

AN ANALYSIS OF THE EFFECTS OF CORPORATE GOVERNANCE PRACTICES
ON THE PERFORMANCE OF STATE CORPORATIONS IN KENYA: A CASE OF
KENYA PORTS AUTHORITY

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A Research Project Submitted In Partial Fulfillment for the for the Degree of
Master of Business Administration (Strategic Management) of Mount Kenya
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DECEMBER, 2014

ABSTRACT

The study analyzed the effects of corporate governance practices on the performance of State Corporations in Kenya: a case of Kenya Ports Authority. The specific objectives in this study were; to examine how the composition of the board affects performance of State Corporations in Kenya; to investigate how governance structures affect performance of State Corporations in Kenya; to identify how the board size affects the performance of State Corporations in Kenya and lastly to examining how management compensation programs affect performance of State Corporations in Kenya. The study adopted a Case study design as this provided focused and valuable insight on the effects of corporate governance practices on the performance of state corporations in Kenya. The target population in the study was Kenya Ports Authority employees' at all three levels of management, namely; Top level, Middle level and the lower levels of management. The study used stratified sampling technique to ensure equitable representation of the population and simple random sampling technique to select the respondents from each stratum included in the study. The sample population was 231 employees and with a sample size of 46 respondents. The data set comprised both Primary and Secondary data. Primary data on the effects of corporate governance practices on the state corporations in Kenya was collected through questionnaires and interviews to guide the respondents at their place of work. The researcher used open-ended and closed questions to prompt ideas related to the study, while Secondary data was obtained from the financial reports contained in the Annual Financial reports of Kenya Ports Authority. Quantitative data collected was keyed in and cleaned in a statistical program for processing, in this case SPSS version 20, and then data was analyzed using multiple regression technique where the relationship between the corporate governance practices and performance of public corporations was determined. The study confirmed that the four variables that include Board size, Board composition, governance Structure and Management compensation had a greater effect on the performance of State corporations.