study by Zeng (2018) showed no apparent impact of female independent directors or directors on business risk management among Chinese financial listed firms. Nonetheless, the findings differ from those of Jeet (2020), which suggest that the presence of independent women directors on a board positively influences business risk management. Whether presence of independent women directors in board and its influence on corporate risk management is significant or insignificant could be a matter of personality differences thus the desire to do a research with focus to listed companies in Kenya.

Besides, Terjesen, Couto, and Francisco (2016) discovered that firms with more female directors in the risk management committee outperformed other firms in terms of market (Tobin's Q) and profitability (ROA) parameters. According to Terjesen et al (2016), more women in firm's board enhances the ability of board of directors in the firm to reduce company risks. In addition, Saha (2023) showed that presence of female directors in organizations' risk management committees significantly and positively affects firm performance. For Balsam, Puthenpurackal, and Upadhyay (2021) only among the S&P 1500 do independent female directors reduce discretionary accruals and the possibility of an accounting and auditing enforcement release. However, Singh (2020) indicated that most listed firms in India have started appointing women directors in risk

management committees did not indicate if presence of women directors in corporate risk committee had impact on performance of corporate governance.

2.3.3 One Third Gender Rule and Corporate Governance Practices

Globally, some countries have enacted rules that govern the composition of the company boards in terms of gender representation where majority country have not specific legislation that compel companies to include more women into the company's board. For instance, in Japan, though the government mandates a 30 percent composition of women in the listed organizations' boards, only 18.7 percent of organizations boards are women (Yoshie, 2023). In South Africa, although 30 percent of women is recommended in the listed companies' boards, this requirement is not anchored on any law in South Africa that mandates that businesses have female directors on their boards of directors (Bosch et al., 2022). In Nigeria, the Securities and Exchange Commission (SEC) Code requires that listed companies to set at least 30 percent of board membership to women (KPMG, 2021). However, the law is not binding among the organizations.

In Kenya, the desire to have more women included into the country's socioeconomic and political endeavors was underscored by the Kenya 2010 Constitution. The Article 27 of the Constitution stipulates no gender should occupy more than two thirds of leadership positions in public entities. Despite the existence of laws and bills, such as the Gender Bill (2018, also known as the Constitution of Kenya (Amendment) Bill), that promote women's representation in leadership and governance, organizations tasked with putting these laws into practice are having difficulty upholding them due to their weak implementation (National Gender and Equality Commission, 2016). Although the lack of a sex-disaggregated database has left the ratio of female to male participation in corporate governance incomplete, the World Bank Group (2016) notes that the data is essential for identifying important risks and opportunities in order to accelerate the advancement of women's inclusion in corporate governance and what unique skills and competencies they bring to the organization.

In this research, adherence to the third rule was investigated how it promotes the inclusion of more women in organization boards. The one third-gender rule was enforced by the CMA in 2014 to promote fair inclusion of all genders into the organizations' boards of listed firms in Kenya (Maingi, 2016). Besides, the measure was utilized to evaluate the firm's level of adherence to the 1/3 rule regarding gender diversity in the directors' board. The improvement of the outcomes

required the study to reassess to guarantee that there were limited doubt levels in the involved women roles. Hence, a double role took place whenever females in the population sample were present in many corporation boards. Bello (2023) indicated that the more females on the directors' board, the more their effect on performance of the corporation. The concept behind this consideration of the control variables was to filter out what the effect of women presence in organizations' boards would be on corporate governance practices of the listed companies. Anas et al. (2022) established that board gender diversity moderates the nexus between board characteristics and firm performance but did not specify the unique skill and competencies they bring into the organization.

2.4 Research Gaps

Though the various aspects have critical importance on corporate governance practices, the board diversity aspect in terms of women representation in the organization board has brought unending debate among scholars, practitioners and policy makers on whether women in boards play any significant role in shaping corporate governance practices of organizations (Korenkiewicz & Maennig, 2023). Simionescu et al. (2021) argued that the presence of women in the boards not only reinforces a company's culture and corporate image of diversity, but also promotes financial performance and corporate social responsibility, and are better able to monitor board authority and accountability, resulting in better governance. Similarly, Peng and Chandarasupsang (2023) demonstrated the importance of female directors' participation in promoting corporate governance practices.

Nonetheless, other researchers argue that the presence of women in the boards has minimal or no significant influence on corporate governance practices of the organization. In a study by Velte, (2019), presence of women in boards do not necessarily result to enhanced corporate governance practices or organization performance. In another study by Stellingwerf (2016) no significant evidence that an increase in female representation within the board of directors will enhance corporate risk management. Similarly, Alshirah et al. (2022) disclosed that female representation on the board of executives positively and insignificantly affects corporate performance of Jordanian companies. Furthermore, Wang (2020) argues that gender diversity in the firm could exacerbate conflicts in the organization, which in turn may result in a slower decision-making process.

Considering the arguments by the scholars in regard to the role of women in boards, there lacks consensus on how the presence of women in the companies' boards impact corporate governance. This is an indication of the existence of empirical gap that requires further interrogation. In the context of this study, the study aspires to further interrogate the roles of women in the boards and how they influence corporate governance in the context of listed companies. With very few exceptions, the corporate board's diversity, women inclusion organization board, and the involvement of women in corporate subcommittees have all been well documented in developed economies and have been linked to beneficial outcomes (Conmy, 2022; Korenkiewicz & Maennig, 2023). Nevertheless, the findings are less reported in developing markets that may pose the need to discuss and explore the importance of female presence in firms' boards to promote better governance and whether the existing firm policies and regulations concerning the constitution of boards align to this. Based on this, this research seeks investigate the value of women in boards in influencing corporate governance practices of listed companies in Kenya. Table 2.1 shows the summary of study gaps.

Table 2.1: Summary of Research Gaps

Author	Title	Key results	Knowledge gaps	Focus of this study
Amin et al. (2022)	The contribution of female directors to corporate governance in Pakistan through gender diversity on boards and audit committees	The financial performance of the company is positively correlated with the number of female directors on committee.	Contextual -The study limited itself to non-financial firms in Pakistan	The proposed study will focus at all listed firms in Nairobi securities Exchange an indication of contextual gap
Ha (2022)	Vietnam's corporate governance disclosure and	Audit committee gender diversity illustrates no association with corporate	Contextual -There is gap in perspectives. The legal framework guiding the	Focuses at Kenyan scenario in the context of listed firms

Author	Title	Key results	Knowledge gaps	Focus of this study
	audit committee attributes	governance disclosure	appointment of female directors into audit committee in Vietnam differs from the policy framework of listed firms in Kenya	
Oradi and E-Vahdati (2021)	Internal control, the gender of financial professionals, and female audit committee directors weaknesses in Iran	While male financial specialists on audit committees are linked to more internal control flaws, female directors on audit committees are not significantly associated with internal control weaknesses	Conceptual -The study presents gap in concepts. Where the study only highlighted the presence of women directors in audit committee.	The proposed study also introduces the role of women directors in risk management and how it influences corporate governance.
Emengini et al. (2020)	If gender diversity on the audit committee has an impact on business performance with an emphasis on deposit-taking Nigerian banks	The corporate performance of Nigerian deposit money banks is positively and non-significantly impacted by the gender diversity of the audit committee	Methodological - The study did not indicate the proportion of women in organization's audit committee.	The current study wishes to further explore the proportion of women in organization's audit committee and the influence they have over corporate governance practices sealing the gap in methodology

Author	Title	Key results	Knowledge gaps	Focus of this study
Chijoke-Mgbame et al (2020)	Board diversity, audit committee and performance in Nigeria	Female board representation positively and significantly affects firm financial performance	Empirical results contradict some studies that found insignificant effect of females on the audit committee and corporate performance and indication of empirical gap	This study focuses at presence of women in audit committee and its impact on corporate governance
Zeng (2018)	Independent directors, female directors and performance of financial listed companies in China	Female directors and female independent directors have no significant effect on corporate performance	Divergence of results from those that indicate that proportion of independent women directors in board has positive influence on corporate governance	Whether presence of women directors in corporate risk management and its influence on corporate governance is significant or insignificant could be a matter of personal differences thus the desire to do a research in with focus to listed companies in Kenya
Terjesen, Couto and Francisco (2016)	If the performance of the company is affected by the presence of independent and female directors	Firms with more female directors perform better in the market	Contextual - Focused at several countries with different regulatory policies governing listed firms	The proposed study narrows to situation in Kenya presenting contextual gap.

Author	Title	Key results	Knowledge gaps	Focus of this study
Singh (2020)	Corporate governance and implementation of gender diversity on Indian boards	Most of the companies have started appointing women independent directors, and there is an increasing trend over the period of 2015–2019	However, the study did not indicate if role of women directors in accountability activities had impact on performance of corporate governance indicating presence of methodological gap	The proposed study seeks to establish if role of women directors in accountability activities in board influences the corporate governance practices of listed companies in Kenya.

2.5 Conceptual Framework

Figure 2.1 shows a pictorial depiction of how variables of the proposed study are related. It encompasses the independent variables, including the role of women directors in enhancing accountability and corporate risk management, as well as board auditing activities within organizations. These variables are postulated to influence the corporate governance practices of listed firms in Kenya, which serve as the dependent variable. The study aims to depict the impact of the aforementioned predictor factors on corporate governance practices. This framework is designed to understand the relationships between the variables and their influence on corporate governance practices, thereby guiding the research methodology and analysis

Independent variables

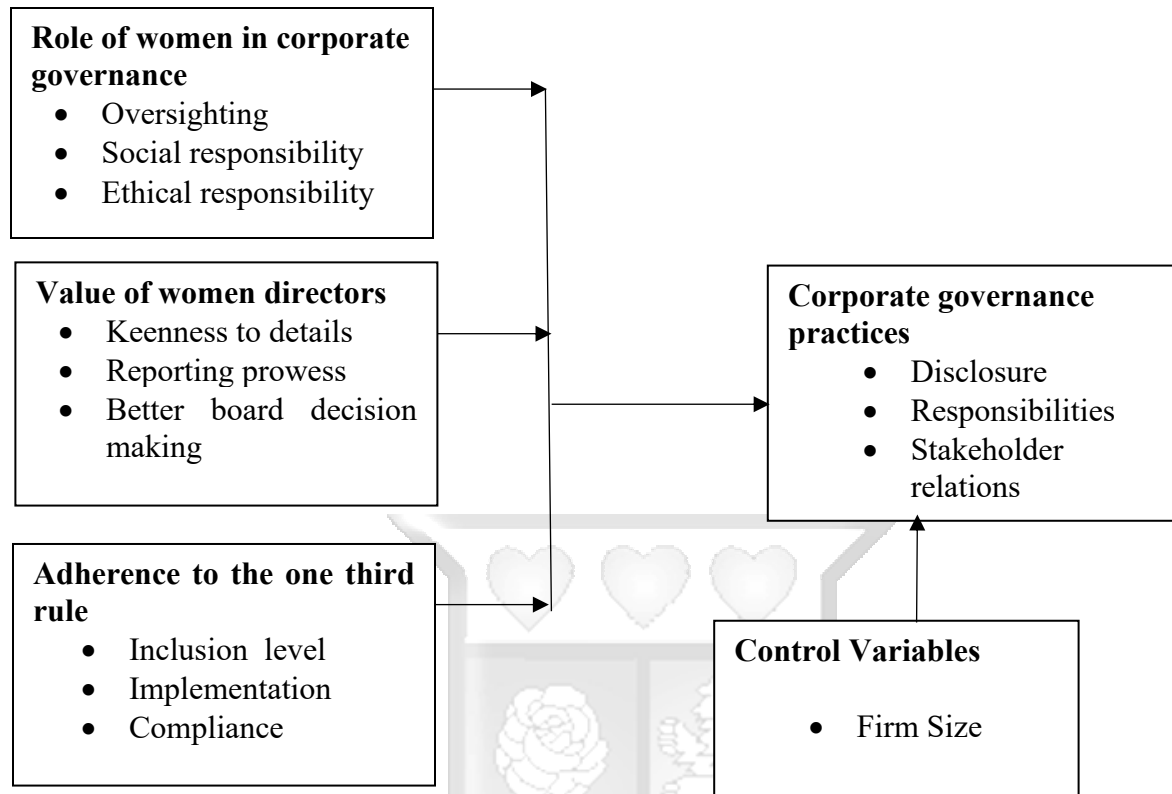


Figure 2.1 Conceptual Framework

Source: Researcher, 2024

The study's independent variables focused on role of women directors in corporate governance and the value they bring to the organization. The role of women directors in boards in enhancing cooperate governance will be measured in terms of women board members participation in organization monitoring, oversight activities, decision making and ethical responsibility. The value of women directors will be measured in terms of women keeness to details, reporting prowess and corporate risk management.

The other variable will be the one third-gender rule that will be measured as percentage of number of women board members in the organization and while the dependent variable will be the corporate governance practices of listed firms. The control variables will be firm size. It is postulated that the influence of one-third gender rule and women roles in organizations' boards will contribute to corporate governance practices of listed companies at the NSE.

2.6 Operationalization of Variables

Table 2.2 shows how each of the research variables are measured.

Table 2.2 Variable description and measurement

Variable	Description	Measurement indicators	Literature sources	Supporting Theories
One third gender rule	Refers to polices and guidelines enforced by the CMA in 2014 to promote fair inclusion of all genders into the organizations' boards of listed firms in Kenya	<ul style="list-style-type: none"> • Inclusion level • Implementation • Compliance 	Gender Bill (2018), CMA (2014) and Bello (2023)	Group Diversity Theory,
Value of women directors in boards	The benefits women directors bring to the organization	<ul style="list-style-type: none"> • Keeness to details • Reporting prowess • Better board decision making 	Zeng (2018) And Peng & Chandarasupang, 2023	Group Diversity Theory, agency theory and institutional theory
Role of women directors in boards in enhancing accountability	Involvement of women directors in monitoring and oversighting of the organization boards	<ul style="list-style-type: none"> • Effectiveness of women in corporate monitoring and oversighting • Effectiveness of women in social and 	Gaio and Gonçalves, (2022), Amin et al. (2022), Ha (2022) and López-Cabarcos et al. (2023)	Group Diversity Theory, agency theory and institutional theory

		ethical responsibility		
Corporate governance practices	system of principles, policies, procedures, defined responsibilities, and accountabilities enforced to the organization management through the board	<ul style="list-style-type: none"> • Disclosure • Responsibilities • Stakeholder relations 	Amin et al. (2022) and Ha (2022)	Agency theory and institutional theory

2.7 Summary of Literature

This chapter provided the theories that will guide the study. The theories include group diversity theory, agency theory and institutional theory. In addition, empirical review of studies conducted on corporate governance practices, role of women directors in boards in enhancing corporate governance, value of women in enhancing corporate governance in organizations. Besides, this chapter illustrated the overview of the conceptual framework and research niche. Similarly, there are different ideological reasons as to why female directors or representatives in committees could initiate a negative firm performance such as insufficient communication and emotional conflicts. The main objective of gender diversity was to improve the potential of the company to acquire enhanced market shares and gain diverse markets in the international markets. Therefore, a more diverse committee will provide advantages such as experience, knowledge, and diverse skills among for detailed and informed decisions. This research focused on exploring the effect of women directors in the various committees and companies on their performances. Moreover, the exploration tried to assess the extent of the NSE listed companies comply with the one third gender rule and policy in Kenya.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter is organized into nine sections. The sections comprise the study philosophy that was adopted, the design, population and sampling procedure selected. In addition, it presents the data collection technique, procedures, and data analysis. Furthermore, research data quality with specific to reliability and validity test of the instrument are discussed in this chapter. The chapter ends with ethical consideration and summary chapter.

3.2 Research Philosophy

Research philosophy refers to the set of beliefs and assumptions that guide the development of knowledge within a study (Saunders et al., 2019). It influences the choice of research design, methodology, and analysis. The four major research philosophies in business and social sciences are positivism, interpretivism, pragmatism, and realism. Positivism is based on the idea that reality is objective and can be observed and measured independently of the researcher (Bryman, 2016). This philosophy is rooted in the scientific method and emphasizes quantifiable data, statistical analysis, and hypothesis testing (Saunders et al., 2019). Interpretivism which is also known as constructivism, argues that reality is socially constructed and subjective (Saunders et al., 2019). Unlike positivism, which seeks objective truth, interpretivism focuses on understanding human behavior, motivations, and experiences within their social contexts (Bryman, 2016).

Pragmatism on the other hand takes a flexible approach by integrating both positivist and interpretivist perspectives, arguing that research should be driven by the problem rather than philosophical dogma (Tashakkori & Teddlie, 2010). Pragmatists believe that reality is both objective and subjective, and they use mixed methods combining quantitative and qualitative techniques to answer research questions effectively (Saunders et al., 2019). Lastly, Realism is a research philosophy that acknowledges an external reality independent of human perception but also recognizes the influence of social and contextual factors (Bhaskar, 2008).

This research was grounded in the pragmatism philosophy. The pragmatism philosophy as argued by Cooper and Schindler (2014) emphasizes solving real-world problems by combining both qualitative and quantitative approaches. It is concerned with what works best in practice. positivism (aligned with quantitative studies) or constructivism (aligned with qualitative studies),

pragmatism accepts that there can be multiple realities or truths depending on the research context. Pragmatism allows researchers to draw from both paradigms (quantitative and qualitative) to answer complex research questions effectively. (Cresswell & Cresswell, 2017). In this study, the pragmatism approach was applied as the aim of the study was to provide an objective, empirical framework to examine the role of women directors on corporate governance. This approach allowed the researcher to collect measurable data, and to statistically analyze the relationship between the presence of women on boards of NSE-listed firms and various corporate governance outcomes.

3.3 Research Design

A Research design is a roadmap to collect, measure, and synthesize data to enable a researcher to answer a set of research questions (Myers et al., 2013). According to Zikmund (2013), research design is like a compass tool providing direction to the study based on the study objectives, technique, and methodology adopted by the researcher. The explanatory sequential mixed design was deemed appropriate for this research.

According to Creswell & Creswell (2018), an explanatory sequential mixed design is a two-phase research design in which quantitative data is gathered and examined initially, followed by qualitative data that is gathered and examined in light of the quantitative findings. In this study, the quantitative data were collected using a descriptive cross-sectional approach, while the qualitative data were collected using content analysis. To improve the validity of the findings and identify any inconsistencies, it was appropriate to employ both quantitative and qualitative methodologies (Neuman & Rossmann, 2006). By combining quantitative and qualitative data, this design proved appropriate for determining if women on boards have particular roles that support corporate governance procedures of Kenyan listed companies. Deeper insights into the results were provided by the qualitative analysis, which was made possible by the quantitative analysis.

3.4 Target Population

Population is the total number of objects, people, or items to be studied (Willie, 2022). The unit of analysis was the listed firms at the Nairobi Securities Exchange. Thus, the target population was the 65 listed firms at NSE (CMA, 2023) forming the unit of analysis. Listed firms were selected because they reflected the significant corporate board guidelines that prompt companies that aspire

to be listed at NSE to have a gender diverse board (NSE, 2017). Further, Capital Markets Authority (CMA) the regulator of listed firms enact policies requiring listed firms to at least exercise gender inclusivity in the board memberships. The units of observation were the CEO and company secretary of each of the listed companies in Kenya. Each listed company had one CEO and one company secretary. In the study, the CEOs and company secretaries of the listed firms were the data collection respondents. The CEO sit in the company board meetings while company secretary is involved in the implementation and adherence of the laid company corporate governance practices including board composition, structure and size.

The inclusion of company secretaries of the listed companies at the Nairobi Securities Exchange was also crucial. In understanding role of women in boards in influencing listed firms' corporate governance practices, the inclusion of company secretaries was important. The company secretaries are involved in compiling company laws, maintaining certain company statutory requirements and making crucial filings with the regulators pertaining compliance of the company to set corporate governance laws. According to Odiase (2023) company secretaries help ensure that board directors and company comply with set rules, laws, policies, regulations and resolutions of the board or Annual General Meetings pertaining company corporate governance practices.

Thus, the study population was 130 respondents comprising 65 CEOs and 65 company secretaries. The target population comprised both female and male CEOs and company secretaries and this combination is essential for getting a variety of information. This is because getting information from both male and female CEOs/ company secretaries ensured the objectivity of the study while getting rid of biased responses. The CEOs and company secretaries have crucial information about women role on matters related to firm's corporate governance practices.

3.4.1 Sampling procedure

Sampling is process where a portion of target group is chosen as a representative of the study population in a given study (Sibley, 2021). According to Bhardwaj 2019), sampling is a deliberate selection of several members of a population as representative of the target population and where study inference will be met. The degree to which the sample size accurately reflects the population is the primary factor considered when choosing the sample.

For this study, a census sampling methodology was adopted. For company secretaries, the sample size involved all 65 company secretaries. This implied that all 65 CEOs and 65 company secretaries were purposely selected for the study.

3.5 Data Collection Methods and Procedure

Data collection methods refer to the techniques or tools employed in gathering information for the study (Taherdoost, 2021). The type of the tool used is defined by the nature or type of data to be collected. In the context of this study, a questionnaire as an instrument was employed in collecting primary data. The questionnaire was suitable because it is cost effective in collecting data from bigger population and administration. Both closed-ended and open-ended items were included in the study questionnaire. Closed ended questions have options set that the respondent will choose from while open ended helps provide additional information (Cooper & Schindler, 2014).

It was categorized into six sections, section A respondents' demographic information, Section B role of women directors in boards in enhancing corporate governance, section C value of women in corporate governance, section D adherence to the one third rule and section E corporate governance of listed firms. The study's questionnaire contained both closed and open-ended questions. The closed ended questions were in an ordinal scale of 1 to 5 where 1 was strongly disagree, 2 was disagree, 3 neutral, 4 somewhat agree and 5 strongly agree. The Likert based was appropriate in measuring respondents' opinion. The closed-end questions were also complemented by open-ended questions to capture qualitative data. During the study, the protocols, regulations, rules and ethics that pertain data collection were observed. The rules included seeking consent and assuring the respondents that the information collected was only for academic research activities.

CEOs and company secretaries of listed companies were given questionnaires to complete, and both online and drop-and-pick (physical distribution) methods were used. The completed questionnaires for the in-person distribution were gathered right away, and those who requested more time to complete the survey were given it. Before releasing the link to the online questionnaire, the researcher obtained the respondents' agreement and asked for their email address.

Further, the study collected qualitative data. The company secretaries participated in the interview session. The company secretaries are involved in compiling company laws, maintaining certain

company statutory requirements and making crucial filings with the regulators pertaining compliance of the company to set corporate governance laws including gender composition of the board. A consent through a written letter to the listed companies was sought requesting permission to engage the respondents in the interview. The researcher clearly highlighted the intention of the study, request for the appropriate time to undertake the interview session. Each of the interview session, time and venue was agreed by upon with each company secretary of the listed company. The time and venue were communicated in time. Any adjustment to the venue and time or withdrawal from the study by the company secretary were also accepted. The time for the interview took approximate 20-30 minutes. The identity of the company secretaries was concealed by using unique codes (CS1, CS2, CS3...CS65) where CS denote company secretary. Use of unique codes ensured anonymity of the participants. During the session, the interviews were tape-recorded using a tape recorder. The recording was replayed for use during content analysis.

The use of both questionnaire and interview was for facilitating the triangulation of the data findings. According Harris and Brown (2019), questionnaires help provide evidence of patterns amongst data in large populations on the other hand, the interview will help gather more in-depth insights on participant attitudes, thoughts, and actions about the phenomenon. By deploying both the questionnaire and interview, the researcher was able to get more insight information that relate to value of women in boards, their roles and how they have influenced corporate governance practices of listed firms. In addition, the use of the two tools helped to elaborate the one third-gender rule and whether promoted more women inclusion into the boards of the listed companies in Kenya.

3.6 Data Analysis

Transforming gathered data into pertinent information is known as data analysis (Hox et al., 2010). First, Microsoft Excel was used to enter the quantitative data that had been gathered. Adebisi (2013) asserts that data in Microsoft Excel can be readily converted to other data formats. The data was coded and examined in SPSS version 28.0 after being imported from Excel. Descriptive and inferential tests were used in analysis. Tables, charts, and figures were used to display the data. Tests that summarize, arrange, and illustrate the gathered data are known as descriptive tests. Descriptive findings, according to Kaur et al. (2018), aid in the simplification and visualization of

gathered data in order to understand the fundamental trends, patterns, and distribution. Descriptive and standard deviation tests were used in this investigation.

Data is simplified using mean values. The fundamental statistical test for summarizing and representing data is the mean value. In order to ascertain the average degree of agreement or disagreement regarding the roles of women directors on boards in improving accountability, board auditing, corporate risk management, compliance with the 1/3 rule, and corporate governance of listed companies, the mean values were helpful.

To draw conclusions from the gathered data, inferential tests were used (Farren, 2014). The study was able to test or draw conclusions from its hypotheses by using inferential tests. The two primary inferential methods that were chosen were linear regression and Pearson correlation. The nature and degree of link between research variables were examined by Pearson correlation (r), which ranges ± 1 . R of 0.7 or above indicates extremely strong correlation, r of 0.5-0.69 indicates strong connection, r of less than 0.49 indicates moderate correlation, r of 1 indicates perfect correlation, and 0 indicates no correlation, according to Schober et al. (2018).

Finally, the multiple linear regression was employed to investigate the role of women directors in boards in enhancing accountability, role of women in board auditing activities, role of women directors in boards in corporate risk management, adherence to the one third rule and corporate governance of listed firms. The proposed linear regression was;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots \text{Equation 3.1}$$

Where;

Y = corporate governance practices of listed firms

α is the constant of the equation

$\beta_1, \beta_2, \beta_3$ and β_4 denotes the beta coefficients of predictor variables X_1, X_2, X_3 and X_4

X_1 – one third rule level of adherence by among listed firms,

X_2 – role of women directors in boards in enhancing corporate governance among listed firms,

X_3 – value of women in promoting corporate governance among listed firms,

X_4 – firm size

ε is error term

The R-square helped determine the level of corporate governance practices of listed firms explained by role of women directors in boards, value they bring into the organization and observance of the one third rule on corporate governance practices of listed firms. The 95% confidence interval was adopted. In academic statistical tests and interpretation, 5% is the most desired value, according to Greenland et al. (2019).

ANOVA was used to examine the regression model's overall significance. The model's computed F-test was contrasted with the F-critical. Additionally, the model's computed p-values were compared to the 0.05 critical value to determine their significance level. Thus, the role and value of women directors in boards in enhancing corporate governance among the listed firms was statistically be determined at 0.05 significant level.

Content analysis approach was employed to analyze qualitative data collected through interviews. Content analysis is an analysis technique where key themes are put together in line with the key themes of the study. Various processes are involved content analysis and entails identifying, analyzing and interpreting patterns of meaning within qualitative data, identifying key themes in the responses, grouped together, interpreted and presented in prose form and reporting them in prose form. The qualitative findings were triangulated with the quantitative findings from the quantitative data collected through the questionnaire.

3.7 Model Assumption Tests

The model assumption tests included were normality test, multicollinearity, autocorrelation, linearity test and heteroscedasticity.

According to Yazici and Yolacan (2007), normality tests determine if the data's distribution is normal. The Kolmogorov Smirnov test will be used to verify the normalcy test. The data is not regularly distributed under the null hypothesis. A computed p-value of less than 0.05 indicates that the data is not normally distributed, whereas a p-value of greater than 0.05 indicates that the data is. If the data was not regularly distributed, a parametric test would be used; if the study failed the normality test, a non-parametric test would be used.

Multicollinearity was examined in this study using the Variance Inflation Factor (VIF). Multicollinearity, according to Montgomery et al. (2015) and Alin (2010), is a phenomena in

which there is a significant degree of correlation between the research variables. Excessive multicollinearity causes the model's standard errors to increase, which compromises the precision and dependability of the regression coefficients. Serious collinearity is indicated by a VIF greater than 5, and minimal collinearity is implied by a VIF less than 5 (Alin, 2010). Increasing the study's sample size or combining the linked variables into a single variable might address severe collinearity.

Heteroscedasticity is statistical phenomenon where residuals in the data are not the same (Cook & Weisberg, 1983). Thus, Heteroscedasticity tests is conducted to ascertain if the residuals in the data are homokedastic heterokedastic. Failure to account for heteroscedasticity will affect the validity of the model test. The Breusch Pagan test for heteroskedasticity was applied in the study.

3.8 Research Data Quality

Before deploying the questionnaire to actual data collection, checking for its validity and reliability is critical. Having determined both the validity and reliability of the tool, the researcher disbursed the questionnaires to the respondents. In this study, reliability and validity of the questionnaire were conducted.

3.8.1 Reliability

Reliability ascertains the internal consistency of tool, in this case questionnaire. This is extent at which data collected is free from error or degree at which data collection tool produces consistent output (Mohamad et al., 2015). In checking the reliability of the questionnaire, Cronbach alpha coefficient was employed. The technique was advanced by Cronbach (1951) and the value ranges from 0 to 1. Cronbach alpha of 0.7 and above implies the tool is consistent while Cronbach alpha below 0.7 implies the tool is not reliable (Cronbach, 1951). Nonetheless, some scholars argue that Cronbach alpha 0.6 and above is still acceptable.

3.8.2 Validity

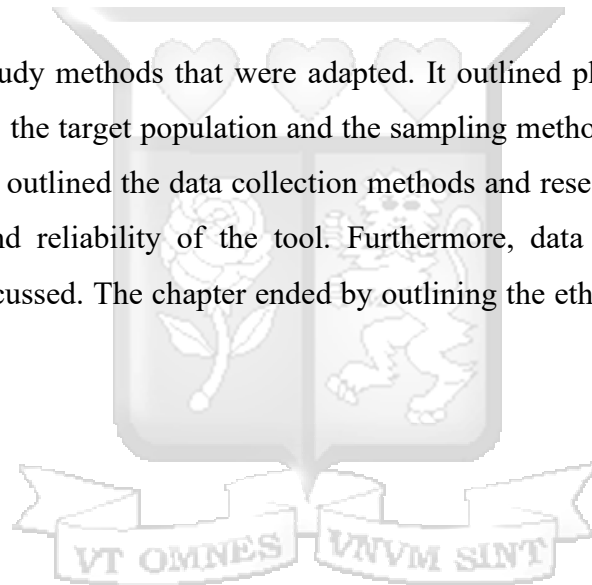
Validity measures the accuracy of the data collection tool. This study subjected the research instrument to validity test by developing the questionnaire in accordance with earlier studies carried out in the same field. In addition, expert opinion regarding corporate governance practices and gender composition of the boards in organization was sought to enhance content validity.

3.9 Ethical Consideration

Before going into the field to gather data, the required permissions, approvals, and consent were obtained. The university granted permission to conduct the study, and NACOSTI granted a research permit. Additionally, management's approval and permission to conduct research within the listed companies was requested. The participants were given the assurance that the data would only be used for scholarly study and would not be used against any of the participating individuals or organizations. The Strathmore University Ethical Review Committee was also contacted in order to obtain an ethical review authorization. Following the completion of these ethical requirements, the researcher began collecting the data.

3.10 Chapter summary

The chapter presented study methods that were adapted. It outlined philosophy paradigm to be adopted, research design, the target population and the sampling methods that will be employed. Additionally, the chapter outlined the data collection methods and research quality that involved checking the validity and reliability of the tool. Furthermore, data analysis approaches and diagnostic tests were discussed. The chapter ended by outlining the ethical issues to be observed during the research.



CHAPTER FOUR: PRESENTATION OF RESEARCH FINDINGS

4.1 Introduction

The results are presented in this chapter according to the study's objective. The aim of the study was to determine the value of women in boards in influencing corporate governance practices of NSE-listed firms in Kenya. It was to determine the extent of adherence to the one third gender rule, to determine the value of women directors in enhancing corporate governance practices and the role played by women in enhancing corporate governance practices. The data analysis results from are presented.

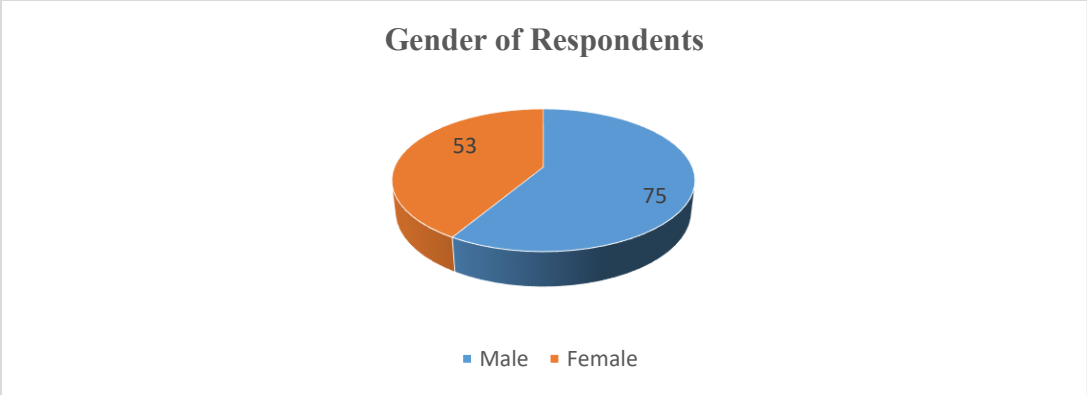
4.2 Demographic Information

A total of 130 questionnaires were issued to the respondents from the firms listed at the Nairobi Securities Exchange. The respondents targeted included 65 CEOs and 65 company secretaries who made up the 130 respondents. There was a 98% response rate since 128 of the 130 submitted responses were complete. The response rate was appropriate for concluding the information gathered. Further, 48 qualitative interviews were conducted with the key informants in the study. According to Kothari (2016), a response rate of more than 70% in an investigation is deemed sufficient for data analysis purposes. As a result, the study's questionnaire response rate fell within the permissible range for conclusions and suggestions. The company secretaries of the listed companies participated in structured interviews in addition to the questionnaire responses. The respondents' demographic data was gathered in the questionnaire's first section. The respondents' age, gender, length of time their firm has been in business, and firm size were all included in this. The findings are shown below.

4.2.1 Gender of Respondents

The researcher was interested in determining the respondents' gender representation based on their responses. This is because the study's gender variable has important ramifications. Because gender analysis takes into account a range of responses, it enhances the quality of a study. The gender analysis is displayed below in figure 4.1.

Figure 4.1 Gender of Respondents

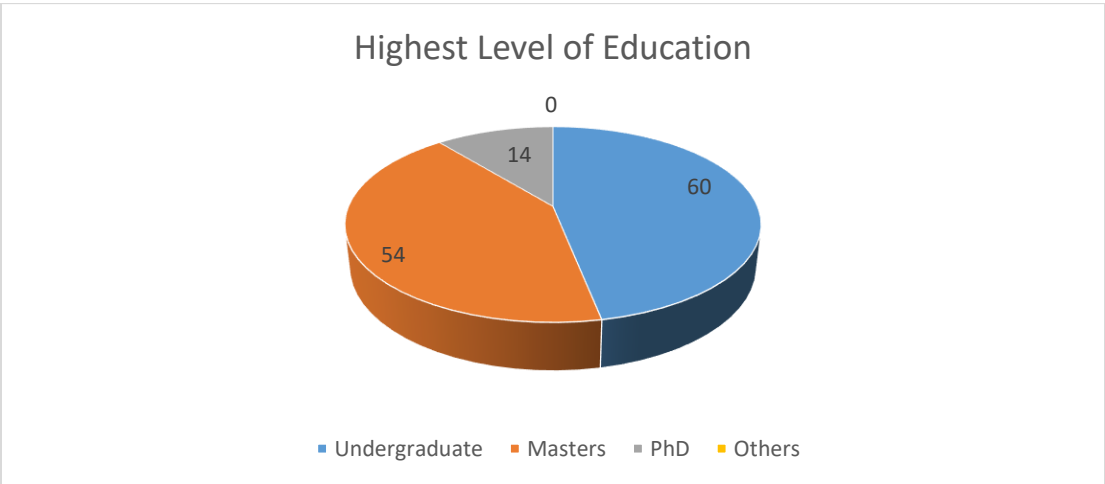


Out of all the responses, 75 people were male (representing 58 percent), and 53 people were female (representing 42 percent). According to the data, there were somewhat more men than women represented in firms listed on the NSE, as evidenced by the fact that there were more men than women participants. Even though there were more male than female respondents, the disparity in terms of the gender was not significant to produce bias in the findings. As such equal representation in terms of gender was maintained in the study.

4.3.2. Highest level of Education

The researcher wanted to determine the respondents' highest educational qualification based on the background data. In a research study, respondents' understanding of the topic under inquiry is determined by their educational attainments. As such, it was an important component of the research that was looked at. The respondents' greatest level of education is shown in Figure 4.2 below.

Figure 4.2: Highest Level of Education

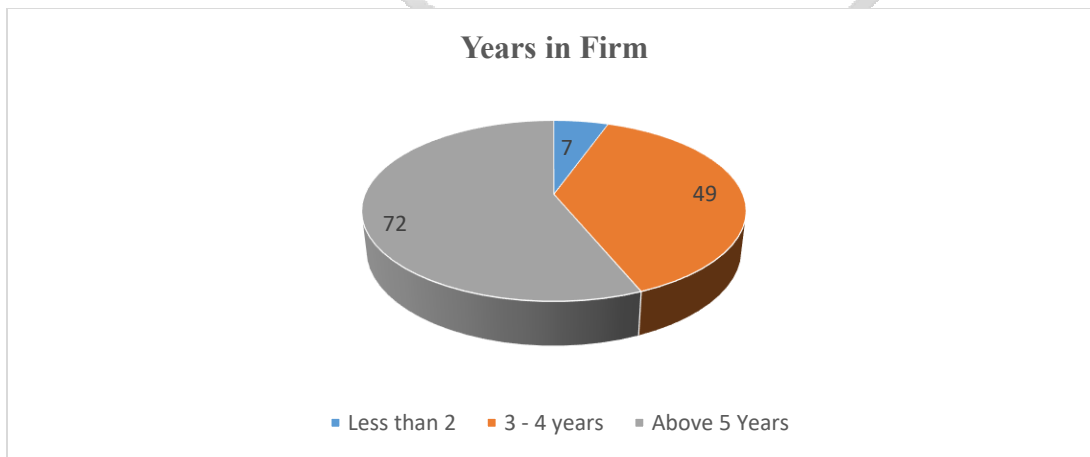


The majority of respondents had an undergraduate degree, according to the analysis's findings. 60 of the 128 responders, or 47% of the total, had a degree. Those with a Master's degree (54 respondents, or 42%) came in close second, and finally, those with a doctorate degree were 14 representing 11%. From the analysis, it was established that all the respondents had adequate knowledge of the subject under investigation based on their level of education.

4.3.3 Number of Years in Firm

The researcher was also interested in establishing the years the respondents had worked with their current employer. The results are illustrated below.

Figure 4.3: Number of years in Firm



From the results of the analysis, majority of the respondents who represented 56% (72) had worked with their current employer for more than 5 years. These were closely followed by those with between 3 and 4 years at 38% (49). Lastly, those with less than 2 years of experience with their current employer were 6% (7). This implied that most of the respondents had been in the company for a substantial amount of time and therefore were familiar with governance and operational matters.

4.4 Diagnostic Test Results

Before statistical analysis, it is necessary to establish whether the data utilized is free from errors. As such various tests are used to determine the suitability of data. These include the normality, multicollinearity, and heteroskedasticity tests which were employed in this investigation to determine the data's suitability. The Kolmogorov test was used to determine normality, the

Breusch pagan test for heteroskedasticity, and the variance inflation factors and tolerance determined multicollinearity. These tests' results are shown below.

4.4.1 Tests of Normality

The Kolmogorov test determined whether the dataset had a normal distribution. By identifying if the data is skewed, this test seeks to determine the extent of data normality. A computed p-value of less than 0.05 indicates that the data is not normally distributed, whereas a p-value of greater than 0.05 indicates that the data is normally distributed. The study employed this test to verify normality, and the results showed that the variables had a p-value greater than 0.05. The test results are displayed in Table 4.3.

Table 4.3 Test of Normality

Study variables	Kolmogorov Smirnov		
	Statistic	Df	Sig.
Role of women in corporate governance	.871	112	.723
Value of women in corporate governance	.832	112	.784
Adherence to one-third gender rule	.799	112	.773
Corporate governance Practices	.884	112	.812
Firm Size	.867	112	.875

All of the P-values in Table 4.3 above are higher than the conventional cutoff point of 0.05, indicating that all of the data came from a population with a normal distribution.

4.4.2 Tests of Multicollinearity

The variance inflation factor (VIF) is typically employed to test for this assumption. This test measures the extent to which the predicted coefficient's variance is inflated above the scenario in which there is no connection between the independent variables. Multicollinearity is indicated by a VIF value of 5, while significant multicollinearity is indicated by a VIF factor of 10. In contrast, tolerance, which is the inverse of VIF and is displayed in Table 4.4, quantifies the impact that one independent variable has on the other independent variables:

Table 4.4: Test of Multicollinearity

Variable	VIF	Tolerance
Role of women in corporate governance	1.30	0.769
Value of women in corporate governance	1.27	0.787
Adherence to the one third gender rule	1.36	0.735
Firm Size	1.38	0.712
Mean VIF	1.30	

Table 4.4 shows the VIF values ranging from 1.25 to 1.36 confirming the absence of multicollinearity.

4.4.3 Tests of Heteroscedasticity

If the variance of a response variable's errors is not consistent across the data, the heteroskedasticity assumption is made. Regression's results might be severely distorted by a high heteroscedasticity value, which weakens the analysis and increases the likelihood of a type 1 error. The study's homogeneity was ascertained by the Breusch-Pagan/Cook-Weisberg heteroscedasticity test. There is an unequal variance across groups if the test is statistically significant ($\alpha = 0.05$). The results are displayed in Table 4.5.

Table 4.5: Test of Heteroscedasticity

Breusch-Pagan / Cook-Weisberg test for heteroscedasticity		
Ho: Constant variance		
Variable: fitted values		
chi2(1)	=	0.7003
Prob > chi2	=	0.6429

From the above results, the null hypothesis of Homoskedastic error was not rejected, since the p-value was 0.6429.

4.4.4 Reliability

If a research instrument measures what intends to, it is considered reliable. Cronbach's alpha, which gauges the internal consistency of the instrument, was used in this study to assess reliability. Cronbach's alpha for the items created in the questionnaire and SPSS were used to input the data

collected using the questionnaire. Items with a Cronbach's alpha greater than 0.7 would validate the instrument's reliability.

Table 4.6 Reliability Test Results

Variables	Cronbach's Alpha	Critical Value	Conclusion
Role of women in corporate governance	0.889	0.7	Reliable
Value of women in corporate governance	0.819	0.7	Reliable
Adherence to the one third gender rule	0.798	0.7	Reliable
Firm Size	0.745	0.7	Reliable

Table 4.6 indicates that every variable had a Cronbach alpha greater than 0.7. This demonstrated how internally consistent the study's questionnaire was.

4.5 Descriptive Statistics

The overall objective was to determine the value of women in boards in influencing corporate governance practices of NSE listed firms in Kenya. It was to determine the extent of adherence to the one third gender rule, to determine the value of women directors in enhancing corporate governance practices and the role played by women in enhancing corporate governance practices. The descriptive results for these findings are presented below.

4.5.1 Role of women directors in boards in enhancing corporate governance

Determining the Role of female board members to enhancing governance was the study's first objective. Table 4.7 contains the mean and standard deviation of the variable's individual characteristics. The variable's overall mean score, as determined by the table, was 3.71 with a standard deviation of 0.30.

Table 4.7: Role of women directors in boards in enhancing corporate governance

Statements	N	Mean	Std. Dev
Women directors in this firm’s board are actively engaged in overseeing the management of the organization	128	3.81	0.50
Women sitting in the board of this firm are diligent in undertaking their monitoring activities.	128	3.62	0.50
Women in this firm’s board show greater diligence in the management of the organization by bringing different perspectives and competencies to the boardroom	128	3.60	0.49
Women directors bring new experiences to the boardroom that has helped cultivate accountability in this firm	128	3.66	0.56
Women directors in this organization have reinforced a culture of information disclosure improving organization’s accountability	128	3.56	0.50
Women presence in the organization’s boards enhance better and prompt decision-making	128	4.01	0.49
Overall mean Score	128	3.71	0.30

The data in the table reflects the role of women directors on boards in enhancing corporate governance across six specific statements. Overall, the mean scores indicate a generally positive perception of women's contribution to corporate governance, with an overall mean score of 3.71 and a relatively low standard deviation of 0.30, suggesting consistency in responses. The highest-rated statement, with a mean score of 4.01 and a standard deviation of 0.49, indicates that respondents strongly agree that the presence of women on the board enhances better and prompt decision-making. This suggests that women directors are viewed as making a significant impact in improving the board’s decision-making efficiency. Other notable aspects include women directors being engaged in overseeing management (mean = 3.81), reflecting their active participation in governance, and bringing new experiences that help cultivate accountability (mean = 3.66). Respondents also felt that women directors were diligent in monitoring (mean = 3.62) and contributed to the disclosure of information (mean = 3.56), although these areas had slightly lower agreement.

The data highlights the positive role of women on boards, emphasizing their influence in decision-making and accountability while showing some variability in perceptions of their contributions to monitoring and information disclosure.

On the role of women directors in boards of NSE listed firms, other ways in which women directors have enhanced accountability were examined. From the responses analyzed, majority of the respondents mentioned that the appointment of female directors has improved board processes and governance outcomes by bringing up tougher issues that lead to better decisions and results. Additionally, they also mentioned that the appointment of female directors enhances ethical management and is crucial in attracting and retaining talent.

4.5.2 Value of women in corporate governance

Determining the role of women in corporate governance was the study's second objective. Table 4.8 contains the mean and standard deviation of the variable's distinct properties. The variable's overall mean score, as determined by the table, was 3.78 with a standard deviation of 0.30.



Table 4.8: Value of women in corporate governance

Statements	N	Mea	
		n	Std. Dev
Women directors in the board are keen to details hence provision of quality audit reports	128	3.56	0.50
Women in the board are more proactive thus help in enhancing the efficacy of the auditing process.	128	3.78	0.50
Women in the board are diligent in reporting audit information in the company	128	3.60	0.49
Women in the board are more effective in communicating audit reports	128	3.66	0.56
Women on corporate boards can increase board effectiveness by reducing the level of conflict and ensuring high quality of board development activities	128	4.01	0.50
Presence of the woman on the audit committee have helped strengthened the dependability of the audit reports in the organization	128	4.01	0.49
Women presence in the firm's board promotes board balance and independence that enhance the corporate risk monitoring	128	4.16	0.45
Women presence in the firm's board promotes board balance and independence that enhance prompt identification of operational risks	128	3.77	0.60
Female directors contribute to better corporate risk management as they bring a broader perspective and careful consideration of issues	128	3.55	0.48
Women directors in the board display independent mindsets that help reduce corporate agency costs and improve corporate governance	128	3.85	0.50
Female directors report higher concerns regarding risks that firm's products, services and reputation	128	3.54	0.66
Female directors display careful approach to firm risks that may in turn influence board's monitoring ability and its decision-making process	128	3.89	0.56
Overall mean Score	128	3.78	0.30

The data in Table 4.8 highlights the value of women in governance, particularly in enhancing audit processes, promoting board effectiveness, and strengthening risk management. The overall mean score of 3.78 and a standard deviation of 0.30 indicate a generally positive perception of women's contribution to corporate governance, with relatively consistent responses. The highest-rated statement, with a mean of 4.16 and a low standard deviation of 0.45, underscores that women's

presence on boards promotes balance, independence, and enhances corporate risk monitoring. Similarly, women are viewed as contributing to board effectiveness by reducing conflicts and strengthening audit report dependability (mean = 4.01). This suggests their strong role in both governance and oversight. Women directors also scored well in proactive auditing roles, communication of audit reports (mean = 3.66), and risk management, with a score of 3.89 indicating their careful approach to firm risks. However, slightly lower scores were observed for their detailed approach in quality audit reporting and broader risk concerns, with means of 3.56 and 3.54, respectively.

Overall, the data points to a consistent recognition of the value that women bring to corporate governance, particularly in audit quality, risk management, and promoting board balance and independence. Apart from the descriptive findings, respondents were asked to list other ways in which women enhance corporate governance in the listed firms. Among the responses given, it was established that the presence of female directors improves board efficiency through increased board development activities and lower board conflicts by encouraging open debate which enhances the boards strategic and operational control. Other responses given included their ability to offer different perspectives that are attributable to different leadership styles.

4.5.3 Adherence to the One Third Rule

Determining the board's compliance with the one-third gender rule was the study's last independent variable. Table 4.9 contains the mean and standard deviation of the variable's individual properties. The variable's overall mean score, as determined by the table, was 4.01 with a standard deviation of 0.40

Table 4.9: Adherence to the One-Third Rule

Statements	N	Mean	Std. Dev
This firm has adhered to the Constitution of Kenya 2010 requirement to at least have more women represented in an organization	128	4.01	0.50
This firm has abide by the CMA obligatory to exercise gender inclusivity in the constitution of board memberships of the firm.	128	4.16	0.50
The number of female board members in this organization is at least 30% of the total board size	128	3.89	0.49
The composition of the firm’s board in terms of the executive and non-executive directors abides to the third rule	128	3.99	0.56
Overall mean Score	128	4.01	0.40

For this variable, the descriptive statistics were computed. The information from Table 4.9 indicates a strong adherence to the one-third gender rule, as outlined in the Constitution of Kenya 2010 and enforced by the Capital Markets Authority (CMA). The overall mean score of 4.01 and a standard deviation of 0.40 suggest a positive and consistent alignment with gender inclusivity requirements across the firms surveyed. The highest mean score of 4.16, regarding compliance with CMA guidelines on gender inclusivity, shows that most organizations prioritize including women in board memberships. Additionally, adherence to the constitutional requirement of female representation (mean = 4.01) and maintaining at least 30% female board members (mean = 3.89) reflects significant progress towards gender equality in corporate governance.

The data also highlights compliance with the rule governing the composition of executive and non-executive directors, with a mean score of 3.99. Overall, the findings suggest strong organizational efforts to meet gender representation benchmarks in corporate boards, demonstrating a commitment to inclusivity and legal requirements.

4.5.4 Corporate governance Practices of listed firms

This was the study’s predictor variable. Table 4.10 provides the mean and standard deviation of the variable's distinct properties. According to the table, the variable's mean score was 3.63 overall, with a standard deviation of 0.48

Table 4.10: Corporate Governance Practices of Listed Firms

Statements	N	Mean	Std. Dev
Because of women presence in the board, the disclosure of company's information both financial and non-financial information has been enhanced	128	3.48	0.50
There is effective board oversighting because of a gender balanced board that comprise both male and female board members	128	3.49	0.50
The gender diverse board is effective in diligently carrying out its responsibilities that include oversighting the company	128	3.60	0.49
The company is more accountable in its business activities because of a gender diverse board that comprise both male and female board members	128	3.56	0.56
Because of a gender diverse board, the company is transparent in undertaking its business activities	128	3.54	0.39
There is improved efficiency in the company day to day owing to a gender diverse board overseeing the corporate governance of the company	128	3.76	0.48
By observing a gender diverse board the company has seen its corporate governance practices significantly improved	128	3.99	0.34
Overall mean Score	128	3.63	0.48

The dependent variable in the study was corporate governance. The descriptive statistics for the various aspects of corporate governance were then obtained. The table illustrates the role of gender diversity, particularly the inclusion of women on corporate boards, in enhancing corporate governance. With an overall mean score of 3.63 and a standard deviation of 0.48, the data reflects a positive influence of gender-balanced boards on corporate governance practices within listed firms. Key attributes show improvements in transparency, accountability, and board oversight. The highest mean score (3.99) indicates that companies observed significant improvements in corporate governance due to gender diversity on their boards.

Additionally, the results suggest that a gender-diverse board improves daily operational efficiency (mean = 3.76) and the diligent performance of board responsibilities (mean = 3.60). However, lower scores, such as for information disclosure (mean = 3.48), indicate areas where governance could be further strengthened. Overall, the presence of women on boards is perceived to enhance governance practices, fostering accountability and transparency within organizations

4.7 Inferential Statistics

The study further established inferential statistics from the data collected. These included correlations and regression analysis for the data collected to establish a causal relationship between the variables. The results of this analysis are explained below.

4.7.1 Correlation

The Pearson's correlation is a statistical measure that establishes the magnitude and direction of relationships between the independent and dependent variables. This measure was used to determine the direction and magnitude between the value of women in boards and their contribution to corporate governance practices. The results are illustrated in table 4.11 below

Table 4.11 Correlation Analysis



Correlations

		Role of Women	Value of Women	One-Third Rule	Firm Size	Corporate Governance Practices
Role of Women	Pearson Correlation	1	.822**	.416**	.315**	.501**
	Sig. (2-tailed)		.000	.001	.001	.000
	N	128	128	128	128	128
Value of Women	Pearson Correlation	.822**	1	.659**	.159**	.654**
	Sig. (2-tailed)	.000		.000	.002	.000
	N	128	128	128	128	128
One-Third Rule	Pearson Correlation	.416**	.659**	1	.102*	.357**
	Sig. (2-tailed)	.001	.000		.004	.002
	N	128	128	128	128	128
Firm Size	Pearson Correlation	.315**	.159*	.102*	1	.297*
	Sig. (2-tailed)	.001	.002	.004		.003
	N	128	128	128	128	128
Corporate Governance Practices	Pearson Correlation	.501**	.654**	.357**	.297**	1
	Sig. (2-tailed)	.000	.000	.002	.003	
	N	128	128	128	128	128

** . Correlation is significant at the 0.01 level (2-tailed).

The correlation results from the inferential statistics indicated the magnitude and direction of the value of women in board and its influence on governance practices in public listed companies in Kenya. The first aspect was the role of women directors in corporate governance with a correlation value of 0.501 and a significant p-value of 0.000. This indicated that the role of women directors in boards of NSE-listed firms and corporate governance practices move in the same direction. The second aspect which was the value of women in corporate governance also had a significant positive correlation with corporate governance practices. This aspect had a correlation value of 0.654 and a significant p-value of 0.000. indicating that as the value of women in corporate governance increases, so do corporate governance practices.

Finally, adherence to the one-third gender rule had a significant positive correlation with corporate governance practices with a correlation value of 0.357 and a P-value of 0.000 this indicated that as adherence to the rule increases, there is an overall achievement of corporate governance objectives. The controlling variable which was firm size had a correlation of 0.297 and a P-value of 0.000 this indicated that as firm size increases, there is an overall achievement of corporate governance objectives

4.7.2 Regression Analysis

The regression model was used to establish causation between the independent variables and the dependent variable. The results are shown below.

Table 4.12: Model Fitness

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.634 ^a	.401	.284	.193718

From the model fitness, it can be determined that the multiple linear regression model was adequate in explaining the relationship between the role of women directors in the board and corporate governance practices. From the above table 4.12, the independent variables were adequate in explaining corporate governance as shown. This is further established by the 0.492 R

square value. This suggests that 40.1% of the variances in corporate governance procedures can be explained by the representation of women on the boards of NSE-listed companies. These results are also predicated on the model's suitability. The independent factors and corporate governance procedures have a substantial link, as seen by the 0.634 R-value. A modified form of the R-square statistic that takes into consideration the number of predictors (independent variables) in the model is the adjusted R-square value, which is 0.284. It offers a more accurate indicator of a model's goodness-of-fit, especially when there are several predictors present. The analysis's adjusted R square also shows how well the regression model fits the data.

Table 4.13: Analysis of Variance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.802	4	0.467	9.234	.000 ^b
	Residual	2.974	123	.033		
	Total	4.776	127			

a. Dependent Variable: Corporate Governance Practices

b. Predictors: (Constant), Role of Women, Value of Women, One-Third Rule, Firm Size

Table 4.13 indicates that the model is significant, with a 9.234 F statistic and a 0.000 p value. This establishes that the independent variables are adequate in explaining changes in corporate governance practices.

The regression analysis displayed in table 4.14 shows the magnitude of influence the dimensions of women leadership in boards have on corporate governance practices. The findings of the regression analysis showed a significant positive correlation between corporate governance procedures and the involvement of women in corporate governance (β 0.678, P 0.000). Therefore, a 0.678 unit improvement in total corporate governance would result from a one unit increase in the involvement of women in corporate governance. Additionally, a substantial positive correlation was found between corporate governance and the value of women in corporate governance (β 0.593, P 0.000).

Table 4.14: Regression Coefficients

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.832	.678		1.732	.000
1 Role of Women	.678	.079	.236	2.728	.000
Value of Women	.593	.073	.125	3.462	.000
One-Third Rule	.497	.090	.303	3.931	.000
Firm Size	.234	.078	.207	3.216	.001

a. Dependent Variable: Corporate Governance Practices

This can be interpreted as: a unit change in value of women in corporate governance subsequently enhances corporate governance practices 0.593 units. Furthermore, a positive significant causal relation was established between adherence to one third gender rule and corporate governance practices (β 0.497, P 0.000). This means that a unit change in Adherence to one third gender rule subsequently enhances corporate governance by 0.497 units. Finally, a positive significant causal relation was established between firm size and corporate governance practices (β 0.234, P 0.001). This means that a unit change in firm size subsequently enhances corporate governance by 0.234 units

The regression output was:

$$Y = 1.832 + 0.678X_1 + 0.593X_2 + 0.497X_3 + 0.234X_4$$

Where

Y = Corporate governance practices

X₁ – Role of women in corporate governance,

X₂ – Value of women in corporate governance,

X₃ – Adherence to the one third gender rule.

X₄– Firm Size

4.7.3 Qualitative Study findings

Apart from the quantitative results, qualitative data was also obtained from the study respondents on the contribution of female directors to corporate governance in publicly listed companies. This data was analyzed through content analysis and several themes emerged as listed below

4.7.3.1 Participation of women in corporate governance

From the interviews conducted, the respondents acknowledged the role women play in corporate governance practices within the firms both at the senior management level and at the board level. However, it was established that limited women empowerment has prevented them from taking up top leadership positions compared to their male colleagues. One respondent noted that data on gender composition is hardly published by the listing authorities. It was however established that there has been significant progress in enhancing women's participation in governance as evidenced by an increase in the number of women appointed to the board of directors

4.7.3.2 Adherence to CMA gender Inclusivity requirements

From the study, it was established that female representation in the boards remains low. This was established as one respondent opined that *“the general representation of women on Kenyan in the boards of NSE listed companies is quite scanty and initiatives to promote gender representation through policies is yet to be seen.”* According to another company secretary, data on board gender diversity among the NSE-listed firms can be obtained from the Capital Markets Authority (CMA). However, this data is yet to be harmonized and streamlined and therefore does not present an accurate representation of women in the boards of listed firms. From the gender representation, it was however established that gender representation among the NSE boards has been followed by majority of the firms. This means that for these boards, requirements on gender inclusivity on the boards has been followed. As one respondent opined *“gender representation is a critical issue among listed firms in Kenya. Not only is it a requirement as per CMA listing, but it is also a requirement of the constitution.”*

4.7.3.3 Board composition ratio

In board composition, majority of the respondents mentioned a general increase in gender composition noting that there was a general increase in the ratio of women in the board. For one firm, a respondent noted that *“our company has recently joined the 30% club, a global campaign to increase female representation to the board and we have accomplished this by increasing the number of women in the board.”* For other respondents, the number of women directors ranged from a minimum of one to a maximum of six board members. On average the number of females to male representation was 2:10 based on these responses.

From the interviews conducted, it was evident that even though the gender representation has increased among listed firms in Kenya, the number of female board members remains below the minimum threshold as per the CMA listing requirements. This is also contrary to the requirement of Kenya Constitution (2010), according to which, not more than two-thirds of any one gender should occupy leadership positions. This was noted by one of the respondents who is a company secretary to an NSE listed firm in which the government is a majority shareholder. According to him, *“in this firm, the major shareholder is the government and as such, the requirements of the constitution on gender representation is critical. However, this has not yet been achieved and there is minimal follow-up to ensure that it is implemented.”* The representations of women in governance, therefore, still lower than anticipated in the national legal and regulatory requirements as well as is required by CMA listing requirements in Kenya.

4.8 Summary of Findings

The primary goal of the study was to determine the value of women directors in influencing corporate governance practices among NSE listed companies in Kenya. To this end, qualitative and quantitative data was obtained from a total of 128 respondents and analyzed using an explanatory sequential mixed design. From this analysis, descriptive and inferential statistics was collected and results presented. From the preliminary diagnostic tests done, the reliability of the data obtained was analyzed confirming the reliability of the results indicated by the Cronbach's alpha values which ranged between 0.79 and 0.90. Additionally, multicollinearity tests confirmed the lack of multicollinearity between the variables. Tests of heteroskedasticity also confirmed that the variance of the errors of the response variable were uniform throughout the data with a Breusch pagan heteroskedasticity test that was above the significant value of 0.05.

On the background information of the respondents, more women than men responded to the questionnaire having a total response rate of 58% from men while having 42% representation from the women. On the level of education, majority of the respondents had an undergraduate qualification, closely followed by those with a master's degree and lastly those with a PhD registered the least number of responses. The years of experience for each respondent was also crucial in analyzing the respondent profile. For this, majority had over five years of experience indicating sufficient knowledge of governance practices in their respective firms.

A descriptive analysis of the findings indicated mean values for both independent and dependent variables in the study. From the descriptive results, individual aspects of the independent and dependent variables were examined with mean values for all responses including standard deviations were calculated. On the first variable which was to determine the role of women directors in boards in enhancing corporate governance, an overall mean score of 3.71 with a standard deviation of 0.30. This indicated that most respondents agreed with the questions asked and the low standard deviation indicated a low variability across all responses. On the second variable which was to determine the value of women in corporate governance, the overall mean response was of 3.78 with a standard deviation of 0.30. this also indicated that most respondents agreed with the questions asked and the low standard deviation indicated a low variability across all responses.

The third independent variable was to determine the board's adherence to the one third gender rule. On this variable, the overall mean score was 4.01 with a standard deviation of 0.40 indicating that respondents mostly agreed with the statements. Finally, descriptive statistics for the dependent variable was computed this was to determine corporate governance among the listed firms. From the responses, an overall mean score of 3.63 with a standard deviation of 0.48 was recorded indicated an above neutral response from the respondents. To establish correlation and causation, inferential statistics on the variables were obtained. From this analysis, the role of women directors in corporate governance which had a correlation of 0.501 with a significant p-value of 0.000. the value of women in corporate governance also had a significant positive correlation with corporate governance practices. This aspect had a correlation of 0.654 with a significant p-value of 0.000. The adherence to the one third gender rule had a significant positive correlation with corporate governance practices of 0.357 and a P-value of 0.000. the positive correlations between the independent and dependent variables indicated that the variables move in the same direction.

Causation was determined through the multiple linear regression model in which the independent variables were modelled against the dependent variable. From the regression analysis, an R square value of 0.401 was obtained indicating that 40.1% variations in the dependent variable were because of changes in the independent variable. Also, a p-value of 0.000 indicated that the regression model was adequate in explaining the relationship between the independent and dependent variables. On the regression coefficient, results established a positive notable relationship between the role of women in corporate governance and governance practices (β 0.678, P 0.000). This means that a unit rise in the role of women in corporate governance would cause a 0.678-unit improvement in overall corporate governance.

Also, positive significant relationship was also established between the value of women in corporate governance and corporate governance practices (β 0.593, P 0.000) indicating that a unit change in value of women in corporate governance subsequently enhances corporate governance practices 0.593 units. Finally, the adherence to the one third gender rule had a significant positive correlation with corporate governance practices of 0.357 and a P-value of 0.000. This means that a unit change in Adherence to one third gender rule subsequently enhances corporate governance by 0.497 units.

The qualitative results on the other hand revealed more insights on corporate governance practices among listed firms in Kenya. Female representation in boards has been acknowledged by respondents representing all firms not only as a listing requirement but also due to the positive contribution made by women in governance matters including improving accountability and oversight. However, the ratio of female representation is still low contrary to expectations due to limited female empowerment that discourages them from taking leadership positions. Adherence to gender inclusivity also remains low however, a notable improvement has been seen in the recent years.

The above results mirror the findings established by several authors including Terjesen, Couto and Zeng (2018) who established that Female directors and female independent directors have no significant effect on corporate performance. Also the findings mirror findings by Chijoke-Mgbame et al (2020) who found that Female board representation positively and significantly affects firm financial performance in a study on Board gender diversity, audit committee and financial

performance in Nigeria. They however contradict findings by Ha (2022) who established that Audit committee gender diversity illustrates no association with corporate governance disclosures.



CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter concludes the aforementioned study, discusses the study's summary, makes a conclusion regarding the results, and makes suggestions for future research and policy interventions based on the study's goals. The chapter concludes with a discussion of the limitations that were encountered and recommendations for further research based on these constraints.

5.2 Summary of Results

The objective of the study was to achieve these objectives, the study was then guided by three specific objectives which were to assess the adherence level of the one third rule on gender diversity by the public listed firms, investigate the value that women directors have that enhance governance within the boards of publicly listed companies and to assess how the roles of women directors influence corporate governance practices of boards of public listed companies in Kenya. The study was pegged on three main theories which included the group diversity theory, agency theory and institutional theory all of which highlight the positive contribution to be achieved by incorporating gender diversity in governance for the interest of shareholders and other organizational stakeholders.

To achieve the said objectives, an explanatory sequential mixed design was adopted in which primary data was obtained from the CEO's and company secretaries of 65 listed firms in Kenya through closed-ended questionnaires and structured open-ended interviews on the subject matters. Data analysis was made using SPSS version 28.0 in which descriptive and inferential statistics were computed. Additionally, content analysis was used in analyzing the qualitative responses from which several key themes emerged.

The findings from the study highlight the role played by women directors in boards in enhancing corporate governance. By establishing a strong positive correlation between this variable and corporate governance, the study establishes the role played by women in ensuring governance practices are upheld. Female directors are critical in governance among listed firms in Kenya. By establishing a positive correlation between the role played by women directors in boards in enhancing corporate governance and governance practices of 0.501 the findings conform that as the role played by women increase, so does corporate governance practices. Additionally, the

regression coefficient between the variable and governance practices of 0.678 confirms causation between the two variables confirming a strong positive relationship between the two variables.

The findings from the study also highlight the value of women in corporate governance also had a significant positive correlation with corporate governance practices. This aspect had a correlation of 0.654 indicating strong magnitude and direction between the variable and the dependent variable. Further, a strong positive significant regression coefficient of 0.593 was obtained between the variable and the dependent variable. Finally, the final variable which was adherence to the third gender rule had a positive correlation with corporate governance practices with a correlation coefficient of 0.357 and a regression coefficient of 0.497.

The study also conducted in depth qualitative interviews with company secretaries of the 65 listed firms obtaining qualitative data on women representation in the boards of governance of the listed firms. From these results key themes emerged from the data. In the first theme which was the participation of women in governance matters, majority of the respondents acknowledged the positive contribution brought by women directors in boards of governance. Despite this acknowledgement of the value of women in these positions, they argued limited women empowerment has prevented them from taking up top leadership positions compared to their male colleagues among the limited firms thereby limiting the effectiveness of the boards. On a positive note however, they noted that there has been a noticeable improvement in female representation overtime.

Additionally, a second theme that emerged from these findings was the adherence to the Capital Markets Authority (CMA) gender inclusivity requirements. From this theme, it was acknowledged that data on board gender diversity among the NSE listed firms is usually published by the Capital Markets Authority (CMA). However, this data is yet to be harmonized and streamlined and therefore does not accurately represent current female leadership in the boards of listed firms. It was however established that gender representation among the NSE boards has been followed by majority of the firms listed. Finally, the board composition ratio was established. From the analyzed responses, it was evident that even though the gender representation has increased among listed firms in Kenya, the number of female board members remains below the minimum threshold as per the CMA listing requirements. This is also contrary to the requirement of Kenya Constitution

(2010), according to which, not more than two-thirds of any one gender should occupy leadership positions.

5.3 Discussion of Findings

5.3.1 Role of women directors in boards in enhancing corporate governance

The results from this study highlight the value and role women bring in corporate governance matters among listed firms. By establishing positive relationship between the role played by women in enhancing governance practices, the quantitative findings of a significant positive causation between their roles and increased corporate governance practices is a testament to the role attached to their form of leadership. This is also confirmed through the qualitative findings in which their role is emphasized as they enhance oversight and accountability in Firms. These results confirm the sentiments by Simionescu et al., (2021) who established that more inclusion of females in the organizations' boards add more value to the corporate governance practices and corporate performance. Also, Wasserman (2023), women board directors contribute to board performance since they are adept at enhancing corporate social responsibility, strategy improvement, enhanced corporate monitoring, and oversight while offering new ideas that bring revolution to the management of the organizations

5.3.2 Value of women in corporate governance

The value of women in corporate governance of listed firms in Kenya has also been established in this study. From the positive relationship established between the value of women in governance and corporate governance practices, the results from this study confirm the sentiments of Terjesen et al. (2016), who notes that more women in governance particularly in an audit committee will probably enhance the competency and efficacy of the auditing process in the financial reporting of the business. They also support arguments by Alhababsah and Yekini (2021) who assert that because female auditors are more adept at monitoring and communicating than male auditors, gender-diverse audit committees can help improve communication between auditors and company management. Additionally, the presence of female directors to the board promotes board balance and independence, which in turn promotes the corporate risk monitoring, identification, and mitigation in an organization (Singh, 2020).

5.3.3 Adherence to the one-third rule

The establishment of positive causation between adherence to the one third gender rule and corporate governance practices indicated that an increase in female representation among directors of NSE listed firms in Kenya improves corporate governance. These findings confirm the arguments by Terjesen, Couto, and Francisco (2016) who established that firms with a greater percentage of female directors in the risk management committee outperformed other firms in terms of market (Tobin's Q) and profitability (ROA) parameters. Additionally, qualitative findings also confirmed these sentiments showing a general increase in the ratio of women directors among NSE listed firms in Kenya. These results support the findings by Terjesen et al (2016) who argued that more women in firm's board enhances the ability of board of directors in the firm to reduce company risks. In addition, Saha (2023) showed that presence of female directors in organizations' risk management committees significantly and positively affects firm performance.

The findings of this study has several theoretical implications. According to the group diversity theory, diverse groups in organization compared to homogenous groups are more innovative, creative and support in diverse opinion that aid proper decision-making. The theory has been applied in the study of board effectiveness and aids in understanding how listed companies in Kenya can constitute a gender diverse and effective board that provide counsel and advice to the company board. It contends that a properly constituted board brings diverse talents, skills, expertise and experiences to the listed companies. An effective board is likely to result in better corporate governance activities and practices the findings from this study hence support the theory's assumptions which advocate for gender diversity

The findings also support the assumptions of the agency theory which explains that corporate management of listed firms as a shared goal that serves to align the interests of shareholders to that of managers. Therefore, the inclusion of women in the board of organization is meant to bring some competencies and virtues associated with women like being keen to details, which is a critical aspect when it comes to financial reporting and auditing. Finally, the last theory is the institutional theory which is relevant in structuring a gender diverse organization board for good corporate governance practices. Institutional theory is a vital theory whose premises are useful in addressing board structures of an organization as it advocates for the creation of efficient and effective corporate boards of listed companies guided by rules, routines, norms and schemes. In the context

of the study, the inclusion of more women in boards of listed companies can only be achieved if there are specific guidelines, values and rules that obliges the organization to do so.

5.4 Conclusions

The objective was to determine the value of women directors in influencing corporate governance among publicly listed firms in Kenya. From this study, the following can be concluded:

First, the role of women in governance was examined. This included an examination of several aspects such as their role in oversight of company activities, overall company monitoring, their role in enhancing accountability and disclosure. Additionally, their role in bringing new experiences and promoting prompt decision making was also examined. From the study, it can therefore be concluded that the role played by women in boards of listed companies in Kenya have positively contributed to improved corporate governance practices. Additionally, the value of women in corporate governance among listed companies in Kenya has been seen through their proactive nature in attending to company matters, Their attention to detail when evaluating company reports such as audited statements and their diligence in reporting

Additionally, values such as improved communication, lowered conflict of interest and operational risks and improved independent thinking are some of the positive contributions made by women directors in the boards of NSE listed companies. It can be therefore concluded that the value women directors bring to these boards has a positive impact on corporate governance. Finally, the adherence to the one third gender rule has been examined in the study. This includes requirements by the listing authorities such as the NSE listing rules, the CMA rules on gender diversity and the requirements of the Constitution of Kenya 2010 on gender representation. From the data examined, it can also be concluded that adherence to these rules positively impact corporate governance. However, it should be noted that gender representation still remains an issue for some of the NSE listed companies as the ratio of women still remains low despite recent efforts to improve their representation.

5.5 Recommendations

5.5.1 Recommendations for Practice

The study revealed that the various aspects of role women play in governance improve overall corporate governance. The study thus recommends that companies listed by the NSE should continually emphasize the positive values women directors bring in governance. To encourage governance practices, boards should incorporate female representation based on the contributions they bring such as in promoting accountability, oversight and independent thinking. Selection of women representation should therefore be based on their expertise in these areas.

5.5.2 Recommendations for Policy

Additionally, the study recommends more strict measures to ensure compliance with the one third gender rule in the boards of NSE listed companies. The Capital market authority and the NSE regulatory listings should be at the forefront in ensuring total compliance with the one third gender rule based on the positive contributions made by women in boards such as promoting communication, enhancing decision-making, monitoring company risks and increasing the quality of financial reporting

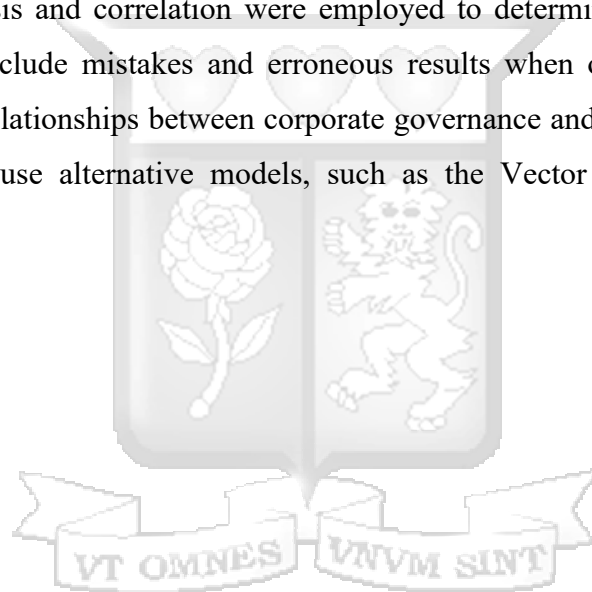
5.6 Limitations of the Study

The study focused on NSE-listed firms in Kenya. As a result, the major limitation of the study is that the findings cannot be generalized to the entire corporate sector in Kenya. This is because majority of companies are not listed hence, they operate on individual company-specific governance requirements. The focus of study was also on the role of women in corporate governance practices. Specifically, the study focused on three dimensions of female leadership. Realistically, other factors are likely to impact corporate governance such as board size and experience which were not considered in the study. Adding these factors may yield different results altogether. Regression and correlation analysis were used in the data analysis procedure. When factors change, this analysis can occasionally produce inaccurate and deceptive results, hence the researcher could not correctly generalize the study's conclusions. Additionally, adding any data to the model could result in different outcomes.

5.7 Suggestions for Further Research

More studies should focus on the gaps that this study uncovered. This study was on the value of women directors in enhancing corporate governance practices among NSE-listed firms in Kenya. Therefore, a similar investigation can be done in other sectors such as public sector or the NGO sector. Future research should concentrate on additional variables such board size, experience, organizational structure, compensation, and organizational culture, as the study did not cover all the aspects that affect corporate governance. Knowing how each factor influences corporate governance will help management put in place a suitable system to improve governance procedures.

Lastly, regression analysis and correlation were employed to determine the study's goals. The model's shortcomings include mistakes and erroneous results when one variable changes. To investigate the various relationships between corporate governance and female board leadership, future researchers may use alternative models, such as the Vector Error Correction Model (VECM).



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APPENDICES

Appendix I: Questionnaire for company CEO and company secretaries of the listed companies at NSE

The questionnaire aims at collecting data on roles of women in boards and how they have shaped corporate governance practices in publicly listed companies in Kenya. Please note that the information gathered will only be used for purpose of academic research only.

INSTRUCTIONS

By ticking (✓) where best suits your answer, please fill the attached questionnaire. This is a self-made questionnaire as guided by review of literature on the role of women directors in enhancing accountability and corporate risk management, as well as board auditing activities within organizations.

SECTION A: DEMOGRAPHIC INFORMATION

1. Gender of the company CEO, company secretary;

Male Female

2. Highest level of education attained by the company CEO, company secretary;

Undergraduate Masters PhD

Other (specify)

3. How long have you been working as a CEO, company secretary in this company firm?

Less than 2 years [] 3-4 years [] 5 years and above []

SECTION B: Role of women directors in boards in enhancing corporate governance

Indicate the level of agreement on the statements provided by ticking appropriately. Use the Likert scale of 1 to 5 where 5- Strongly agree, 4- somewhat agree, 3- neutral, 2- somewhat disagree and 1 – strongly disagree.

Statement	1	2	3	4	5
Women directors in this firm’s board are actively engaged in overseeing the management of the organization					
Women sitting in the board of this firm are diligent in undertaking their monitoring activities					
Women in this firm’s board offers independence views that enhance accountability of how firm resources are used					
Women directors show greater diligence in the management of the organisation by bringing different perspectives and competencies to the boardroom					
Women directors bring new experiences to the boardroom that has helped cultivate accountability in this firm					
Women directors in this organization have reinforced a culture of information disclosure improving organization’s accountability					
Women presence in the organization’s boards enhance better and prompt decision-making					

In what other ways have women directors in this boards helped enhance accountability?

.....

SECTION C: Value of women in corporate governance

Indicate the level of agreement on the statements provided on the value of women in enhancing corporate governance. Use the Likert scale of 1 to 5 where 5- Strongly agree, 4- somewhat agree, 3- neutral, 2- somewhat disagree and 1 – strongly disagree.

Statement	1	2	3	4	5
Women directors in the board are keen to details hence provision of quality audit reports					
Women in the board are more proactive thus help in enhancing the efficacy of the auditing process					
Women in the board are diligent in reporting audit information in the company					
Women in the board are more effective in communicating audit reports					
Women on corporate boards can increase board effectiveness by reducing the level of conflict and ensuring high quality of board development activities					
Presence of the woman on the audit committee have helped strengthened the dependability of the audit reports in the organization					
Women presence in the firm’s board promotes board balance and independence that enhance the corporate risk monitoring					

Women presence in the firm’s board promotes board balance and independence that enhance prompt identification of operational risks					
Female directors contribute to better corporate risk management as they bring a broader perspective and careful consideration of issues					
Women directors in the board display independent mindsets that help reduce corporate agency costs and improve corporate governance					
Female directors report higher concerns regarding risks that firm’s products, services and reputation					
Female directors display careful approach to firm risks that may in turn influence board’s monitoring ability and its decision-making process					

In what other ways is the presence of women directors help enhance corporate governance practices of the firm?

.....

SECTION D: Adherence to the one third rule

Indicate the level of agreement on the statements provided on regarding the level of adherence to the one third rule in this organisation. Use the Likert scale of 1 to 5 where 5- Strongly agree, 4- somewhat agree, 3- neutral, 2- somewhat disagree and 1 – strongly disagree.

Statement	1	2	3	4	5
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This firm has adhered to the Constitution of Kenya 2010 requirement to at least have more women represented in an organization					
This firm has abide by the CMA obligatory to exercise gender inclusivity in the constitution of board memberships of the firm					
The number of female board members in this organization is at least 30% of the total board size					
The composition of the firm's board in terms of the executive and non-executive directors abides to the third rule					

SECTION E: Corporate governance of listed firms

Indicate the level of agreement on the statements provided on regarding the level of corporate governance of listed firms. Use the Likert scale of 1 to 5 where 5- Strongly agree, 4- somewhat agree, 3- neutral, 2- somewhat disagree and 1 – strongly disagree.

Statement	1	2	3	4	5
Because of women presence in the board, the disclosure of company's information both financial and non-financial information has been enhanced					
There is effective board oversighting because of a gender balanced board that comprise both male and female board members					

The gender diverse board is effective in diligently carrying out its responsibilities that include overseeing the company					
The company is more accountable in its business activities because of a gender diverse board that comprise both male and female board members					
Because of the a gender diverse board, the company is transparent in undertaking its business activities					
There is improved efficiency in the company day to day owing to a gender diverse board overseeing the corporate governance of the company					
By observing a gender diverse board the company has seen its corporate governance practices significantly improved					

How would you describe the corporate governance practices in this company in terms of; Disclosure of information pertaining both financial and non-financial information by women board members

.....

.....

Oversighting role of women board members

.....

.....

Tasks and responsibility allocation women board members

.....

.....

Transparency and accountability issues and how women board members are involved in this

.....
.....

Appendix II: Interview guide for selected CEOs and company secretaries

The interview guide is meant to collect data on matters pertaining the extent of adherence to the one third rule on gender diversity by the public listed firms in Kenya, role and value that women directors have in enhancing corporate governance practices within the boards of publicly listed companies in Kenya and roles of women directors influence corporate governance practices of boards of public listed companies. The interview will take approximately 20-30 minutes. The responses from the interview will be confidential and will only be used for purposes of academic research only.

Interviewee code _____ Date _____

1. How would you describe the adherence to the one third rule on gender diversity of the board of this company? Probe on ratio of women board members to male board members

.....
a. Adherence to the Constitution of Kenya 2010 requirement to at least have more women represented in an organization

.....
b. Adherence to CMA obligatory to exercise gender inclusivity in the constitution of board memberships of the firm

.....
c. Composition of the firm’s board in terms of the executive and non-executive directors in terms of gender composition of women and men board members

.....

2. How do women board members participate in promoting corporate governance practices in this company? Probe

a. Responsibilities and tasks provided to women board members

.....

b. Contribution by women board members on matters related to overseeing and accountability

.....

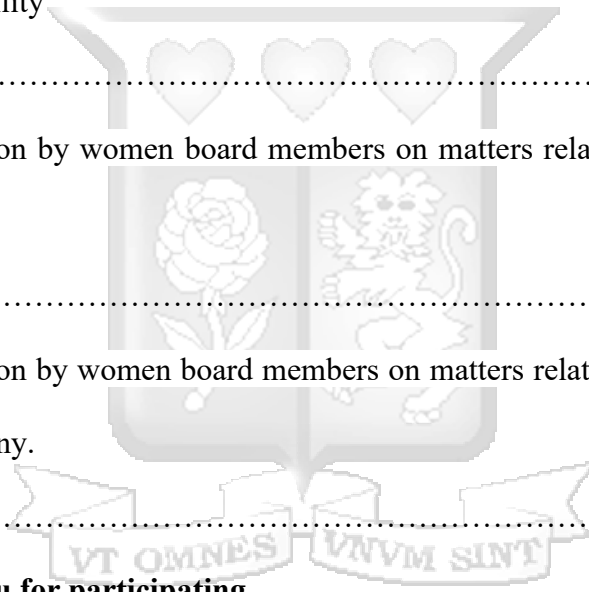
c. Contribution by women board members on matters related to the auditing of the Company.

.....

d. Contribution by women board members on matters related to risk management in the company.

.....

Thank you for participating





7th June 2024

Ms Nyaoro Teresia,
teresia.nyaoro@strathmore.edu

Dear Ms Nyaoro,

RE: Investigating the Value of Women in Boards in Influencing Corporate Governance Practices of Listed Companies in Kenya

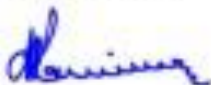
This is to inform you that SU-ISERC has reviewed and **approved** your above **SU-masters** proposal. Your application reference number is **SU-ISERC2293/24**. The approval period is from **7th June 2024 to 6th June 2025**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used.
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- 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 SU-ISERC 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 SU-ISERC within 72 hours.
- v. Clearance for the 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 the expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days of completion of the study to SU-ISERC.

Before 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 obtain other clearances needed.

Yours sincerely,



Mr Ambrose Rachier,
Chairperson; SU-ISERC

