

**THE EFFECTS OF CORPORATE GOVERNANCE ON THE PERFORMANCE OF
UNIVERSITIES IN KENYA.**

BY

GALINGA PRETORIOUS PETER

094087

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FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF BACHELOR OF
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DECLARATION
STUDENT DECLARATION

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

Signature:  **Date:** 9/12/2019

Student's Name: Galinga Pretorious Peter

Admission Number: 094087

SUPERVISOR'S DECLARATION

This research project has been submitted for examination with my approval as the University supervisor.

Signature:  **Date:** 9/12/19

Supervisor's Name: Dr. James Ndegwa, Lecture, SBS

DEDICATION

This research project is dedicated to my beloved parents who have been of support to me all through my four-year journey at Strathmore University. They have shown the belief in me and have massively impacted positive encouragement in my education. Lastly, my supervisor has shown the charismatic approach during the writing of this project and the support and advice received from him.

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ABSTRACT

This research looks at the connection between corporate governance and the performance of Universities in Kenya. Kenyan universities have been facing problems from mismanagement to financial crises over the years and have been subject to look if corporate governance is a factor affecting the universities. These challenges have affected the performance of universities in the country which has resulted in strikes within the country. Five variables have been put into practice to try to explain how corporate governance affects the performance of universities in Kenya. These variables have been explained in terms of objectives in the study and either of the objectives has a positive or negative correlation to the financial performance. Board size, board composition, frequency of board meetings, qualification of the board members and the experience possessed by the board members are the objectives explained in the study and are linked to university performance in Kenya. Descriptive research design has been applied in the study. The study puts into practice multiple regression analyses among the dependent variable and the independent variables. The findings from the data collected reflect that board composition, board qualification, frequency of board meetings and board members' experience do not affect the performance of the universities in Kenya. Board size has a direct correlation with the performance of the universities hence affecting the performance of the universities through the excellence in rankings. Board size should be maximized used in the decision making of the university programs to increase the performance of the universities.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Educational institutions are of much greater importance to our societies within our setup. This is as a result of the progression of the society towards achieving the required knowledge, shaping of attitudes and preparing of the society to behave in a certain manner that will propel them towards attaining specific goals in the society (Huwaida, 2019). Through this, members of society are recognized as useful and of much greater importance. To perceive these achievements that they are tasked to accomplish, the educational institutions are tasked with the activity of molding the students in academic fields, co-curricular and social development.

The educational institutions in Kenya are under the ministry of education which draws its directive from the constitution of Kenya. The ministry has built an extensive network of departments through its departments and sector institutions to deliver its mandate effectively. Collaborating with the ministry, Kenya's core mandate of vision 2030, focuses on the educational sector as a tool for development and eradicating poverty. University education is one of the sectors present on the ministry and governance of the institutions has to be on an uphill task to provide sound leadership and good institutional governance. Critical roles in implementing the programs that are required by the ministry to provide good leadership have to be undertaken seriously by the universities.

University education is one of the fastest-growing education sectors in Kenya. Demand for universities has continued to increase with the many students who are unable to be absorbed in the country universities seek admission in other universities outside Kenya. Not only has the demand increased but also the number of universities has significantly been on the rise. The present number of universities is 49. Nevertheless, with the growth in dimensions, scope, value and cost of higher education, the funding of higher education for accountability from higher institutions has brought immense pressure (Altbach, 1991). Quality of education by the institutions are the ones that have resulted in the immense pressures being mounted on them. This has been heavily affected by the toxic ethnic frames that have been surrounding the university institutions and the fundamental issues of inclusion, justice and the actual role of the university council in the governance of the universities.

Due to the immense pressures, the quality of the educational system in the universities has been ranked according to the performance of the institutions. The country well ranked universities are perceived to offer quality education to its students. Not only have they provided quality education but have also acquired huge numbers of students joining the institutions. Though the quality education provided by the universities, students are deemed to be well fit for the jobs available.

1.1.1 Corporate governance

These are preferably referred to as how the authority of a company is used in the management of the combined assets and resource portfolio of the corporation with an aim of preserve and increase the value and approval of other shareholders in the setting of the company mission (Private Sector Initiative for Corporate Governance). Governance in higher education is said to require the power to take choices on important strategies and practices in a number of serious areas affecting universities and colleges. The governance in university should be related to the autonomy of universities and academic freedom.

Corporate governance is guided by the principle-agent model which is described by the agency theory. Here principles pay the agent to work for them and agents are assumed not to work diligently for the principle unless they are fairly compensated for their job done which equalizes their need. The hierarchy needs of Maslow's shows that people tend to have different needs of motivation and this could heavily affect the different decisions of governance. Through this notion of the principle and agent relationship, it could lead to poor corporate governance. Ethical practices should be highly valued by the agency and the Maslow's need for motivation theory.

1.1.2 Universities in Kenya

These are the highest education institutions in the country. They provide various educational programs from certificate, diploma, degree, masters and Ph.D. studies. Currently, the number of universities has significantly increased to a total of 74 universities. The universities are grouped into various groups according to charters they receive from the commission of universities education. These groups in which they are categorized include; public constituent colleges (6), private chartered universities (18), public chartered universities (31), private constituent universities (5) and institutions with letters of Interim Authority (14). The highest-ranked university in Kenya globally is the University of Nairobi ranked position 987. The University of Nairobi is still the highest-ranked public university and Strathmore University is the best ranked

private Kenyan university ranked at 4286 globally. Our Kenyan universities are ranked poorly globally compared to countries like South Africa and Egypt.

1.2 Problem Statement

The research targets at determining the effects of corporate governance on the performance of universities in Kenya. Several public universities are facing corporate governance issues in the management of the institutions. The governance in the institutions has led to the mismanagement of funds allocated to the universities, poor decisions made by the councils that have heavily affected the running of the universities and conflicts of interest affecting the running of the councils taking center stage. Mismanagement of funds by the universities has led to the financial crisis following the decision by the government to reduce funding to 31 institutions by Ksh 1 billion with some unable to pay staff salaries and pension contributions (Wanzala, 2018). In an interview by the Business Daily to the auditor general Mr. Ouko said: "Our review of public universities during the year until June 2015 showed that 11 of them faced serious liquidity problems, a situation exacerbated by the fact that their current liabilities outweigh their existing assets. (Mutegi, 2017)." Corporate governance has been regarded as the most important determinant of organizational performance (Gavre, Ilies, & Stegorean).

In the past years, the number of universities has been experiencing very high growth rates in the number of students joining the universities. These large numbers of students joining the university have been a surplus on the number of lectures present in the university and limited facilities available in the universities to facilitate the effective learning process. The student to lecturer ratio in the universities has decreased from 25:1 in 1986 to 52:1 in 2013 (Njau, 2015). This has strong implications for the quality of teacher engagement with students and questions about the overall teaching-learning process. Due to the lack of autonomy in the governance systems, decision making in the universities' senate has been exploited and the effects that would be required have dropped. Hence resulted in a drop in the value of education in the universities as a result of the large numbers and the limited facilities.

Research on the Kenyan public universities governance systems looks at issues that have contributed to a quick growth of the institution of higher education and its influence on the Quality of education and the impact of government involvement in management where universities are concerned (Sifuna, 1998). This particular study establishes the connection of corporate governance

and quick growth of university education and its influence on the value of education as well as the effect of government participation in the running of universities. This study introduces a new concept of study by use of board size, board composition, and frequency of board meetings, board members' experience, and qualification. Therefore this research will bring forth some of the effects that have been caused by corporate governance in Kenya universities.

1.3 Research objectives

1.3.1 General objective

To determine the effects of corporate governance on the performance of the universities in Kenya

1.3.2 Specific objectives

- i To assess the effects of board size on the university performance in Kenya.
- ii To determine the effect of board composition on the university performance in Kenya.
- iii To determine the effects of frequency of board meetings on the university performance in Kenya
- iv To assess the effects of board members experience on the university performance in Kenya
- v To assess the effects of board members' qualifications on the university performance in Kenya.

1.4 Research questions

This research questions answers:

- i To which degree does the board size affect the performance of Universities in Kenya?
- ii To which degree does the board composition affect the performance of Universities in Kenya?
- iii To what degree does the frequency of board meetings influence the performance of Universities in Kenya?
- iv To what degree does board members experience have on the performance of Universities in Kenya?
- v To what degree does board members' qualification affect the performance of the Universities in Kenya?

1.5 Significance of the study

The research will be of the essence to the Ministry of Education, the universities in Kenya, the academia and the students in general. The Ministry of Education will benefit from the research through the formulation of the policies that govern the governance structures in the universities to increase the autonomy of the university structures. The Kenyan universities will gain an upper hand in providing better and quality education to its students after the research has been conducted. The governance structures present in the universities will maybe consider adopting the different style of governing as considered to the present styles used. The academia and the students will benefit from the study from the objectives understudy as it will help them gain more knowledge on what happens on the university governance systems.

1.6 Scope of the study

This research includes universities in Kenya (public and private). Corporate governance is the main aspect of how it affects the performance of the universities and how they correlate between the two. Corporate governance is the independent variable while the dependent variable is university performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Corporate governance and university performance in the country are vividly explained in this chapter. Theoretical foundations, research objectives, research gap and the conceptual framework are broadly discussed in this chapter. The theories of agency and stewardship will help us to explain the ideological comparisons of the study variables the corporate governance and university performance.

2.2 Theoretical foundation

The agency theory and stewardship theory vividly explains the connection of corporate governance and the university performance.

2.2.1 Agency theory

The theory of agency began in the 1970s from the mutual discipline of economics and institutional theory by two academics Stephen Ross and Barry Mitnick. This theory discusses the interactions where the principal engages an agent in an agreement to execute certain services on their behalf involving the allocation of some decision-making power to the agent (Jensen, 1976). This is due to the separation of possession and control when the company's proprietor has to hire executives to operate the business and must monitor their performance to guarantee that they behave in the interests of the owner.

Agency theory has been critiqued in several ways across by several scholars. Researchers from the positivist agency focused only on the agent on the agency problem and believed that the issue could also occur from the main side. (Perrow, 1986). This brings an imbalance between the two sides hence a rising opportunity in the principal-agent problem. Agency theory highlights the conflict between the principal and the agent, the price of the agency and the realignment of the interests of both sides to minimize the issue of the agency. To tackle these problems by the agency problems, recommendations of motivation to the agents, risk averseness, time preference, and equitable compensation to modify the agency theory.

Agency theory application in this research is the appointment of the vice-chancellors and their subordinates by the board of the university. They perform agent duties who are entitled to work in the board's interest. Following their appointment, the appointees are urged to exercise excellent and effective corporate governance to support efficient and viable universities, responsive and responsible universities, recognition and preservation of stakeholder rights, the advancement of integrity and accountability and an inclusive strategy based on democratic values, legitimate representation and participation. Through this, there will be a positive performance in the universities and growth in the universities too. However, there is the negative performance of the corporate governance mechanism which followed the principal-agent relation and the adverse effects are seen where universities have poor performance. This practical practice of good and bad corporate governance by the use of the principal-agent relationship has been seen in the universities in the country and how they have impacted the universities positively or negatively.

2.2.2 Stewardship theory

In 1989, Donaldson and Davis presented the stewardship theory as a normative solution to the theory of agencies. Under the theory, the executive manager intends to do a decent job and be a corporate steward of corporate property (Subramanian, 2018). There is an intimate relationship with a community-oriented agent that directs trustworthy moral behaviors towards companies and their shareholders (Davis, Fankforter, Vollrath, & Hil, 2007). According to the stewardship theory, there would be no intrinsic overall issue of executive motivation.

Stewardship theory has been criticized on the basis that it gives directors the freedom to act as they wish when it comes to exercising their discretion (Keay, 2017). This freedom to the directors gives them room to act according to their own rules and through this, they can maximize the shareholder wealth.

Most universities have depicted a true definition of the stewardship theory by the vice-chancellors and the subordinate staff. Some universities have had constant growth patterns over the years have provided quality education to the students and provided enough facilities for use to avoid congestion. The vice-chancellors and their subordinates are acting honorably and doing the right thing as per the mission, vision and the duties they are required to perform. This has resulted in good governance within the universities and the provision of good and quality education that can propel the country forward through the provision of future leaders.

2.3 Empirical review``

The empirical review covers objectives related to this study. Past studies relating to the effects of corporate governance on financial performance in listed firms have been used as a benchmark to the study. The results of the studies show that companies with excellent governance systems have a greater probability of achieving excellent financial performance. The vise a visa is also a true relationship between the variables under study as it can lead to negative results between the two variable hence a close monitor should have emphasized between the two variables.

2.3.1 Board size and university performance

The population size of people elected in the board rooms by the stakeholders who control and make decisions in the firm. Company boards are less efficient because they grow in size and face issues such as social laundering and greater expenses of coordination and are therefore less effective in surveillance (Munyradadzi, 2016). Decision making within the board becomes a hindrance factor with larger boards as it requires a majority vote of all the board members. In the past study conducted in India, an analysis of companies in the country established a progressive relationship between board size and firm performance (Sahu, 2013). Corporate efficiency improves by raising the size of the board, but an extra board member's contribution reduces as the size of the company rises. Large companies with a high average board size, therefore, do not earn much if an additional member joins. Mehmet in his studies found a zero connection between the board size and the financial performance in firms in Turkey. He argued that findings in his studies should be looked into in the context of ownership and cultural structure in Turkey (Topak, 2011).

2.3.2 Board composition and university performance

The structure of the board of council is an important component of corporate governance and must be sensitive to its fundamental tasks. The tasks include monitoring and tracking, eluding resourceful behavior on the part of managers and offering guidance to decision-makers to enhance business management (Martin, 2017). Good management is the core of excellent corporate governance and high financial performance (Charlotte & Dowshan, n.d.). Research shows that a broad set of business benefits is associated with diversity on corporate boards and the independence of the directors set on the board. Board composition should be diversified of skill, culture gender and views to have an effective functioning board that makes smart decisions and has a lasting impact. Researchers in an organization have found that women who hold at least 30%

of the board positions offer a positive environment for innovative ideas that help the company (Carolyn & Mireia, 2018.). The board of directors' independence is always required so the best interest of the company is achieved. Independent boards can assist businesses in almost every level of growth, providing a wider view, extra knowledge and critical fiduciary supervision (Tom, 2007).

2.3.3 Board members experience and university performance

Board experience brings new and diverse views into the boardroom bringing on competitiveness in the companies. The focus on skills and expertise rather than industry depth is often strengthened when the boards layout the qualifying matrices of their managers and concentrate on executive experience, complicated and international duties and economic sensitivity over industry-focused information (Roe, Balancing Board Experience and Expertise, 2017). Boards are often filled with candidates that have previous board experience when filling vacancies. However, the flip side of the preference of directors with previous board experience may affect efforts to bring new and diverse views into the boardroom (Roe, Balancing Board Experience and Expertise, 2017).

2.3.4 Frequency of board meetings and university performance

There is a progressive connection concerning the size of the board and the board composition to the board meetings frequency. Large board size and diverse board composition will be of less frequency in meeting to discuss the firms emerging issues that curb it. A study of Malaysian public limited companies recommends that meetings should be of more importance and should be less frequent (Satirenjit, Shireenjit, & Barry, 2015). Muhammad in his paper on research done in fortune global 500 companies found an inverse connection of the frequency of board meetings and the performance of the firm (Malik). The frequency of board meetings leads to diversion of a firm's energy, time and resources into fewer fruitful actions. However, research in the banking sector in Nigeria claims that frequent board meetings are of excellent significance to the general efficiency of the companies as the firm's board of directors are the main participants in defining the performance of the companies by their choices on the results of the conferences (Eluyela, 2018).

2.3.5 Board members qualification and university performance

When firms are seeking individuals to join the board of directors, various qualifications are looked after if the candidate is suitable for the vacant position. The broad breadth and management

leadership experience, integrity and high ethical norms, compliance with the board's behavior and ability to demonstrate an independent thinking capacity are some of the few qualities that are looked after. Past studies on board qualifications in education and the company's financial performance have found a positive coexistence and an impact on it. Studies in the Romania capital market, Kenya banking sector, and the Indonesia listed companies firms provide an empirical positivity of the connection between the board qualification in education and the financial performance (Mdalina, Catalin, & Nadia, 2012) (Darmadi, 2011) (waithaka, 2014). Various measures of educational qualification are used in the studies namely: postgraduates' degrees and degrees obtained from local and international universities and the highest numbers of postgraduates' board of directors are likely to have better financial performance in their firms and majorly undertaking courses in marketing and finance.

2.4 Research gap

Various research have been done on corporate governance affecting financial performance with many focusing on the different sectors of the industries like the banking sector, microfinance sectors and companies in Kenya. Board composition, the board size, and the frequency of the meetings have been found out to be certainly connected to the financial performance of companies. Descriptive research designs have been mostly used in past studies. Board members' qualifications and experience have been rarely studied in the studies before. This research is on the effects of corporate governance on the performance of Kenyan universities. The recent rise in the number of universities and the number of admission of the students have affected the performance of the universities. This research tends to look into the corporate governance strategies adopted by the universities and how it affects the quality of performance of the universities. An explanatory research design will be used in the study to give details the effects. The study objectives would be a help to solve the problems they are encountering through corporate governance.

2.5 Conceptual framework

In this framework, the university performance will be determined through the rankings of the universities in the country. The size of the board will be evaluated by the number of board members in the structure of a company. The board composition will be determined by the diversity and independence of the members. Board qualification and experience would be measured by the level of education and years held on the board.

CORPORATE GOVERNANCE

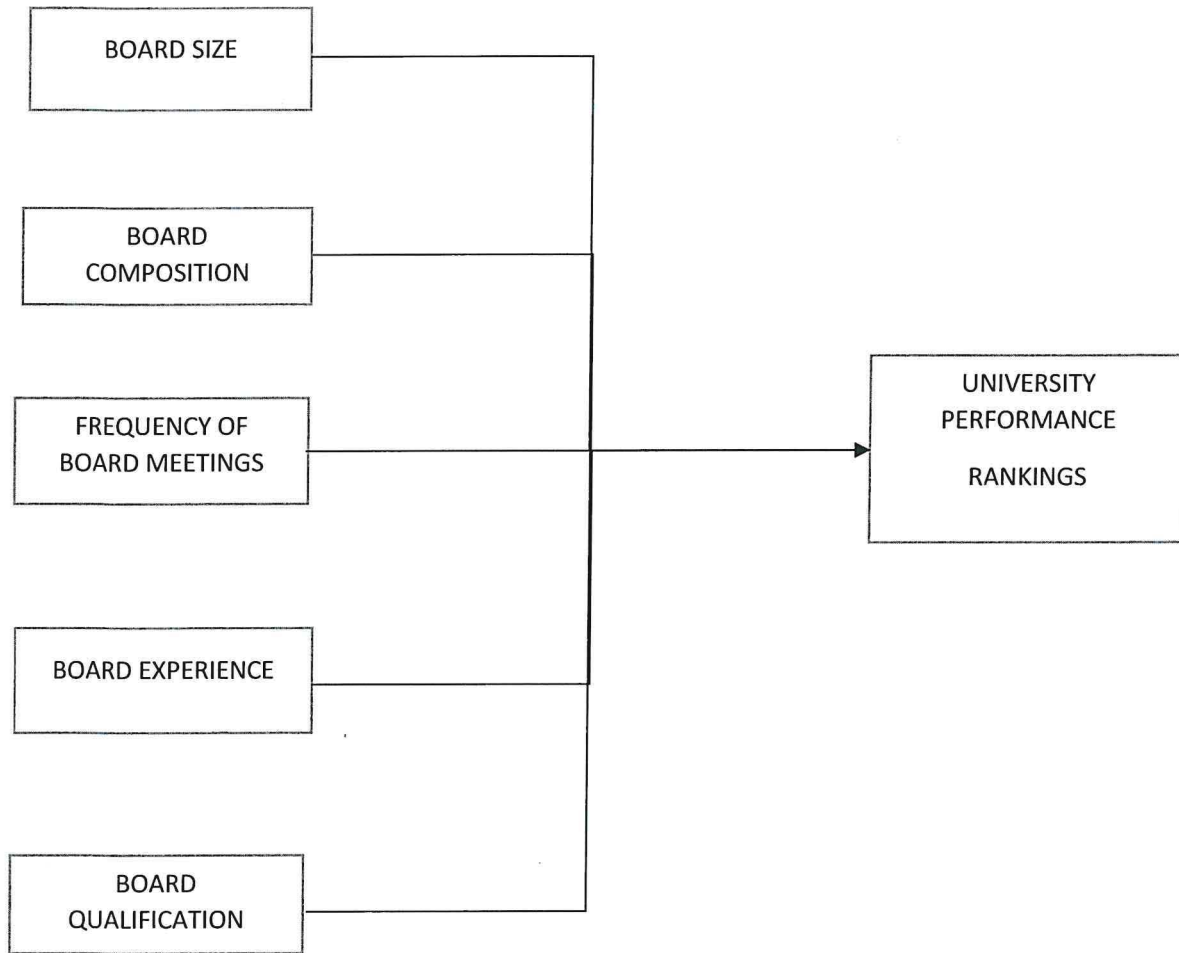


Figure 1: a conceptual framework

2.6 Research summary

This section has discussed the theories and different variables of the study captured under the empirical review. The chapter reviews empirical studies mainly explaining the objectives of the study carried out by preceding researchers and academics. The chapter is concluded by a connection between the studies through a conceptual framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter defines how data was obtained and analyzed. The chapter is distributed into several sub-sections; research design, population size, sampling, data collection methods and data analysis.

3.2 Research design

This study's research design is descriptive. Descriptive research focuses on finding out, "what is" might be implied to investigate the research questions. Descriptive design can either be qualitative or quantitative. Using the descriptive design, the research tries to find out more about what are the corporate governance variables that affect the performance of universities in Kenya.

3.3 Population size

The study's population comprises of universities in the country. Private and public universities will be used in the study. The number of chartered public, private and letters of interim authority universities in the country total to 63. Data collected for the population will be mainly qualitative data since they require the use of the statistical test to create the rationality of the relationships. Due to a large number of universities present, a sample of the universities will be used to conduct the study.

3.4 Sample size

Stratified random sampling will be used in the study as it includes population division into similar subgroups and then taking a straightforward random approach from each subset. The sample size is calculated as a percentage of the total population of the universities in Kenya. 44.44% of the total population will be used in the study. 28 universities will be picked to determine the sample size.

3.5 Data collection methods

The study collects secondary data of universities present on their websites.

3.6 Data analysis

The multiple regression analysis is used to measure quantitative data. Multiple regression analyses are carried out to determine the effects of corporate governance on the performance of universities in Kenya (board size, board composition, frequency of board meetings, board qualification and board members' experience).

$$Y = a + B_1X_1 + B_2X_2 + B_3X_3 + B_4X_4 + B_5X_5 + e$$

Where Y= is the university performance (dependent variable)

X1= the board size

X2= the board composition

X3=frequency of board meetings

X4=board members qualification

X5=board members experience

B1 to B5=coefficients

E=error term

Table 3.6 table of operationalizing

S/N	Variable	Measurement	Source of information
01	Board size	Number of university council members	(Muchemwa, 2016)
02	Board composition	Number of women and the total number of council members	(Mulili, 2014)
03	Frequency of board meetings	Number of meetings	(Johl, 2015)
04	Board members qualification	Number of council members with business-related professional qualifications and postgraduate academic qualifications	(Waithaka, 2014)
05	Board members experience	Number of years in the working profession	(John, Balancing Board Experience and Expertise, 2017)
06	university performance	Rankings based on publicly available web data, combining the variables into a composite indicator and with truly global coverage.	(Ranking of Universities, n.d.)

3.7 Reliability and validity

Reliability represents over time consistency and replicability. The degree to which a test is free of dimension inaccuracies is considered reliable. The three features of reliability are stability,

homogeneity and equivalence. Homogeneity is evaluated using the split-half, Kuder-Richardson coefficient, item to total correlation and Cronbach's α . This will be assessed through the item-to-total correlation where correlation is calculated equaling both halves (Roberta & Twycross, 2015). Strong correlations indicates high reliability while weak correlation indicate the instrument may not be reliable.

Validity is the point to which the test item sample represents the measurement content of the test. There are two important validity components: internal (credibility) and external (transferability). Internal validity shows whether the outcomes are true and external validity shows whether the research outcomes can be applied to other interest groups. Validity test is essentially separated into four types: face validity, content validity, criterion-related validity and construct validity. This study will apply the use of criterion-related validity (Haradhan, 2017). It is used to forecast forthcoming or present performance because it links test outcomes with other interesting criteria. (Burns, et al., 2017)

3.8 Ethical statement

This study was carried out within the ethical frameworks of the social considerations required in carrying out this study. All have been taken into consideration: the ethical standards of data collection and analysis, the ethics of social responsibility and the treatment ethics of all participants.

CHAPTER 4

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This section responds to all the outcomes of chapter three of the research in Kenyan universities. Descriptive analysis is used in the chapter to offer a summary of the various variables used in the determination of the effects of corporate governance in the performance of universities in Kenya. Data analysis of the study are presented through the use of mean, standard error, median, skewness. All the variables are used in the formulation of the multiple regression equation to measure the quantitative data collected on the universities.

4.2 Success rate

The data of the research was collected through secondary sources. The number of universities targeted from the study was sampled to 28 universities due to a large number of universities in the country. The dependent variable ranking of universities is analyzed through the worldwide excellence rankings of other universities.

4.2.1 Descriptive analysis

A breakdown of the summary of the descriptive analysis of the independent variables is shown in the table below.

Table 4.2.1 descriptive analysis

	NUMBER OF COUNCIL MEMBERS	BOARD COMPOSITION		ACADEMIC QUALIFICATION		FREQUENCY OF MEETINGS	BOARD EXPERIENCE
		Male	female	Male	Female		
Mean	9.89	7	2.86	5.48	4.22	4.57	167.78
Standard Error	0.44	0.49	0.22	0.31	0.45	0.12	4.24
Median	9	6.5	3	6	3	4.5	167
Mode	9	6	3	6	2	4	167
Standard Deviation	2.33	2.63	1.15	1.63	2.34	0.63	22.01
Sample Variance	5.43	6.96	1.31	2.64	5.49	0.40	484.41
Kurtosis	1.15	1.24	-0.17	-0.46	-0.11	-0.44	-0.70
Skewness	1.12	1.18	0.14	0.12	1.05	0.65	0.10

Range	10	10	4	6	7	2	83
Minimum	6	4	1	3	2	4	128
Maximum	16	14	5	9	9	6	211
Sum	277	196	80	148	114	128	4530
Count	28	28	28	27	27	28	27
Largest(1)	16	14	5	9	9	6	211
Smallest(1)	6	4	1	3	2	4	128
Confidence Level (95.0%)	0.90	1.02	0.44	0.64	0.93	0.25	8.71

4.2.2 University rankings

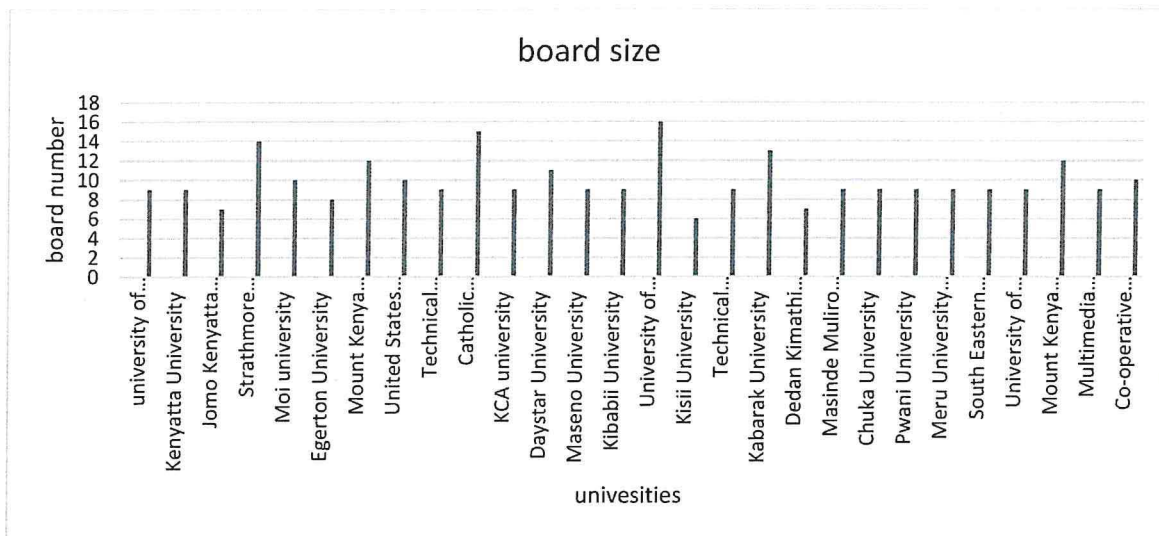
The universities sampled were ranked according to the excellence rankings. University performance has been attributed to the rankings where each university has been scored differently thought the world. Kenyan universities are no exception as they are placed under certain rankings through certain indicators. The performance of the Kenyan universities has been analyzed through the number of graduates graduating from the university. For this reason, for a student to be able to graduate from a university they have to meet specific qualifications set by the university. It is through these qualifications that can transform a student fully fit for the working environment. From the data collected in the universities about their graduates, it has been observed that public universities are the highest producers of the graduates annually. The University of Nairobi has the highest producing number of graduates throughout the country and the transformation of the students of the university into the working environment is high due to the good standards of education they have impacted their students. The average number of graduates produced by universities is 2413.33.

4.2.3 Number of council members

The research required to determine if the number of council members in the university affects the performance of the universities. Results found during the study are compared to the ranking of the universities around the country. The numbers of council members are presented in a graph to show the composition of the trends among the universities.

The graph presented below shows a diverse proportion of the university boards according to the rankings. There is no specific trend showing that a large number of boards present, the better the performance of the universities. However private universities show the presence of the largest board members within the council. The mean board size was 9.8

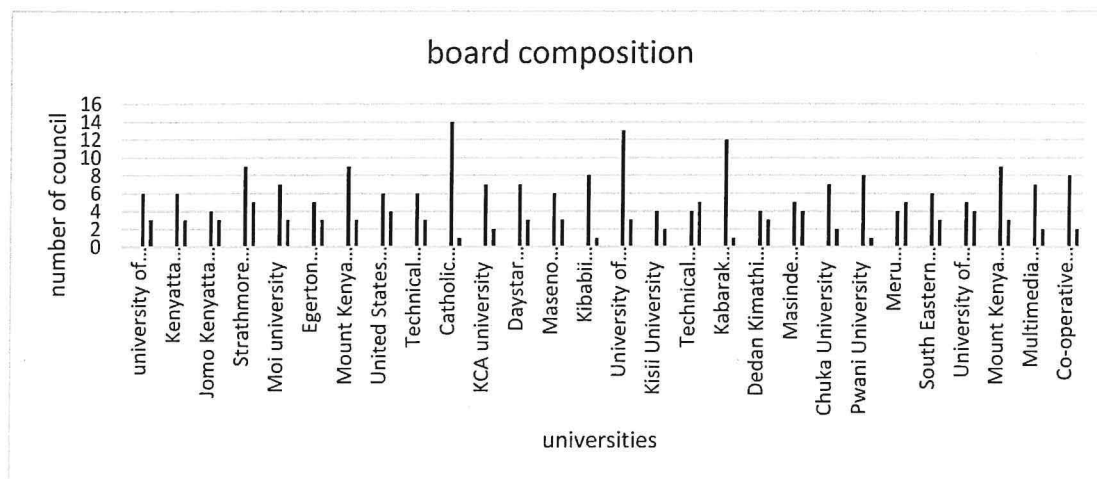
Figure 2: board size



4.2.4 Board composition

The composition of the board of the study tried to seek if the board comprised of male and female in the board. The study results showed that the board comprised mainly of the male people and few women occupying the seats on the board. Most of the universities had a large number of male board members and the only university that had more women was the Technical University of Mombasa. The mean number of men on the board is 7 and of women is 2.8. The graph presented below shows the composition of the board.

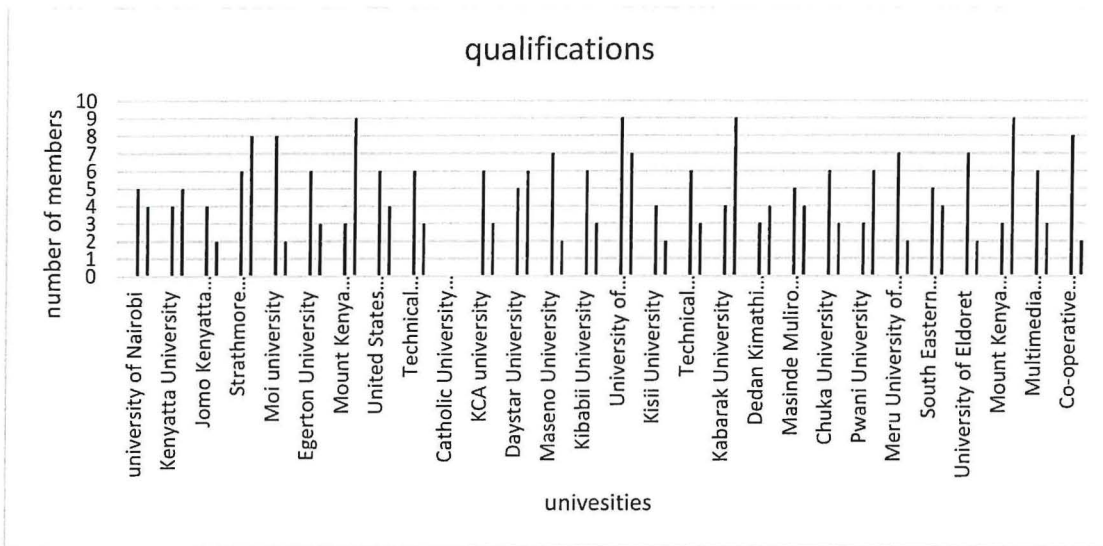
Figure 3: board composition



4.2.5 Qualifications

Due to various qualifications of the board members, the study only incorporated the board members with a master's degree and Ph.D. degrees.

Figure 4: board qualifications



The chart above shows the distribution of the different qualifications of the board of the council. The number of master's degrees and Ph.D. degrees varies over the universities.

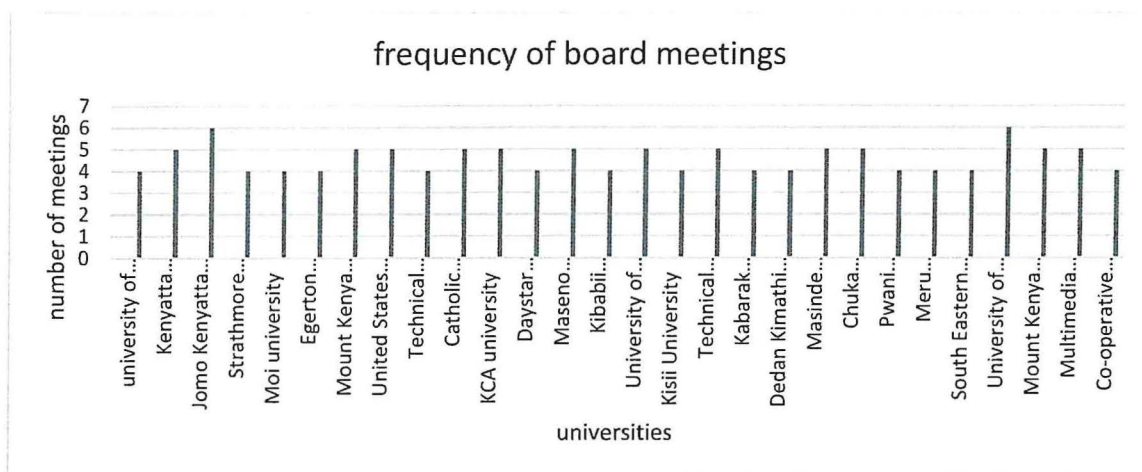
The mean number of master's degree is 5.4 and the Ph.D. degree is 4.2

4.2.6 Frequency of board meetings

The number of council meetings they held over an annual year. Board meetings are supposed to be conducted at certain times of the year to look into the matters affecting the university. The chart below shows the distribution of the number of times different universities hold their council meetings. There are slight differences in the way the universities hold their council meetings. The highest frequency of meetings held by a council is 6 and the lowest 4.

The mean number of meetings held is 4.5

Figure 5: Frequency of board meetings

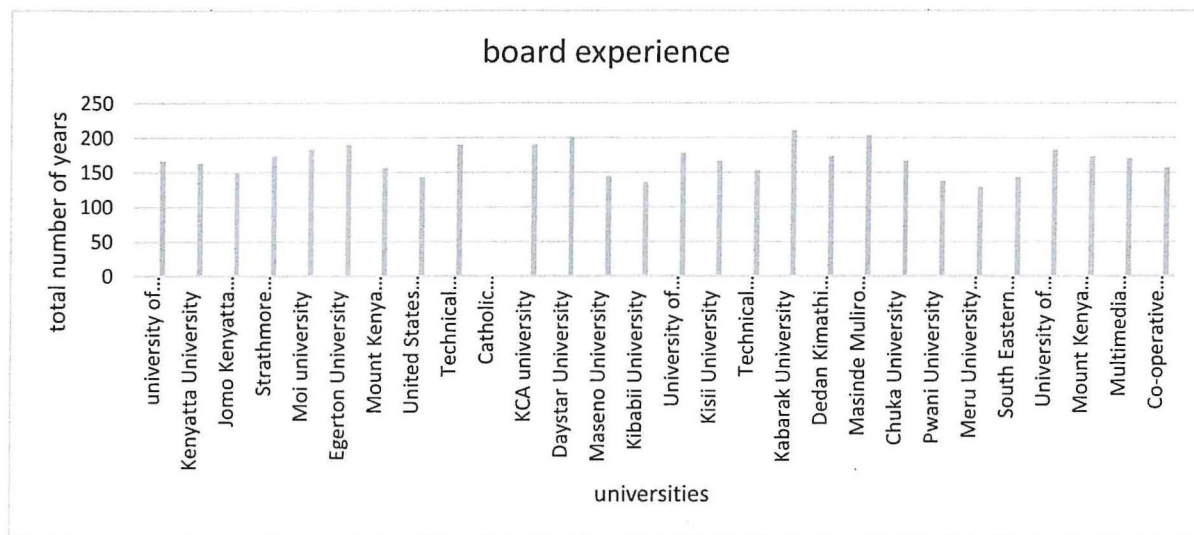


4.2.7 Board members experience

The study summed up all the ages of the board members they have had working experience. Through this analysis, the board members who have had long working experience have more experience in the board council than those who have shorter working experience.

The mean number of the board experience is 167.7 years.

Figure 6: board experience



4.3 Regression analysis

Regression analysis was piloted over the five autonomous variables and the reliant variable. Three tables are used in the interpretation of regression analysis i.e. R square, ANOVA and coefficients table. Each of the independent variables was equated against the performance of the universities.

R square is the coefficient of determination. This tells you how many points fall on the regression line. For the study, the adjusted R square will be used in the regression analysis of the data collected and processed. Corporate governance predictors being the constant variables and the performance being the dependent variable i.e. graduates, the adjusted R square is 15.1%. This implies that only 15.1% of the variation in the dependent variable (performance of universities) is determined by the variation in the independent variables. The regression analysis line would consist of only 15.1% of the variables that would be plotted on the regression line.

Table 4.3: Adjusted R square

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.555 ^a	0.309	0.151	1555.79834	1.159
a. Predictors: (Constant), experience, frequency meetings, mastersQ_totalQ, females_totalM, size					
b. Dependent Variable: graduates					

Corporate governance predictors being constant and the dependent variables will be using the significant value in the calculation of the ANOVA F Test. The ANOVA F Test findings indicate that the p-value was 0.124 which is greater than 0.05 at a 95% level of significance. This suggests that the independent variables do not jointly impact the dependent variable in a significant manner.

Table 4.3: ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23765422.179	5	4753084.436	1.964	.124 ^b
	Residual	53251186.678	22	2420508.485		
	Total	77016608.857	27			
a. Dependent Variable: graduates						
b. Predictors: (Constant), experience, frequency meetings, mastersQ_totalQ, females_totalM, size						

Regression coefficients of the variables will be measured against the dependent variable using the significant values and the value inflation factors. The significant value of the values is 0.866. Board size has a significant value of 0.037 which is below 0.05 at the confidence level of 95%.

Table 4.3: coefficients

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	642.759	3775.671		0.170	0.866		
	Size	-360.168	162.430	-0.497	-2.217	0.037	0.625	1.599
	females_totalM	1089.963	2732.904	0.084	0.399	0.694	0.715	1.398
	mastersQ_totalQ	541.382	2075.698	0.055	0.261	0.797	0.714	1.401
	frequency meetings	308.081	483.929	0.116	0.637	0.531	0.952	1.050
	Experience	19.327	14.313	0.254	1.350	0.191	0.891	1.122

a. Dependent Variable: graduates

4.4 Chapter summary

The chapter gives the breakdown of data and findings from various variables discussed in the research objective. From the data collected on corporate governance, board size has been found out to affect the performance in the universities. This is through a collinear relationship with the performance after a regression analysis is performed.

CHAPTER FIVE

DISCUSSIONS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

The scope of the research was to find out the effects of corporate governance on the performance of universities in Kenya. This chapter presents the discussion of findings and the conclusion from the data findings. Recommendations are also given in the study and have focused on achieving the objectives of the study.

5.2 Discussion of findings

The research required to find out the effects of corporate governance on the performance of universities in Kenya.

5.2.1 Board size and university performance

Past studies indicate that board size and performance have a direct correlation in the success of a company. The board size of different universities differs from each other from the data collected. There is no specific number of board size in the councils with the highest having a board of 16 members and the lowest having only six members. Private universities have a large number of boards compared to public universities which at most have only 9 members. However, from the regression analysis, the regression coefficients have a significant value lower than 95% confidence which equates to 0.05. This shows that board size has an impact on the performance of the universities in Kenya.

5.2.2 Board composition and university performance

The board composition comprises the male gender compared to the female gender. Women are not given enough sitting positions on the board and this has an impact on most of the boards. Women were benched marked against the total composition of the board composition. No accurate number of women were found to occupy the board seats but the average number is 3 women board members. A regression analysis conducted shows no relation to the performance of the universities in the country. A similar study on corporate governance and financial performance of Rwandan companies listed in the RSE showed an equal ratio in the gender balance in the companies (Baragye, 2017). This ratio provided a negative effect on organizational performance.

5.2.3 Board members experience and university performance

Board members' experience brings new and diverse views into the board room bringing on competitiveness from the years of work experience. The average age of board members was 167.7 years of all the board members. The longer the number of years the board has been in the career profession, the better the experience. However, there is zero connection between the board members' experience and the performance of the universities.

5.2.4 Frequency of board meetings and university performance

The frequency of board meetings by the board from past studies indicates an inverse connection between the frequency of the board and the performance of the firm. The average number of meetings of the board members of the council was 4 and there was no connection between the performance and the frequency of the meetings. This was after a regression analysis conducted showed no relation between the two.

5.2.5 Board members qualification and university performance

Board members' qualification minimum should comprise of members with masters education level. Masters education level possesses some of the qualities required for corporate governance. This would be efficient for the board members to describe what affects the university and improve on its performance. No specific number of years was found for the number of experience years to be held by the board.

The value of inflation is all below 10 for the variables and this indicates that there is no problem of multicollinearity.

5.3 Conclusions

The performance of the universities has been directly been linked to the board size of the council. This is after a direct relation among the two variables of corporate governance and the performance of the universities. Further studies should be conducted on the aspects that could lead to the improvement of the performance of the universities in the country. Through these factors, we can be able to improve the state of universities in the country and be able to be at par with other countries like South Africa.

5.4 Recommendation

Board size should be considered in the formation of councils within the universities in Kenya. This is to ensure adequate decisions to be made within the board so that the performance of the

universities can increase. This is because they have been found out that they have a direct correlation with the performance of the universities in Kenya. Board composition should comprise more women in the councils. An increase in the women in the councils increases the composition of the board not having only one gender sitting on the board. The qualification of the board council members should be of a master's degree and Ph.D. degree. From this qualification the members having the two levels of education, they can be able to have more knowledge of corporate governance and how they can impact the knowledge in the success of the universities. Frequencies of board meetings should be a minimum of four in the university calendar. This will enable the council to come together during the year and affect the issues that affect the universities hence providing a conducive environment within the universities. This will enable the improvement of the performance of the universities and be able to effectively compete with the other universities. Board experience should comprise of council members who have working experience and leadership positions. This will enable the board council able to apply the corporate governance strategies within the board that affects the whole universities effectively.

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