

**ANALYSIS OF THE INFLUENCE OF CORPORATE GOVERNANCE  
PRACTICES ON INVESTMENT DECISION OUTCOMES IN ISIOLO  
COUNTY, KENYA**

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**DECLARATION AND APPROVAL**

**Declaration by the Student**

This research project is my original work and has not been presented for a degree in any other University or for any other award.

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**Approval by the Supervisor**

I confirm that the work reported in this research project has been prepared by the candidate under my supervision.

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## DEDICATION

This research project is dedicated to my parents, and the entire family for their support and guidance throughout my Master's degree.



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## ABSTRACT

In response to the escalating complexity and volatility of the global business environment, organizations across the world are actively embracing strategic innovations. This study is primarily focused on unraveling the intricate relationship between corporate governance policies and investment decisions within the context of Isiolo County, Kenya. The main objective of this study was to examine the extent to which governance practices influence investment outcomes. To achieve this, the research focuses in on key aspects including governance framework practices, documentation procedures, policy framework implementations, and the vigilance of board monitoring and evaluation activities. This research was anchored on the agency and investment theories. The study employed descriptive survey research design that combines primary and secondary data sources. Primary data collection was based on structured questionnaires, tailored to both proportionate random and targeted samples. These questionnaires form the key for data collection from Members of the County Assembly (MCA) and the local business community. Furthermore, data was gathered through in-depth interviews with County Directors, County Executives as well as County Chief Officers. Document analysis checklists served as an additional layer of data collection. The target population encompasses 645 respondents including County Directors, Executives, Chief Officers, MCA members, and local business stakeholders. By employing a mixed methodology, this research mixed quantitative and qualitative data analysis, using SPSS statistical software. The outcome of this analysis was presented using frequency tables, graphs and pie charts. Ethical considerations remained paramount throughout by ensuring permissions are obtained, and respondents' confidentiality upheld, as the study seeks to unveil the profound nexus between corporate governance and investment choices, in pursuit of enhanced decision-making insights. The study on the influence of corporate governance practices on investment decision outcomes in Isiolo County, Kenya, found that ineffective governance frameworks, weak documentation practices, and inadequate board monitoring and evaluation negatively impacted investment decisions, leading to delays in payments and a loss of investor confidence. Despite the existence of governance policies, their poor implementation discouraged business startups and limited investor trust. The study concluded that corporate governance practices were crucial in shaping investment outcomes, with stronger governance, improved documentation, and enhanced board oversight needed to improve investment attractiveness in Isiolo County. Recommendations included strengthening governance frameworks, improving documentation processes, enforcing policy frameworks, and enhancing board monitoring and evaluation to foster a more conducive investment environment.

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## LIST OF ABBREVIATIONS AND ACRONYMS

<b>CMA</b>	Capital Markets Authority
<b>EACC</b>	Ethics and Anti-Corruption Commission
<b>KIPPRA</b>	Kenya Institute for Public Policy Research and Analysis
<b>MKU</b>	Mount Kenya University
<b>NACOSTI</b>	National Commission for Science Technology and Innovation
<b>SPSS</b>	Statistical Package for Social Science



## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

Corporate governance pertains to the method through which enterprises are guided, managed, and made responsible. It covers the scope of power, answerability, careful oversight, authoritative guidance, and managerial regulation that are applied within the organization. Corporate governance principles represent more of a business ethos rather than just a legal mandate. The fundamental tenets of corporate governance encompass transparency, answerability, revelation, and the generation of value. This, in turn, gives rise to specific behaviors like the prevention of insider trading and the autonomy of the board (Neralla, 2022). Due to the globalization of companies, corporate governance has rapidly evolved into a global concern and holds paramount importance in overseeing enterprises across both advanced and emerging economies.

Various nations adhere to distinct sets of governance regulations which is reflected in different environments, histories, economic developments and cultures (Markkanen, 2015). Davies and Schlitzer (2018) also highlighted the absence of uniformity in implementing corporate governance measures worldwide, given that there is no universally correct model for corporate governance. What proves effective for one enterprise might not yield the same results for another, even within the same nation. Multinational corporations are acutely aware of the significance of cultural factors, which substantially shape business interactions, methodologies, and the atmosphere for scrutinizing an organization's culture and conduct. According to Katmon et al. (2019), recognizing the cultural distinctions among diverse nations holds immense significance since various societies approach conflict resolution, interpersonal interactions, and business operations in distinct ways.

The effectiveness of corporate governance is intricately linked to the proficiency in communication and negotiation among the stakeholders engaged in the process. In the contemporary landscape, the business sphere has evolved into a multifaceted and globally interconnected arena, where products are knowledge-driven and the workforce showcases cultural diversity (Panchanatham, 2014). This transformation is underscored by the growing emphasis on market dynamics, propelled by the forces of globalization, it is becoming increasingly important that companies with world-class standards of governance become highly effective (UNCTAD, 2003). On the other hand, the culture in organizations has evolved from different backgrounds such as the history of the organization, patterns of successes and failures, founders, policies and practices, and the leaders who are key factors of the culture in the different organizations (Mirzakhani et al., 2021).

In the global market, most executives have barely survived due to challenging business characteristics (Bolboli & Reiche, 2014) and most importantly due to the implementation of an effective organizational culture. Company culture is becoming a major concern of boards of directors and audit committees. Culture touches every aspect of the organization: strategy, business operations and individuals constitute essential components of this framework. Moreover, cultivating and reinforcing a cohesive corporate culture poses distinctive hurdles, especially in the context of extensive and varied enterprises (EY report, 2015).

Corporate administration has suggestions for monetary turn of events and is subsequently of significance in Africa. An organization that implements good corporate governance procedures provides crucial information to its shareholders and other stakeholders, hence reducing information asymmetry, as stated by Aboagye and Ahali (2016). They add that the capacity of a firm to captivate or draw in forthcoming

financial backers is dependent upon how powerful its corporate administration is drilled.

A review embraced in 2000, by the Establishment of Chiefs (IOD) in Ghana focusing on the main 100 organizations and some state-possessed ventures (Royae & Banitalebi, 2017) on the condition of corporate administration rehearses in both the private and public areas found that a serious test confronting establishments was ruined moral way of behaving and non-existent moral authority (Petrovic, 2018). To prevent insider abuses that have historically defined the system in terms of market information accessibility, the Securities and Exchange Commission (SEC) in Nigeria issued guidelines instructing corporations to report their financial results to all stock market authorities (Tait & Megan, 2017). Similar public institutional procedures have been built in Zimbabwe, Ghana, Uganda, and South Africa to encourage efficient corporate governance (Tait & Megan, 2017).

Several African countries, including Botswana, Senegal, Tunisia, Mali, Mauritania, Cameroon, Gambia, Mozambique, Mauritius, Sierra Leone, and Zambia, have received training, help with technical issues, and awareness-raising support from the World Bank and the Provincial Secretariat to help them set up the necessary frameworks for promoting sound corporate governance (Tait and Megan, 2017). Corporate responsibility has been identified as a key goal for the efficient use and administration of government ownership resources in South Africa. New corporate governance principles have mostly been implemented as a result of the original and subsequent King Commission Reports on Corporate Governance in South Africa.

Nevertheless, despite the aforementioned improvements, corporate governance in Africa still has to be improved. Investigating the nuances of the sub-region and creating tools and methods to achieve this objective are the tasks at hand (Tait & Megan, 2017).

Kenya, similar to most laid out economies all through the world and emerging nations nearby, isn't lingering behind as far as corporate administration rehearses in state-possessed undertakings. According to Malenya (2016), corporate governance in Kenya continues to decline despite the presence of a stringent regulatory framework. Several Kenyan institutions have been tarnished by scandals of varying sizes, as mentioned by Koech and Ogollah (2018). According to a study by Mwendu (2017) on how corporate governance affects the effectiveness of Kenya's public firms, it has a big impact on how well they function. Ayandele and Emmanuel (2016) note that poor countries, such as Kenya, frequently deal with a wide range of corporate governance concerns, such as lax legal safeguards, insufficient shareholder safeguarding, and continual government interference. These difficulties highlight the need of putting strong corporate governance systems in place in developing nations. Additionally, it has been suggested that improving corporate governance frameworks may serve as a motivator to draw in outside capital (Ayandele & Emmanuel, 2016).

The decision-making associated with investments pertains to the determinations undertaken by investors or senior management regarding the allocation of resources into promising investment opportunities. In essence, the selection of asset categories in which the firm's resources were placed constitutes the investment decision (Husain, 2016). An investment process encompasses a set of guidelines essential for crafting a portfolio and navigating the sequence of actions involved, spanning from delineating risk parameters to distributing assets. It provides a framework for the investor, aiding in the implementation of a strategy tailored to align with individual goals, risk tolerance, and principles, all aimed at risk management.

In essence, the investment process empowers an investor, instilling the confidence needed to make decisions effortlessly and without hesitation. For novice investors

aspiring for satisfactory investment returns, it is prudent to integrate an investment process into their investment strategies (Phansatan et al., 2012).

The underlying premise is that both information frameworks and market dynamics consistently impact individual investment choices and overall market results (Mehta & Chaudhari, 2016). As elucidated in the background, there exists proof that retail equity investors are subject to a range of influences, encompassing factors associated with the firm, macroeconomic environment, and investor psychology. However, the findings of Phansatan et al. (2012) stand in contrast, revealing a paradoxical scenario: retail traders tended to exhibit subpar trading performance, while institutional investors were found to possess informational edges over other investor groups, thereby augmenting their trade results and overall performances.

Nonetheless, Li, Wang, and Dong (2016) proposed that individual investors demonstrate proficiency in selecting stocks. Due to the global financial sectors' liberalization during the past three decades, the investment industry has experienced a tremendous increase in terms of trading volume and investor numbers. For instance, Bennet et al. (2011) noted the quick development of various investment products in India, providing a wide range of possibilities to draw outside investment. Husain (2016) emphasized the growth of region-specific stock exchanges in India while also pointing out the development of equity shares as a form of investment. It changed from a time when they were chosen mainly because bigger dividend expectations were anticipated to the present, when capital gains are a crucial factor.

Initial public offering (IPO) and subsequent Public Offerings have been greatly strengthened by the process of price discovery through book-building. Confidence in the markets has been cultivated and maintained through flexible regulatory frameworks, the implementation of payment guarantees by depositories, aggressive

government participation, robust intermediaries, and technologically cutting-edge exchanges. In the current setting, County Governments face growing demands from citizens for better and transparent services.

This has led to a gap between citizen expectations and actual delivery, attributed to noncompliance, corruption, inefficiency, fund mismanagement, and concerns about financial systems and transparency. The apprehensions predominantly revolve around the expenditures linked to County Assemblies, the utilization and deployment of resources by County executives, and the observance of public procurement statutes (Mwatu, 2018). In this context, a strategic outlook pertaining to corporate governance, which plays a pivotal role in ameliorating the effectiveness of County governments and augmenting service conveyance in numerous scenarios, has regrettably been disregarded in terms of the responsibility and transparency concerning resource utilization.

Divergence persists within County leadership, marked by recurrent complaints over delays in endorsing legal documents such as yearly budgets and forming executive committees. The specter of county executive impeachment further adds to the complexity. Odhiambo's (2018) work, "Rasanga dilemma as cabinet row persists," underscores the ongoing tense interplay between county executive and assembly, constituents of county leadership. This dynamic significantly influences public service delivery and investor confidence in the county government, yielding positive or adverse impacts. The potency of devolution and potential for improved service delivery and investor allure hinge upon factors like transparency and accountability at the county level.

## **1.2 Statement of the Problem**

Ideally corporate governance practices like governance framework, documentation, policy framework, monitoring and evaluation influenced business investment decision making in terms of increase in business start-ups, attraction of investors into an area, confidence and trust in the government in a positive manner if that are properly utilized. The reality on the ground in Isiolo County is however, different.

Isiolo County has been in record in various incidences where the contractors had to take the county government to court for delayed payment of already completed work. For example, on December 24, 2020 solo court froze Kshs. 46 million in accounts belonging to Dabasiti Contractors and Suppliers Ltd, Choke Construction Company Ltd, Almass store Ltd, Noyasu construction Company Ltd and Rayan Provision Stores Ltd. There has been orders by EACC officers to stop irregular payment made by the county government of Isiolo on December 22, 2020 for alleged supply of foodstuff and hiring of motor vehicle by the former Governor's office (Daily Nation, December, 25 2020). These practices have not demonstrated ideal corporate governance hence discouraging investors from investing in Isiolo County, reducing the new business startups, close-up of the already existing businesses and at the same time loss of businessmen and entrepreneurs' confidence with the county government.

Past investigations into corporate governance within Kenya have predominantly centered on adherence to optimal corporate governance principles and evaluations of corporate governance status across diverse sectors. However, significant gaps persist, particularly in probing the realms of governance and ethical benchmarks. Notably, prior research has not concurrently explored corporate governance and the managerial methodologies influencing its efficacy. Furthermore, the comprehensive examination, documentation, and implementation of board variables and their impact, particularly in

the Kenyan context, remain relatively uncharted territories. It is within this overarching context that the present research endeavors to bridge this cognitive void.

### **1.3 Purpose of the study**

This study's main goal was to examine how corporate governance practices influence investment decision outcomes in Isiolo County, Kenya.

### **1.4 Objectives of the Study**

The research was guided by the following objectives;

- i. To determine the influence of the governance framework practices on the investment decision making outcomes in Isiolo County;
- ii. To determine the influence of the governance documentation practices on the investment decision making outcomes in Isiolo County;
- iii. To examine the influence of the policy framework practices on the investment decision making outcomes in Isiolo County;
- iv. To determine the influence of the board monitoring & evaluation practices on the investment decision making outcomes in Isiolo County.

### **1.5 Research Questions**

The study was guided by the following research questions:

- i. What is the influence of the governance framework practice on the investment decision making outcomes in Isiolo County?
- ii. How do the governance documentation practices influence the investment decision making outcomes in Isiolo County?

- iii. To what extent do the policy framework practices influence the investment decision making outcomes in Isiolo County?
- iv. What is the influence of the board monitoring & evaluation practices on the investment decision making outcomes in Isiolo County?

### **1.6 Rationale of the Study**

This research intends to impart a substantial growth to the prevailing repository of knowledge concerning public corporate governance and institutional efficacy. Such an aspiration is rooted in the study's pursuit of comprehending the impact which corporate governance procedures have on the outcomes of investment decisions, contextualized within the prevailing framework of institutional governance, director and executive remuneration and institutional structure. By unveiling this intricate interrelation, the study ushers in methodological and theoretical insights that underscore the necessity to construct corporate governance models calibrated to the idiosyncrasies of institutional operations, a requisite for assessing their performance. While various studies have ventured into the realm of corporate governance practices, such explorations have remained deficient within developing nations like Kenya. Moreover, the prevailing studies seem to have disproportionately concentrated on private establishments, thus underscoring the urgency to explore a public backdrop.

This exploration is vital to ascertain how the realm of governance framework practices, documentation practices, policy framework practices, and the oversight and evaluation functions of governing boards collectively shape the consequences of investment choices in Isiolo County, Kenya. It's worth-noting that these studies have predominantly homed in on various corporate governance dimensions, allocating relatively less endeavor towards deciphering the reverberations of corporate

governance utilizes on the effectiveness of Affirmative Action Funds in the national federal system. Should this study garner approval, its outcomes stand to wield significant utility in the realm of public policy development within Isiolo County and beyond, extending its implications to other counties as well.

### **1.7 Significance of the Study**

This study's findings have the potential to offer value to a diverse array of individuals and entities. The research was of great help to county governments, particularly decision makers directly involved in good governance and trade and commerce departments, in understanding how corporate governance practices and investor decisions are linked. The study benefited all 47 county governments in Kenya by providing knowledge on good corporate governance and how it helps build investor confidence.

The results can be used by regulators and policy makers nationally and internationally as a reference for corporate governance policies and investor decisions, as well as for other public quotas in the country. One was able to use the study results to develop workable policies that successfully address the difficulties faced by investors in the districts and across the country. The study results would also help current and potential investors by ensuring that Isiolo County and other counties can improve on corporate governance practices and link them to investment decisions for their benefit and create trust between these parties. Ultimately, this study possesses the capacity to enrich both theoretical foundations and practical applications by furnishing a cornerstone upon which academics can embark on further explorations into governance practices. Consequently, it emerges as an indispensable resource, serving as a guiding beacon for students and educators alike.

## **1.8 Scope of the Study**

The study's scope encompassed the following elements: timeframe, content, geographical location, research methodology, design, and instruments. The theoretical framework was included as well. The study lasted about eight months, from January 2022 to August 2021, for project development, data gathering, and analysis in accordance with Mount Kenya University postgraduate standards. The study content scope focused on corporate governance practices and their effect on investor's decision in Isiolo County, more specific the study looked at governance framework, documentation practices, policy framework, and monitoring & evaluation practices.

The geographical location scope where the study was carried out is in Isiolo County where the study problem was identified and it targeted responses from the Isiolo County administration MCAs, CEC members, business investors and other individuals who were considered to have significant contribution to this study.

To strengthen the two data streams, the study smoothly integrated a mixed research approach, comprising a descriptive qualitative design, a survey-based quantitative design, and a contemporaneous triangulation design. This intricate framework found its mooring in two pivotal theories: Firstly, the Agency theory served as the bedrock for the realm of corporate governance practices, driving the discourse on the independent variable theme. This theory elucidates and resolves intricacies stemming from the relationships between business principals and their agents. Secondly, the investment decision-making outcomes were underpinned by the tenets of the investment theory. This theoretical framework pivots on an intricate consideration of multifaceted factors entwined with the investment process. The study was conducted between September and November 2023.

### **1.9 Limitations of the Study**

The study may encounter the following challenges;

- i. The study limited itself to the corporate governance practices in Isiolo County and investor's decision. This is notwithstanding other counties that could be studied and other issues in county governments that need to be researched. Despite there being other corporate governance practices that may affect investor's decision in the county the study limited itself to governance framework, documentation practices, policy framework, and monitoring & evaluation practices.
- ii. It is also to be expected that some participants was reluctant to finish certain parts of the surveys due to the institute's strict discretion policy, making access to the data difficult. A letter of recommendation from the university and other relevant authorities allayed suspicions and encourage institutions to disclose a significant percentage of the material needed for the study.
- iii. It is also expected that some of the participants might be uncooperative due to their regular commitments. This can be mitigated by distributing data collection tools by making appointments in advance to avoid conflicts with their commitments.

### **1.10 Delimitations of the Study**

The study was based on the following delimitations;

- i. The study delimited itself to four corporate governance practices only that are deemed may be have major influence on investment decision making outcomes as follow: governance framework, documentation practices, policy framework, and monitoring & evaluation practices.

- ii. The research focused its study to the administration at the Isiolo County level, MCAs, CEC members and investors of Isiolo in Kenya, and for the purposes of concentration, we'll just discuss Isiolo County.
- iii. The study employed mixed research methods, including a descriptive qualitative design, a survey quantitative design, and a contemporaneous triangulation design to support the qualitative and quantitative data.

### **1.11 Assumptions of the Study**

- i. The researcher assumes the county administration practice good governance in attempt to win investor's decision.
- ii. The researcher anticipate that the selected participants had the basic knowledge to give honest and accurate response to the inquiries made of them.
- iii. The researcher relied on the supposition that the study's explanatory factors had an effect on the investor's choice. The analysis further makes the assumption that the time and materials allocated for inquiry was adequate for finishing the inquiry.

## 1.12 Operational Definitions of Key Terms

**Corporate Governance:** This pertains to the mechanism through which corporations are steered and governed.

**Investment decision-making:** This embodies an investor's proactive step to allocate funds across diverse investment avenues, spanning both financial instruments and tangible assets.

**Governance framework practices:** Serves as a vital underpinning framework, comprising rules and practices through which the board guarantees accountability, equity, and transparency in both the company's operations and its interactions with stakeholders.

**Governance documentation practices:** Governance documents encompass formal declarations of intent that stipulate principles or benchmarks applicable to the organization's governance, operations, or the conduct of its personnel.

**Policy framework practices:** a policy framework constitutes a document delineating a series of procedures or objectives that can serve as reference points during negotiation or decision-making. It directs the formulation of more intricate policies or aids in the continual maintenance of an organization's policies.

**Board monitoring & evaluation:** The board initiates the establishment of a Monitoring and Evaluation (M&E) System. An M&E system can be characterized as an assemblage of individuals, protocols, data, and technology that interact harmoniously to furnish timely information to authorized decision-makers.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter is all about themes that cover governance framework practices, governance documentation practices, policy framework practices and board monitoring & evaluation practices. Furthermore, it encapsulates the theoretical examination of literature pertinent to the study. The conceptual framework is defined, research gaps are noted, and a brief overview of the literature review is provided at the end.

#### **2.1 Empirical Literature review**

Examining empirical literature included corporate governance practices, the investment decision making outcomes, governance framework practices on the investment decision-making outcomes, governance documentation practices on the investment decision-making outcomes, policy framework practices on the investment decision-making outcomes and board monitoring & evaluation on the investment decision-making outcomes. These components make up the purpose for this research study.

##### **2.1.1 Corporate Governance Practices**

To cultivate enduring value, corporate governance strives to ascertain the suitable mechanisms for overseeing the dynamics between various stakeholder groups and the organization. It lessens irreconcilable situation among partners and ensures the perfect individuals go with the choices. It assists with adjusting liability to expert to accomplish ideal circumstances for associations' development and achievement. Corporate administration must be accomplished through the activity of the right standards of corporate administration (Solomon, 2020).

Openness, integrity, and accountability were identified by Jiang and Kim (2020) as fundamental and pertinent to the public and private sectors. Leadership, selflessness, objectivity, and integrity are additional tenets. An effective and proficient board necessitates an alignment of apt structures, suitable individuals, a conducive culture, pertinent matters, accurate information, streamlined procedures, appropriate compensation, and diligent follow-through. The evolution of corporate governance systems is now comprehensively documented worldwide (Tibiletti et al., 2021). However, as stated by Ludwig and Sassen (2022), major shifts in corporate governance arrangements over the past two decades have increased academic interest in the role that the board of directors plays in determining a company's success.

The legitimacy of existing institutions for corporate governance has been called into question as a result of numerous well-known company failures and generally poor corporate earnings around the world. As a direct consequence of this, additional research (Arslan & Alqatan 2020) has advocated for placing a greater emphasis on the current corporate governance systems and the manner in which they provide accountability and responsibility. Adelphia, Enron Corporation, WorldCom, HealthSouth, Tyco, Global Crossing and Cendant, among others, have recurrently been referenced as paradigmatic scandals necessitating the reformation of corporate governance and the establishment of novel mechanisms to counter purported instances of power manipulation by senior management.

It is argued that the numerous instances of company failures are a criticism of the current corporate governance institutions' effectiveness. Initially, the origins of these financial crises seemed to be traced back to the combination of overheated U.S. stock markets, insatiable greed, and the prevailing winner-takes-all ethos within American society. However, over the past couple of decades, it has become increasingly clear that

issues like managerial dishonesty, accounting irregularities, and various governance violations are not limited by geographical boundaries and affect numerous non-U.S. businesses. Prominent examples include Parmalat, Vivendi, Hollinger, Ahold, Adecco, TV Azteca, Royal Dutch Shell, Seibu, and China Aviation, among many other notable cases (Tourish, 2019; Matos, 2020). These instances of alleged severe corporate misconduct have also been accompanied by a more general decline in ethical norms across global markets, where questionable and unethical practices were increasingly tolerated. The overall result has been a deterioration in shareholders' and investors' trust in the global financial markets. Per insights from scholars in the realm of corporate governance (Donaldson & Davis, 2019; Huse, 2015; Frentrop, 2018), an ongoing debate persists concerning the optimal corporate governance structure capable of safeguarding shareholders' investments while nurturing the advancement of wealth-generating enterprises.

Within the discourse on corporate governance, a predominant theme revolves around the extent of authority vested in the Board of Directors in relation to the latitude granted to senior management in decision-making processes. Notably, the distinct sway that business proprietors wield over the board of directors, consequently influencing upper management's actions and decisions, has often been underestimated within the conventional paradigm of corporate governance. Consequently, research on corporate governance has not fully identified and addressed the challenges posed by procedures for corporate governance.

Investors worldwide prioritize strong corporate governance, necessitating its integration for sustainable development in Africa. In many African nations, the intertwining of business and state politics, often led by top political elites, concentrates ownership and

hampers protection for stakeholders and minority shareholders. This scenario curtails managers' authority and accountability.

Despite adopting international accounting standards, practical implementation remains deficient, fostering managerial shortcomings and discretionary abuse prevalent on the continent (Klettner, 2021). Enhancing corporate governance remains a pressing necessity in Africa. The challenge lies in acknowledging the region's distinct intricacies and crafting mechanisms and strategies to address them. Formulating distinct corporate governance principles for Africa doesn't imply a lowered standard; rather, it aligns with the unique demands of the continent. The complexity in Africa arises from its economies being largely transitional, marked by factors like a significant number of state-owned enterprises, a culture of corruption or rapid wealth acquisition, a fragile business environment, and limited financial intermediation.

A pivotal African Consultative Meeting held in Kenya in 2000, encompassing 14 African nations, resolved to foster synchronized development of corporate governance standards and practices across the continent, tailored to its specific requisites (Sun et al., 2020; Omilusi & Olorunfemi, 2021; Juju et al., 2020; Asongu & Odhiambo, 2021). Iraya et. al., (2014) demonstrated that in Kenya large accounting frauds discovered in stock markets in recent years have once more demonstrated the existence of ethical flaws and the significance of providing stock markets with financial information that is both transparent and reliable. In response to financial scandals, regulators have taken steps to protect information transparency, reduce conflicts of interest, and guarantee auditor independence to safeguard investors' interests and boost capital market confidence.

A weak corporate administration structure may allow directors to participate in activity that would eventually result in a lower nature of revealed profit, which is a primary

source of strength for an indication of a serious rot in company morality. Corporate governance involves the intricate orchestration of management and oversight within enterprises.

Moreover, director remuneration must be endorsed by shareholders through transparent procedures, featuring competitive, performance-based compensation to attract and retain qualified directors (CMA, 2002). Upholding board independence entails the inclusion of at least one-third independent, non-executive directors with diverse backgrounds (Bulle, 2014). Additional considerations include the board's size and activity, which are characterized by board meetings, appointment procedures, and so on. Sufficient information must be produced and published on the aggregate directors' loans, ownership concentration, a list of 10 big shareholders, share options, and other kinds of executive pay.

A strategy used by management of a corporation to manipulate profits in order to achieve a predetermined objective is known as managing profits. This approach is intended to balance out revenue. As a consequence, rather of suffering years of unusually high or low revenues, firms tried to keep statistics generally steady by putting money into and taking money out of their reserve account. Earning management, according to Kashindi (2019), is the use of management discretion to make accounting decisions or produce transactions that have an influence on the likelihood that the company and society, fund providers, or managers were able to transfer wealth to one another. Organizations grapple with a plethora of ethical quandaries, encompassing issues like bribery, corruption, money laundering, and fiscal policies, all of which hold significant relevance in the spheres of corporate and societal concern. The void in standardized regulations and enforcement mechanisms is often

labeled as the "governance gap," representing the disconnect between corporate authority and accountability.

Corporations confront a host of governance challenges that can eventually lead to corporate governance breakdowns. These challenges include inadequate governance mechanisms, such as the lack of strong board committees or committees with limited membership, non-independent board and audit committee members—situations where a CEO holds multiple positions across various committees—management deliberately undermining governance systems by bypassing internal controls and presenting false information to auditors and the Board, and insufficiently qualified members. For example, situations where audit committee members lack the necessary accounting and financial expertise or experience to effectively evaluate critical business transactions, and cases where family members occupy board positions without the required qualifications or comprehension.

### **2.1.2 Investment Decision-making Outcomes**

Investment, according to Hutauruk and Ghozali (2020), refers to the act of dedicating funds for a defined duration with the aim of yielding subsequent payments that serve as recompense for the committed timeframe, accounting for projected inflation rates and the inherent unpredictability of forthcoming payments. Investment incentives, according to Hubbard (2020), exist in a number of forms and may be seen differently by different companies and industries. Giving up something now in the aim of gaining returns later is what investment implies.

Present sacrifice and future reward are two of the most important aspects of investment. Investing entails swapping specific current values for an uncertain future payoff. It entails putting money into a number of investment choices. It necessitates ongoing decisions on the kind, mix, amount, timing, and quality of investments. Agreeing upon

an optimal investment decision is inherently challenging, considering the diverse array of stakeholders, their priorities, and worldviews. The existence of profound uncertainties adds an additional layer of complexity to the decision-making framework, raising questions about the reliability of presumed optimal solutions.

Hallegatte et al. (2018) encapsulate the supplementary uncertainty arising from climate change by examining methods for predicting climate variations (which include downscaling techniques) and assessing and quantifying the associated uncertainty. These methods include robust decision making, cost-benefit evaluation in the midst of unpredictability, cost-benefit analysis that incorporates genuine possibilities, and climate-informed assessment of choices. The study concludes that defining a universally "best" solution or mandating a particular methodology is an infeasible endeavor. Instead, a spectrum of methodologies must be presented, accompanied by contextual indications of their most apt applications. This study is based on discussions with decision-makers, especially World Bank project managers, and it is supported by a thorough examination of the literature on making decisions in the face of uncertainty. Its intent is to guide decision-makers in discerning the most suitable approach based on the project's duration, expenses, and susceptibility (Rodríguez et al., 2021).

Multinational corporations grapple with a consistent stream of decisions marked by varying degrees of uncertainty. The crux of effective company management revolves around navigating these uncertainties and comprehending the interplay between prevailing risks and prospects (Van, 2018).

Presently, investing in Africa amplifies the complexity for firms seeking to appraise the genuine value of an investment. This complexity arises from the myriad socio-political, cultural, and technological forces that render the continent distinct. The African market holds a pivotal role in the trajectory of economic advancement. Catalysts such as trade

liberalization, the proliferation of developing nations, the accelerating pace of technological evolution, and the erosion of trade barriers are reshaping this economic landscape with alacrity.

Multinational entities venturing into Africa encounter the task of ascertaining whether their prevailing paradigms, strategies, and valuation methodologies are transferable to this market or necessitate customization. Presently, scant evidence suggests that these corporations are rigorously evaluating such investments against the backdrop of Africa's manifold unpredictable circumstances (Chirevo, 2020).

In Kenya, an investigation conducted by Wamae (2013) delved into the behavioral factors shaping the decisions of individual investors at the Nairobi Stock Exchange. The study concluded that the herding effect, risk aversion, prospecting, and anchoring play pivotal roles in shaping investment decision-making within the stock market. The findings further recommended a proactive approach. Recognizing the pertinence of the herding effect to individuals and the prevailing market dynamics, investment banks should furnish their investors with pertinent information, thus equipping them with a comprehensive understanding of the current market and economic milieu.

Moreover, acknowledging that risk aversion significantly influences investment choices among individuals in the stock market, it was underscored that relevant organizations must meticulously select investments within the stock market, ensuring investors' interests are prudently safeguarded. Mwaura's (2015) research aimed to discern and elucidate the underlying determinants steering investment choices among women entrepreneurs in Kenya. This study ambitiously sought to bridge the extant research gap by dissecting the personal, economic, and political elements underpinning investment decision-making by women entrepreneurs in the Kenyan context.

The investigation's focal points encompassed deciphering the personal factors that shape investment choices, dissecting the economic determinants influencing investment decisions, and analyzing the political factors that exert sway over investment choices within this demographic. Findings unveiled that the majority of respondents concurred on the potency of individual factors in dictating investment decisions for women entrepreneurs in Kenya. These factors encompassed personal and vocational experiences, lifestyle, income levels, investment time horizons, and socio-cultural influences such as religious affiliations. Furthermore, the study illuminated the pivotal economic forces molding investment decisions by women entrepreneurs in Kenya, including high interest rates, constraining lending policies, limited access to suitable technology, competitive pressures from new market entrants, diminished consumer purchasing power due to inflationary pressures, and the risk quotient intertwined with the investment endeavor.

Most real-world decision problems involve uncertainty. The same is with investment portfolio selection. Conventional real options analysis pertains to investments made in uncertain contexts, assuming a risk-neutral decision-maker and well-functioning markets. Yet, practical scenarios diverge significantly from this ideal, as decision-makers frequently exhibit risk aversion, and markets tend to exhibit incompleteness. Further complicating matters, contemporary capital projects seldom adhere to the binary nature of now-or-never investments; instead, they can be subject to abandonment, suspension, and resumption at various junctures. The majority of people think that their abilities are above average. They also overestimate their knowledge in relation to others and its precision. A lot of investors think they can always time the market. Yet, truly, there is a staggering measure of proof that demonstrates in any case.

Trading costs reduce profits as a result of overconfidence, which results in excessive trades.

Factors that stacked intensely on this build incorporate firm standing, firm status, sentiments about the association's items and administrations, and saw morals of the firm. Each of these variables represents a distinct value proposition attributed to the company. A plausible inference can be drawn that numerous investors opt for stocks guided by qualitative factors, given that all investment considerations, barring firm ethics, hold significant weight. For an investment community accustomed to quantitative assessments and the articulation of securities' relative values, this presents a substantial challenge.

### **2.1.3 Governance Framework Practices and Investment Decision-making Outcomes**

The governance framework establishes a mechanism that fosters transparency between senior management and operational levels, ensuring a mutual comprehension of expectations, goals, performance benchmarks, risk tolerance, and reporting obligations (Beretta, 2019). Furthermore, it facilitates seamless dissemination of these aspects to pertinent stakeholders within the organization. Consequently, the governance framework functions as a navigational tool, comprising standardized management practices tailored to the organizational context. This framework orchestrates the delineation of objectives, policies, values, culture, responsibilities, and performance criteria.

Intrinsically linked to effective corporate governance, risk management and security risk management constitute essential facets (Shad et al., 2019). In the Unified Realm (UK), US of America (USA), Canada, Brazil, India, and China, the positive effect of vital monetary administration rehearses on the productivity of assembling firms has

been brought up in late examinations (Jiang et. al., 2022). Vital monetary administration practice in these nations has assisted with advancing the advantage position of the concern can be fortified through the utilization of robust financial control mechanisms, such as, capital design and liquidity rehearses (Jiang et. al., 2022). Dawson (2016) uncovered that the money system determinations and money the board capacities are displayed to impact the headway of quickly developing firms along the globalization cycle. The more effective vital monetary administration rehearses, the higher benefit.

By raising the productivity of monetary administration rehearses, most SMEs and Blue-Chip organizations (fabricating organizations, banking ventures, and media transmission organizations) have demonstrated to work for their benefit (Abu-Rub, 2017). In Spain and Pakistan, surviving examinations by Deard and Dearl (2019) and Redman (2017) make sense of steady monetary execution patterns in assembling firms between the years 2006 and 2014 and recognize effective key monetary administration practices, for example, capital construction, venture rehearses as a significant indicator of firm productivity and generally monetary execution. Their discoveries are not fluctuated with Erasmus (2016) in Canada, results that demonstrate that essential supporting practices decide the degree of execution of firms.

Different researchers like Abuzayed (2018) share the very view and contend that effective vital monetary administration rehearses empower firms to be productive in Ghana. As per Kahreman (2017), imprudent vital monetary administration rehearses are the critical reason for disappointment in business undertakings in Ghana. Whether or not a proprietor supervisor or recruited chief, in the event that the monetary practices are off-base, the productivity of the organization were unfavorably impacted, Consequently, inadequate financial management can jeopardize the profitability of a

business entity. Business ventures have frequently met their demise owing to a deficiency in understanding effective strategic financial management. Moreover, the volatile business landscape compels these ventures to overly rely on equity and specific high liquidity assets, exerting an impact on profitability (Redman, 2017). Numerous nations and corporations aspire to signal their commitment to good governance by adhering to international standards and practices.

It is imperative for Kenya to harness its full array of resources to confront national development challenges (PSC & SCAC, 2015). In recent times, as interest in the interplay between corporate governance and employment relations grows, a body of literature has emerged that identifies varying relationship patterns within diverse national productive systems. Integrating employees into corporate governance potentially aligns with shareholders' long-term interests (Flammer et al., 2019; Solomon, 2020). While the establishment of systems and structures may cultivate an environment conducive to robust corporate governance practices, the actions and inactions of those entrusted with pertinent responsibilities ultimately dictated the realization of governance objectives.

Eisenhofer and Levin (2019) study outlines the various aspects of bad behavior that could serve as a catalyst for the financial under-performance of the organization. Corporate governance serves to incentivize managers to enhance operational efficiencies, optimize investment returns, and foster sustainable long-term growth. Over time, corporate governance contributes to improved organizational performance and a competitive edge. García-Sánchez et al. (2021) highlight that robust corporate frameworks benefit companies by facilitating increased access to financing, reduced cost of capital, enhanced performance, and more favorable treatment of stakeholders. Other scholars posit that effective corporate governance plays a pivotal role in

bolstering investor confidence and market liquidity. The governance structure of any corporate entity influences its capacity to respond to external factors that impact its performance. It has been observed that well-governed firms generally exhibit superior performance, emphasizing the significance of good corporate governance. Good governance nurtures and sustains investor and stakeholder confidence and goodwill. Conversely, poorly governed firms tend to exhibit lower profitability.

Governance pertains to organizational management, distinct from the concept of management itself. In essence, governance encompasses the processes and systems that guide management in envisioning, shaping, facilitating, and supervising the organization, whereas management is focused on coordinating and overseeing the daily operations of a company. According to Singh et al. (2018), corporate governance encompasses the intricate interplay among capital, management, and labor. This perspective resonates as a practical approach to understanding corporate governance. Grasping the core essence of a firm and its value addition necessitates the inclusion of employees. Diluting corporate governance to a dialogue solely between management and capital overlooks the imperative of addressing employee interests. Jacoby (2018) underscores the transformative impact of employee participation in corporate governance on the treatment of employees by the firm.

Parkinson (2018) draws attention to the alignment between the prevailing concept of the corporation and the integration of employee interests within the corporate governance framework. He contends that the firm should be perceived as a multifaceted social institution. This perspective transcends simplistic notions of the firm as owned solely by shareholders or merely structured around contractual agreements, offering a more comprehensive understanding. Parkinson proposes that the firm should be viewed as a intricate social entity with its own identity, extending beyond shareholder

ownership. This perspective places employees (and potentially other stakeholders) at the core of corporate governance. Firm performance is gauged by established criteria of effectiveness, efficiency, and environmental responsibility. Performance entails quantifiable outcomes reflecting the execution of specific tasks. It serves as an outcome of the company's strategies and operational activities. It is likewise the degree to which a singular life up to the assumptions in regards to how he ought to work or act in a specific setting, circumstance, work or situation (Wasike, 2012).

Governance focuses on the management of an organization, and it's crucial to discern the distinction between governance and management. Broadly speaking, governance encompasses the procedures and mechanisms established to aid management in conceptualizing, shaping, enabling, and supervising an organization's management. On the other hand, management pertains to the coordination and administration of an enterprise's everyday activities. Within organizational contexts, corporate governance establishes a framework for stakeholder interactions that could potentially impact the extent and willingness of managers and employees to wholeheartedly devote themselves to each other and to the organization's objectives (Young, 2018).

Inadequate corporate structure can result in challenges like corruption, neglect, fraud, and a lack of responsibility. Organizations require well-defined systems and procedures for efficient communication. Corporate governance that works doesn't just happen by accident, and it can't be. Our integrated modules for governance, compliance, and risk software offer a solid framework for recording risks, communicating, auditing, training, managing suppliers, and resolving issues, among other tasks. After then, a real-time dashboard with an overview of the business' performance receives all of this data.

## **2.1.4 Governance Documentation Practices and Investment Decision-making Outcomes**

Increasingly, records play a pivotal role as instruments of reliability, serving, for instance, to verify responsibility. Yet, they also embody elements of reliance. Stringent criteria have been established to ensure the credibility of records; these criteria are more intricate in the digital realm compared to what has been traditionally applied to physical records (Sundqvist, 2011).

To guarantee the process is infused with quality and to make sure correct information from prior judgments is available to guide current and upcoming decisions, pharmaceutical enterprises and regulatory bodies consistently endeavor to enhance their internal operational methodologies (Bujar et al., 2020). These entities aspire to intertwine their decision-making process with outcomes as a facet of this ongoing enhancement process. This endeavor requires documenting the anticipated result of a decision at the moment it is rendered.

Without exhibiting "hindsight bias," this timely documentation makes it possible to compare the expected and actual outcomes of a decision and determine the impact; specifically, the tendency to justify past decisions using current knowledge. Hence, documentation serves as a mechanism to ensure that acquired knowledge is integrated into a learning system, commonly referred to as "institutional knowledge management," and can contribute to enhancing subsequent decision-making processes. The significance of institutional information the board, upheld by the documentation of direction is being perceived inside administrative organizations and drug organizations as well as in different kinds of offices like the Public Flight and Space Organization (NASA) as well as different businesses (Bujar *et. al.*, 2020).

As per the Corporations Act of 2001 in Australia, financial records encompass a range of items including receipts, documents used for initial recording, bills of exchange, checks, promissory remarks vouchers, working papers, and any other crucial records (Silverstone and Sheetz, 2017), the ways that financial statements are made and the changes that need to be made when preparing them. There are numerous accounting software packages that can be used to store financial records electronically. According to Section 288 of the Corporations Act, if financial records are kept electronically, they must be able to be converted to hard copy. A digital file is one that a computer is capable of manipulating, transmitting, or processing, according to IRMT (2016). Electronic financial records can be stored on optical or magnetic media, such as hard drives, CD-ROMs, magnetic tapes, and diskettes. These records are stored digitally and can be accessed using computer software and hardware. They also offer the convenience of easy manipulation, including updating and deletion. While traditional records have historically been physical items, electronic records, despite being stored on a specific medium, maintain their status as records independently of the medium itself. In other words, the record's identity is not contingent upon the medium it's stored on (Ward, 2021).

Anticipating computer systems to remain rekeyable for the extended duration required to maintain the usability of the records they generate is impractical, given their rapid obsolescence. For electronic records intended for long-term retention, a process is necessary to migrate them to new systems, preserving their integrity and authenticity while ensuring they remain accessible and comprehensible (Eastwood & Woods, 2020). Although the technical challenges of managing electronic records are substantial, the associated managerial concerns are equally crucial.

Electronic records are vulnerable; they cannot endure without proactive measures to migrate them to updated systems. This process, as Scholl (2016) notes, is not only costly but also demands the establishment of policies and procedures that influence the entire organization's operations. In Africa, Mosweu and Rakemane (2020) have shown models across the mainland where there was terrible administration, records were ineffectively kept.

At freedom, Sierra Leone had great records-keeping frameworks which fell by the 1980s and mid-1990s inner conflict. Thus, the public authority lost the narrative proof expected to oversee public help work and finance. Without solid records, endeavors by the public authority to confirm the finance and restore control fizzled. This highlights that records-keeping is fundamental to great administration. While sub-Saharan Africa has appreciated weighty contributor financing to advance changes in government bookkeeping frameworks, such endeavors finished in disappointment in view of unfortunate records of the board (Barata, Cain & Serumaga 2019). For Zimbabwe, the inability to notice great monetary records the board adversely impacted the public economy.

Malemelo, Dube, David, and Ngulube (2013) articulate that poorly maintained financial records have had detrimental effects on the economy, creating a conducive environment for corruption and fraud to thrive within the public sector. Barata et. al., (2019) feel that in spite of the fact that records give areas of strength for a decent administration, records that should uphold monetary bookkeeping processes in Zimbabwe were problematic, prompting financial responsibility that was suspect and powerless. Among a large group of issues of overseeing records in ESARBICA part states is a low appreciation for the job records the executives play in advancing hierarchical productivity and responsibility (Wamukoya & Mutula, 2015).

In South Africa, Ngoepe (2012) recognizes unfortunate records on the board as a significant contributing variable to negative reviews. Examining is one approach to financial records in the treatment of assets. Perceiving the job of records the board in the review cycle, with regards to South Africa, Ngoepe and Ngulube (2014) presume that legitimate records the executives are one of the critical empowering influences for the reviewing system. Ngoepe and Ngulube (2013) prior laid out that for an association to be responsible and straightforward, a record the board program should be set up.

Keorapetse and Keakopa (2016) note that it is difficult to consider government authorities responsible for their terrible deeds due detachment of records in view of colossal accumulations of non-current records which over the long run, imploded records-keeping frameworks in Africa. The inability to oversee records has debilitated responsibility, obviously an obstruction to great administration. Mnjama (2016) contends that an excess of natural records was difficult for chronicled vaults in the ESARBICA district as it blocked admittance to data. According to BBC News (2018), an investigation into public assistance records revealed the exposure of 30,000 phantom workers—individuals who were fictitious, deceased, or individuals who had never worked.

Over the period from 2015 to 2017, the Government of Mozambique suffered losses amounting to USD 250 million due to such fraudulent activities. 52 ghost workers were discovered in Botswana during the rollout of the Prophet Human Asset Management System when personnel data were cross-referenced (Sunday Standard 2016). Prophet HRM tried to guarantee that administration has exceptional and exact records of its representatives. The presence of phantom laborers in Botswana and Mozambique redirected the genuinely necessary cash from the improvement plan.

Osebe et. al., (2018) directed concentrated on records the board practice on the side of administration in the Nyamira Region of Kenya, participants were responsible for a diverse range of records, including financial and auditing records, meeting minutes, records pertaining to policy, as well as planning and development-related papers. The decisions made by the county government are informed by the information contained within these records, underscoring the importance of proper records management in enhancing the effectiveness and efficiency of governance. Legitimate records for the executives are a device to cultivate trust and generosity from general society as it energizes responsibility and straightforwardness vital for compelling administration. Legitimate, dependable, responsible, straightforward, and credible records structure a premise that positive choices in Province administration can be educated. It was presented that appropriately overseen records give a premise to value in asset dispersions, consequently encouraging certainty among general society, which brings about generosity from individuals on province government projects, thus smooth administration. Through appropriate records of measurements, the district can guarantee legitimate anticipating of the fate of its subjects as far as the production of business, food security, arrangement of schooling, arrangement of wellbeing administrations, further developing a foundation, and arrangement of water.

Despite the fact that there are no obvious records of the executive's arrangements set up, records administrative bodies, for example, data and documentation record the board part II, ISO 15489, helped enormously in positioning principles for records the board (Mokandu 2020). There actually were irregularities in records the board practice, a sign that Association Norms (ISO: 2001) for records the executives that were set up were not completely agreed with. The province is confronted with difficulties in records the executives, key deficient arrangements, and lacking financing. Different

difficulties distinguished were deficiently prepared RMJ 28, 3 302 Downloaded by Kisii College at 10:22 06 May 2019 (PT) staff, inadequate record stockpiling hardware and space, absence of appropriate removal strategies, and insufficient financing.

The Region ought to guarantee sufficient monetary distributions to work with records of the executive's projects, for example, resolving challenges related to space, hardware, and staff training is crucial. Employing knowledgeable record-keepers helps improve good records management procedures, aiming to overcome the challenges faced in this regard (Marutha, 2019).

The importance of record keeping in any organization cannot be overemphasized. Records are indispensable in pertaining organizational efficiency and productivity. It seems logical because records management ensures that administrative and operational information is accessible whenever needed, enabling the administration to function efficiently. In other association, records the executives is important for data administration unit that consolidate other data capability, for example, data asset focus while others are situated under data innovation as it capabilities in lined up with the PC office.

The incorrect placement of records management had no impact and was left to anyone who is willing to handle it. It is somewhat misleading where records management is located. This has a significant impact. The organization does not believe it is their duty to manage records in order to enhance accountability, transparency, competence, efficiency, and survival; rather, it views records as insignificant and unimportant matters that should not be discussed at the board level. Despite the development of corporate codes of conduct, these codes usually contain various problems that impede their efficacy and jeopardize a company's integrity and image.

The majority of the time, an organization's integrity management program is based on its conduct standards. Nevertheless, this central communication is poorly designed, mostly because it fails to adequately address the company's unique features and requirements, placing many firms' projects in peril. For example, principles probably won't address the organization's essential activities or mirror its way of life. Alternately, they might present other issues that undermine the efficiency of the standards and, in turn, the entire integrity management program of the company, or they might be too specific, set the wrong tone, or both.

### **2.1.5 Policy Framework Practices and Investment Decision-making Outcomes**

The Policy Framework for Investment (PFI) stands as the most comprehensive and methodical approach ever devised for enhancing investment conditions (Moro et al., 2019). This framework aids governments and regions in formulating and executing policy reforms to establish an appealing, resilient, and competitive environment for both local and foreign investments. Since the PFI's adoption in 2006, global investment dynamics have undergone transformation due to factors like the global economic and financial crisis that initiated in 2008 and still impacts many economies, the emergence of influential outward investors within the G20, the proliferation of global value chains, and indications of a rise in pressures for investment protectionism. Through the application of the PFI, numerous insights have been gained, especially in developing and emerging economies.

The framework for managing foreign reserves at the European Central Bank (ECB) and the associated decision-making process are thoroughly examined in Silvonen and Port (2020). The proactive participation of all national central banks within the euro system distinguishes the ECB's decentralized approach to managing foreign reserves from that

of other international central banks. This unique aspect significantly shaped the framework's design, operation, and governance. The study delves into the distinct attributes and functions of the three investment management tiers, encompassing strategic and tactical benchmarks, as well as the real portfolios. It thoroughly examines the decision-making architecture at each level.

Jenkins and Longworth (2015) examined how Canada's expansion target arrangement between the public authority and the Bank of Canada was up for recharging by 31 December 2016. Addressing the fallout from the worldwide economic downturn of 2008–2009, a significant concern emerges in the form of incorporating both price stability and financial stability into the policymaking landscape.

This commentary discusses the significance of having a separate and coherent framework for macro prudential policy, which is intended to prevent the accumulation of systemic or system-wide financial risks, for the conduct of monetary policy. The financial crisis demonstrated that these risks and their effects on the economy were not sufficiently considered. There are two ways to view this issue's significance. The first is about how monetary and macro prudential policy tools interact in response to concerns about rising household debt. There came a time when only one policy tool sufficed, when both policies needed to be utilized in the same direction, or when both policies needed to function in opposing directions.

The second connects with the Bank's current "risk the board approach" to money related strategy. Within this approach, it is evident that monetary policy assumes a heightened role as a critical safeguard against systemic risks, a role that could potentially be less pronounced in the absence of a comprehensive government framework for the active use of macro prudential tools, posing the risk of suboptimal monetary policy outcomes. Peterson (2015) shows that recent scholarship on the

political development of the European Union (EU) reflects a renewed interest in theorizing about the process of integrating Europe. In the meantime, an increasing corpus of material is available on EU policymaking in particular policy areas. However, there is a significant gap between theoretical models that attempt to explain the EU's policymaking process and those that attempt to explain broad patterns of European integration.

The main argument is that, for two reasons, the EU is a "hothouse" for various types of policy networks. First, there are no "off-the-shelf" institutions in the EU that can make informal negotiations between various actors easier. Second, in recent years, decisions made during the policy formulation stage have become significant determinants of the final outcomes of EU policy. The utilization of evidence by policymakers and practitioners in Africa remains a subject with limited available data. While there's a growing enhancement of capacity in the continent, the provision of evidence predominantly comes from international entities, primarily due to the influence of donor policies and preferences, which frequently generate the demand for evidence, particularly in the form of evaluations. Nevertheless, there is a noticeable rise in the demand for evidence by governments, and this trend is progressively becoming institutionalized within both the executive branch of government and legislative bodies. Civil society groups and think tanks are harnessing evidence to hold the government accountable, a practice that has been formalized in the reporting of progress aligned with the UN Sustainable Development Goals (Goldman & Pabari, 2020).

In numerous African countries, notable progress has been achieved in recent times through the formulation and execution of governance reforms, leading to enhancements in the rule of law, justice accessibility, and citizen engagement. However, advancements have exhibited disparities across nations, and persistent challenges

persist in various domains, encompassing public service provisioning, inadequacies in counterbalancing mechanisms, prevalent corruption, and disparities in societal equity. Moreover, governance reform initiatives frequently encounter obstacles such as inadequate coordination, challenges in maintaining sustained political determination, and a dearth of emphasis on diligent oversight and appraisal (Schoeberlein, 2020).

In Nigeria, the central facet of the strategy formulation process revolves around the principle of governmental supremacy, a well-entrenched constraint in the Nigerian context. Conventionally, the federal government assumes the role of providing overall direction and guidance in the planning process, spanning across the stages of formulation, execution, and evaluation (Dahida & Maidoki, 2016).

The decision-making within the framework of governmental supremacy mandates the Federal Economic Committee, overseen by the Vice President, to offer counsel to the President regarding the fiscal matters of the federation, specifically pertaining to measures necessary for harmonizing the efforts of fiscal planning or the economic development initiatives across the various state governments of Nigeria. Policy inputs emanate from diverse ministries and departments within the Ministry of National Planning within the national planning agency.

In research on improving the quality of public service outcomes, Cheruiyot et al. (2017) investigated the area of public finance management. This area greatly influences how money is allotted to meet national and local demands, as well as how resources are made available for various initiatives and how cost-effectively public services are provided. Additionally, it is indisputably true that if public sector organizations succeed in the crucial areas of stewardship, accountability, and openness in the use of public funds, the general public is more inclined to bestow higher faith in them (Nistor et al., 2019). It is imperative for nations to achieve exceptional performance in their

undertakings as it bears significant repercussions across a wide spectrum of domains, encompassing comprehensive financial management (encompassing financial sustainability, resource allocation, and distribution), operational management (performance, value for money, and budget administration), governance (transparency and accountability), and trustee risk management (controls, consistency, and oversight) (Repel, 2017).

Also, successful public monetary administration is significant for direction. Exact monetary data is much of the time utilized as a system to help choices and guarantee viable asset distributions. Public monetary administration is a complicated field with numerous new drives and a moderate couple of triumphs to date. Carrying out open monetary administration change is a test in all nations, however, to effectively mount and execute public monetary administration projects in asset-obliged nations; public monetary administration rehearses embraced ought to be the ones that are both compelling and productive. National-level policies can encounter challenges in maintaining a certain level of consistency during implementation at the subnational level, especially when subnational entities possess distinct political authority from the national level (Norris et al. 2014). Sausman et al. (2016) coin the term "local universality" to illustrate the mechanism through which broad principles, goods, or norms are modified and tailored to suit local contexts and integrated into local practices. What remains less evident is how central authorities can adeptly react to this phenomenon, especially when it unfolds inconspicuously, outside the purview of policy makers.

Even in situations where governance is concentrated rather than diffuse, the implementation process remains highly contingent on the local environment. Complex systems literature indicates that an intervention's success in one locale doesn't

necessarily guarantee the same outcomes elsewhere (Braithwaite et al. 2018). Additionally, there is the added complexity that individuals operating at higher echelons must possess a certain understanding of the actual occurrences at or near the frontline. This constitutes the foundation of the "bottom-up" approach to policy implementation and resonates with Lipsky's concept of the "street-level bureaucrat," whose discretionary authority can play a pivotal role in shaping the triumph or downfall of a policy (Lipsky, 2019).

A notable characteristic of numerous policies, particularly those necessitating direct interactions with the public, is that "lower level" personnel often engage extensively with external entities and possess discretionary authority that effectively grants them autonomy from their superiors. While the decisions made by these individuals might appear minor when considered individually, their cumulative impact has the potential to significantly alter the overarching strategic policy direction (Hudson 2019).

Although the majority of actions are probably going to have wider effects on external stakeholders, the process of creating policies has historically been compartmentalized inside certain administrative borders. Progress in this field has been patchy and restricted, despite the increased scholarly interest in creating concepts and methods to encourage interorganizational alliance (Gazley, 2017). The failure to create a common vision for solving problems in society via a successful handling of differences and the lack of a collaborative strategy development process both greatly contribute to the difficulties with execution that follow. Beyond the most straightforward tasks, policy creation demands ongoing interaction with a range of stakeholders at various political, policymaking, administrative, and management levels. Local "downstream" implementers, including end users, front-line staff, and other community-based organizations, must actively participate in this.

## **2.1.6 Board Monitoring/Evaluation Practices and Investment Decision-making**

### **Outcomes**

Monitoring and Evaluation (M&E) constitutes an ongoing managerial task aimed at assessing the progress achieved in attaining anticipated outcomes. Its purpose is to identify implementation hurdles, as well as to uncover any unintended positive or negative consequences arising from an investment plan, program, or project, along with its associated activities (Chukwu et al., 2019). The intertwined processes of planning, monitoring, and evaluation collectively form the foundation of the Result-Based Management (RBM) approach, designed to inform decision-making toward well-defined objectives. Planning directs attention to meaningful results, while M&E supports the acquisition of insights from previous successes, challenges, and experiences encountered during the execution phase. All around the world, Checking and assessment have been in present since old times as noted by Kusek (2017). Checking and Assessment of tasks is the most common way of following, surveying, and directing the advancement to meet the presentation targets characterized in the venture the board plan. Checking involves status detailing, and progress estimation, and it is deliberate and autonomous to conjecture while Assessment. According to M&E, the exhibition offers data on the undertaking's presentation about cost, scope, plan, assets, quality, and chance, which can be utilized as contributions to different cycles. M&E assumes an extremely critical part in aiding those engaged with tasks to survey on the off chance that progress is being accomplished in accordance with assumptions. M &E elements of a venture are completed by the M&E division of an administration organization liable for M&E in a few tasks utilizing public rules. This organization has a lot of involvement and can begin project M&E exercises at the beginning phase.

Notwithstanding, the organization doesn't have direct admittance to the task's M&E assets and has restricted reserves. An effectual undertaking is a significant job in accomplishing hierarchical development and advancement. Most undertaking administrators value that observing and assessment of tasks are significant assuming the venture targets and achievements are to be accomplished. Project checking and assessment practices increase the value of the general proficiency of task arranging, the board, and execution by offering restorative activity to the fluctuations from the normal norm (Novinsky, 2018). Most countries in Africa have adopted monitoring and evaluation tools. Ghana, for example, established the Public Improvement Arranging Commission (NDPC) as an administrative strategy to raise the standard of M&E tasks. During the M&E cycle, NDPC modified the Results-Based Planning (RBB) and Outcomes-Based Observing and Assessment Framework (RBMES). This was done with the intention of ensuring validity to partners and the government, as well as cost-viability, institutional limit strengthening, and advancement of good management and responsibility. The M&E team must be adequately prepared to improve the undertaking tasks (Aaltonen, 2016).

The majority of African states have seen an increase in poverty, unemployment, and inequality as a result of Africa's failure to develop (Akolgo, 2018). The inclination toward a top-down approach to development in Africa can be attributed to the actions of its leaders, who ostensibly promoted national unity while effectively suppressing opposing viewpoints and opposition politics. This resulted in the concentration of power within an increasingly disconnected elite, often organized into single-party systems, military regimes, or civilian-military collaborations of varying forms. The disillusionment stemming from this centralized approach, given its unfavorable contribution to development, has led advocates to advocate for a community-oriented

strategy (decentralization and community-driven development) for African progress (Olukoshi & Nyamnjio, 2015). To reinforce the call for this approach in Africa, examples from other regions around the globe have been referenced.

In adopting decentralization as a key element of their development agendas, for example, nations in the Caribbean, East Asia, and East Europe have performed better than those in Africa (Canavire-Bacarreza, 2020; Agyemang-Duah, 2018). The use of public resources and service delivery for the sake of development is made more effective and equitable through decentralization, which also supports local government and democratization. At both the national and county government levels, the planning of government projects takes place. However, the county governments in Kenya have consistently faced issues of misappropriation and diversion of funds originally designated for development projects, despite the presence of a robust Monitoring and Evaluation (M&E) system.

Furthermore, inflated costs associated with county government projects are compounded by a lack of meaningful and sufficient public engagement during the stages of planning, execution, and evaluation. The effectiveness and efficiency of a monitoring and evaluation system are of paramount importance for the successful completion of these projects (Akinyi & Kisimbii, 2020). Following the lackluster results of the Local Authority Transfer Fund (LATF) in enhancing societal service delivery within the decentralization framework, Kenya introduced the Constituency Development Fund (CDF) in 2003 through parliamentary legislation (GoK, 1998). It aimed to enhance economic governance, reduce poverty, enhance service delivery, and ultimately contribute to socioeconomic development. According to Wamugu and Ogollah (2017), the CDF Act mandates that the fund receive no less than 2.5% of the annual revenue generated by the government. In spite of this optimistic portrayal of the

C.D.F., it is uncertain whether the fund is being utilized in the most effective manner or whether politicians have taken control of it in order to advance their patron-client networks. The CDF's use of funds cannot be properly monitored and evaluated without a proper system in place. According to Grossman and Feitosa (2018), the only way to accurately measure a program's effectiveness is to know what would have happened without it.

A thorough investigation of the essential elements that enable the efficient implementation of evaluation and tracking mechanisms in County Government projects was carried out in Mombasa County. According to the study's findings, which were based on the study's objectives, there is a significant relationship between organizational culture, budgetary resource allocation, organizational configuration, and staff competency, all of which have an impact on how successfully evaluation and monitoring techniques are incorporated into county government projects. The study's suggestions emphasized how important organizational culture is in determining an organization's overall effectiveness.

The report also recommended that county governments set aside enough money in their budgets to perform surveillance and assessment operations inside projects and underlined the need of providing enough financing for the assessment and monitoring unit. The study emphasized the value of giving tracking and assessment unit staff members frequent training advantages, at least once a year (Akinyi & Kisimbii, 2020). Project M&E is constrained at the local government level by a number of constraints, despite the fact that local governments are required by the Constitution to carry out projects aimed at enhancing the well-being and welfare of the people under their jurisdiction. It is instructive to state at this point that the Tanzanian local government system frequently experiences project failure. Project failure is certain for any project

that is not properly monitored and evaluated. In absence of meaning of the issue, first and foremost, tended to, program intervention, the anticipated direct outcomes of such interventions or their potential impact on the broader public or the addressed issue may not be clearly defined to the extent that they can be quantified with precision.

A lack of definition is when the agency's goal(s) are unclear, and legislative statements of project goals frequently are ambiguous or even contradictory. This is especially obvious in friendly regulation where the points are diffuse and every now and again address goals cast in manner of speaking. For instance, enhancing the quality of urban mass transit, promoting interethnic and interreligious cooperation, improving the quality of life for rural women, and lowering the rate of community crime. Basically, those in government feel a pressing need to do something about these issues, but they aren't sure what exactly interests various groups. The legislation that must be passed frequently requires compromise due to divergent group interests.

According to Akpobakah and Obioma (2018), budget indiscipline, characterized by the execution of projects that deviate from the established plan or budget, alongside the neglect, inadequate funding, or abandonment of projects aligned with the plan or budget, stands as a significant factor contributing to the potential failure of projects within the public sector. However, due to opposition from the National Assembly and some States Assembly, this has been minimized in recent years.

Additionally, the Anti-Corruption Act stipulates that you risk jail time if you award a contract for which funds have not been appropriately appropriated. Another important factor that can lead to project failure is implementing too many projects simultaneously due to a lack of proper prioritization. Along with the global economic collapse, there is also the challenge of an unstable political environment at the local government level. This can be seen by the constant interference of state governors. When there are

insufficient revenue sources or funding sources, projects are abandoned. They are also left behind when new helmsmen decide to start new projects rather than finish ones that are already underway. However, inaccurate assessments of the project environment, such as soil, topography, seasonal factors, and so on, as well as problems in the labor and community, contractor default, and late payment of performance certificates, are all examples. other factors that contribute to project failures include beneficiaries' and other stakeholders' lack of involvement in project formulation.

## **2.2 Theoretical Literature Review**

The examination of existing theoretical literature alludes to the assortment of interrelated thoughts in light of hypotheses (Kothari, 2014). It is a bunch of relational words, which are inferred and upheld by information or proof. A hypothetical system represents or makes sense of a peculiarity (Mugenda and Mugenda, 2012). This study utilized three hypotheses. Office hypothesis was utilized in corporate administration. The agency theory is a concept employed to analyze and address issues pertaining to the interaction between business managers and their employees. In the speculation dynamic results, two hypotheses were utilized; the venture hypothesis and the prospect hypothesis. A speculation hypothesis is a hypothesis that depends on the thought of various elements related to the most common way of financial planning while the prospect hypothesis expresses that direction relies upon picking among choices that may themselves lay on one-sided decisions.

### **2.2.1 Agency Theory**

This study was anchored on the agency theory which was proposed by Jensen and Meckling (1976). Numerous corporate administration studies are educated on the organization hypothesis, which recommends that corporate administration is expected

to guarantee that the head specialist issue is alleviated (Otieno, Odhiambo, and Ngwenya, 2015). A 'specialist' is somebody who takes care of business in the interest of someone else. The trouble with the head-specialist relationship is that directors can't authoritatively characterize all that the specialist ought to do in each possible circumstance (Moenga, 2015). Because of limited soundness, the 'ideal' or 'complete' contract is difficult to accomplish. Three elements might worsen the head specialist relationship's concerns: stowed away data, sunk expenses, and advantages (Njau, 2016).

Buried information arises when proxies possess knowledge that the chief knows nothing about (Aimone and Butera, 2016), and the specialist has an impetus to keep this information stowed away from the head. The significance of stowed away data is that the specialist actually wanted to 'avoid' or limit endeavors to the chief's inconvenience (Aimone and Butera, 2016). As per Bongjoo Lee and Joo-Ho Sung (2017), defeating such secret information requires both the advancement of straightforwardness (which brings about exchange costs all by itself) and the improvement of impetus components that urge specialists to uncover their secret information.

Defeating advantage is troublesome in light of the fact that it depends on the very suspicion of the human way of behaving that supports suppositions about authoritative execution and the advantages of market-driven corporate administration frameworks: people's personal responsibility. In any case, advantage can be diminished through open detailing and perception.

The ramifications of the organization hypothesis for why corporate administration best practice frameworks might give efficiency gains and upper hands to foundations are consequently fixated with the understanding that corporate administration is expected

to guarantee specialist conduct is designed for chiefs' inclinations (Aimone and Butera, 2016).

An enormous collection of writing plays inspected the part of the overseeing board and the organization issue, and those scientists researched the effect of the institutional construction as a checking instrument to moderate the head specialist issue, which is the vital focal point of office hypothesis.

A significant collection of writing plays examined the part of the overseeing board and the organization issue, and those scientists explored the effect of the institutional design as an observing instrument to moderate the head specialist issue, which is the essential focal point of the office hypothesis. This claim is relevant to the investigation because internal auditing is one of many strategies used by businesses to deal with the agency issue. Its goal is to reduce agency costs that have an effect on both the overall effectiveness of the company and the profits of the person in power (shareholder), according to Beam and Kurt (2016). Internal control serves to enhance the provision of additional information to the principal (investor) regarding the conduct of the agent (management), thereby mitigating information asymmetry and diminishing the investor's exposure to risk.

The relevance of this theory resides in its elucidation of the independent variable (internal control). The concept of internal control is closely linked to the stewardship of resources and the managers entrusted with the organization's assets. The board, acting as the custodians of corporate interests, is entrusted with the responsibility to act in the corporation's utmost favor.

### **2.2.2 Investment theory**

This study was also guided by the investment theory as postulated by Markowitz (1958), which states that individuals seek utility maximization by constantly switching

between investments with comparable expected returns but lower risks, similar risks but higher expected returns, or similar risks but lower expected returns (Kazimoto, 2013). According to Bofar et al. (2015) and McClure (2015), financial risk is the deviation of an asset's returns from historical norms during a specific time period. However, Markowitz expands the meaning of risk in investment theory from that of a single asset to that of a portfolio, which is a collection of multiple assets (Royal Swedish Academy of Sciences, 2015). According to Mangram (2013), Harry Markowitz's theoretical contributions to the fields of corporate finance and financial economics laid the groundwork for modern portfolio theory.

Markowitz's work was detailed in his book and in an essay on portfolio selection that was published in 1952 in the *Journal of Finance*. Selection of a Portfolio: In 1959, Efficient Diversification was published. The investment framework known as contemporary portfolio theory is used to select and construct investment portfolios with the intention of maximizing overall returns and minimizing investment risk. One issue with investment theory is that it relies on extensive mathematical models and formulas to support its theoretical assumptions.

This theory is significant in this study since it underscores on the significance of loan costs in venture choices. The investment cost is reduced in relation to the potential yield when interest rates fall.

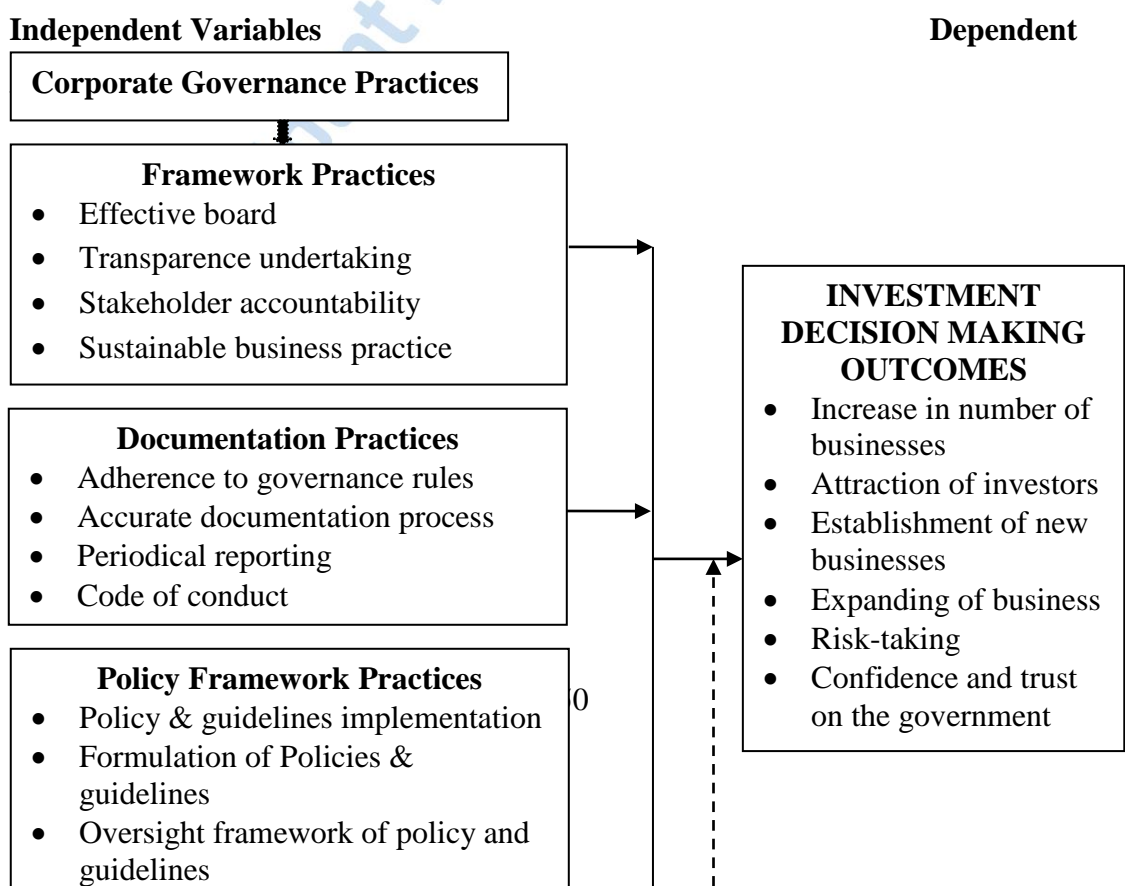
A company only made an investment if the discounted yield is greater than the project's cost. Keynes, on the other hand, was of the opinion that income level, not interest rate, determined the level of savings. Success in business is based on investment theories. Whether estimating productivity, settling on a task, or assessing numerous undertakings.

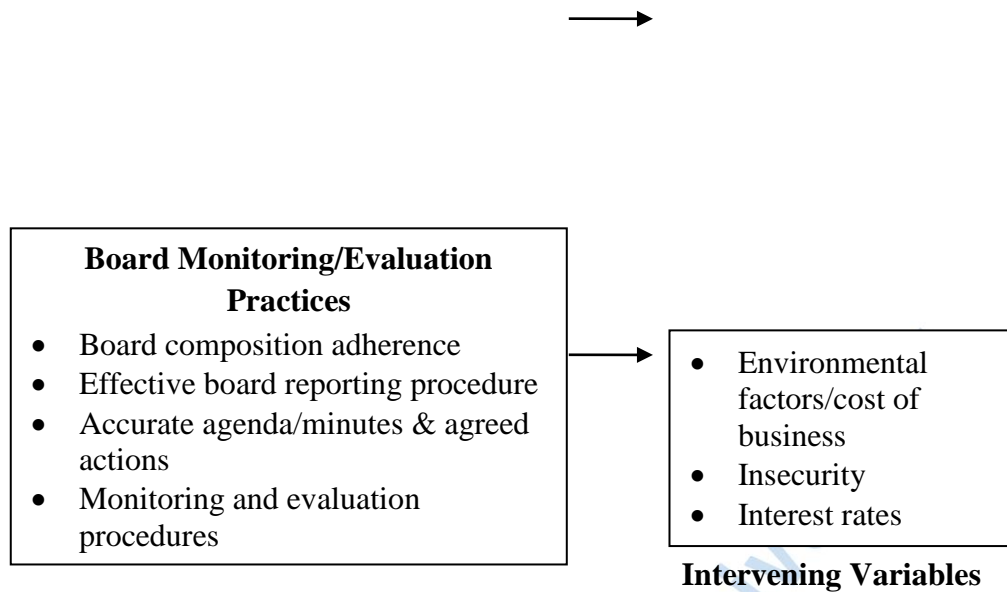
### 2.3 Theoretical Framework

These theories are suitable in this study in that they underscore the vitality of loan costs in venture choices. The investment cost is reduced in relation to the potential yield when interest rates fall. In other words, a company only made an investment if the discounted yield is greater than the project's cost. Keynes, on the other hand, was of the opinion that income level, not interest rate, determined the level of savings. These theories also appreciate the fact that success in business is based on investment theories. Whether estimating productivity, settling on a task, or assessing numerous activities.

### 2.4 The Conceptual Framework

The conceptual framework was based on the corporate governance framework practices, governance documentation practices, policy framework practices, and board monitoring & evaluation practices and the dependent variable which is the investment decision-making outcomes. The intervening variables included; environmental factors or cost of business, insecurity and interest rates as shown in Figure 1;





**Figure 1: Conceptual Framework**

**Source:** Researcher (2024)

## 2.5 Research Gaps

Enterprises encounter a plethora of ethical dilemmas, encompassing issues such as bribery, corruption, money laundering, and fiscal policies, which have emerged as prominent subjects of both corporate and societal apprehension. A 'governance gap' between corporate power and corporate accountability is typically defined as a lack of rules combined with a lack of enforcement. Ineffective governance systems, for example, are one of the governance difficulties that organizations encounter and that finally lead to corporate governance failures (Masud *et. al.*, 2019). The majority of people think that their abilities are above average. They also overestimate their knowledge in relation to others and its precision. A lot of investors think they can

always time the market. Yet, truly, there is a staggering measure of proof that demonstrates in any case.

Trading costs reduce profits as a result of overconfidence, which results in excessive trades. Factors that stacked intensely on this build incorporate firm standing, firm status, sentiments about the association's items and administrations, and saw morals of the firm. Each of these variables is an individual's value statement of the company. It is possible to draw the conclusion that many investors choose stocks based on qualitative criteria because all investment considerations, with the exception of firm ethics, rank highly (Meredith, 2019; Ainia et al., 2019; Nguta, 2021).

Inadequate corporate structure can give rise to problems such as corruption, negligence, fraud, and a lack of accountability. Enterprises necessitate well-defined systems and procedures for efficient communication. Competent governance doesn't arise haphazardly and shouldn't be left to happenstance. Governance, risk, and compliance software, such as our comprehensive integrated modules, furnish a methodical structure for capturing risks, facilitating communication, executing audits, imparting training, supervising suppliers, and addressing concerns, among various tasks. The entirety of this data is subsequently consolidated into a real-time dashboard that offers a panoramic snapshot of the company's performance (Okafor et al., 2020). Despite the proliferation of corporate codes of conduct, these codes frequently have numerous flaws that hinder their effectiveness and put a company's integrity reputation in jeopardy. Most of the time, a company's integrity management program is built around its conduct standards. However, this central communication is poorly constructed, primarily because it fails to effectively address the company's particular characteristics and requirements, putting programs in jeopardy for many businesses.

For example, principles probably won't address the organization's essential activities or mirror its way of life. Or, according to Reilly (2018), they might set the wrong tone, be too specific, or highlight other issues that hinder the efficiency of the standards and, in turn, the integrity management program as a whole (Reilly). Despite the fact that policy-making has often been compartmentalized within distinct administrative divisions, the impact of most interventions is likely to extend beyond the immediate scope and affect external entities. Additionally, although there is a growing scholarly interest in devising concepts and tools to foster collaborative partnerships between organizations, progress in this regard has been inconsistent and limited at best (Gazley, 2017).

The lack of collaborative policy-making and the failure to create a shared framework for resolving public concerns via the constructive management of differences are two of the main causes of the implementation problems that follow. Except for the simplest of tasks, the formulation of policies necessitates continuous collaboration with various stakeholders across different political, policy-making, managerial, and administrative levels, while also involving local implementation actors such as end-users, frontline staff, and various local service providers (Gazley, 2017). Project M&E is constrained at the local government level by a number of constraints, despite the fact that local governments are required by the Constitution to carry out projects aimed at enhancing the well-being and welfare of the people under their jurisdiction. It is instructive to state at this point that the Tanzanian local government system frequently experiences project failure. Project failure is certain for any project that is not properly monitored and evaluated. Insufficient clarity in defining the issue under consideration, the specific program intervention being executed, the expected immediate outcome of said

intervention, or the projected societal impact either in its entirety or on the issue at hand renders these aspects inadequately defined to be quantifiable (Jili & Mthethwa, 2016).

## **2.6 Summary of Literature Review**

From the literature review, it is evident that various corporate governance practices are key to the success of investment decisions. These practices include board monitoring and evaluation practices, governance framework practices, governance documentation practices, policy framework practices, which are important as far as the investment decision-making process is concerned. However, much still needs to be done to interrogate the extent to which each corporate governance practice influences investment decision-outcomes, hence the study.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter explains the approaches applied in conducting the research, structured into the following sections: study site, target population, sampling techniques and procedures, sampled population, development of research instruments, validation and reliability assessment, credibility evaluation, data collection process, data analysis methodology, and ethical considerations in research design.

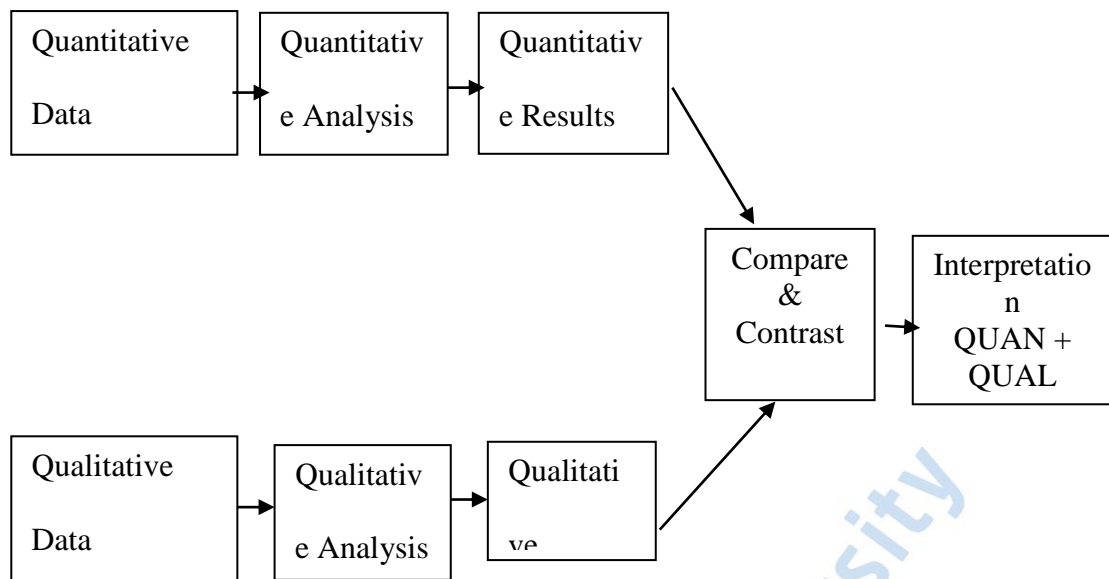
#### **3.1 Research Methodology**

This research espoused a mixed methodology approach, which involves the collection and analysis of both quantitative and qualitative data within single research. The use of data triangulation enabled each methodology to complement and enhance the findings of the other (Feld, 2010). Quantitative data included capturing of data from a given number of the participants in view of their positive reactions to wide and general inquiries in regards to the subject of study. Using a semi-structured questionnaire, these responses were selected from the respondents. The quantitative data collection strategy involved asking specific questions to a large number of respondents to gather information. Creswell (2014) outlines that the questionnaire encompassed an assortment of both unrestricted and closed-ended inquiries. Additionally, Sutton and Austin (2015) have demonstrated that qualitative inquiry can provide researchers with insights into the thoughts and feelings of study participants, thereby facilitating the development of a deeper understanding of the significance individuals attribute to their experiences.

### 3.2 Research Design

To achieve its goals, the research combined a descriptive survey approach with a contemporaneous triangulation model. As outlined by Garg and Kothari (2014), this arrangement enables the investigator to employ the two types of research techniques simultaneously. Generally, the design is convenient for concurrent, but isolated, collection as well as processing of statistical and narrative data for detailed understanding of the subject of study. Merging of the two datasets helped in clearly interpreting the results. Concurrent triangulation model was supported by descriptive survey design that helped in describing the existing situation at a specific point in time (Garg and Kothari, 2014). Descriptive design helped in describing how the independent or predictor variables relate with the fallouts of the interview.

The goal of a descriptive study is to methodically collect data in order to offer a thorough account of a phenomena, circumstance, or population. This approach often involves utilizing various sources of qualitative research data in combination, leading to a more comprehensive comprehension of the research subject. Survey research can be characterized as a quantitative research methodology that involves the administration of surveys to selected participants. The information gathered through these surveys is subsequently subjected to statistical analysis to extract valuable research insights. Survey research designs are adopted when cost constraints are minimal, and there is a requirement for convenient access to detailed information. Merging of the two datasets were done through concurrent triangulation design. The process can be illustrated in Figure 2:



**Figure 2: Research Design**

**Source:** Adopted from Creswell (2014)

### 3.3 Location of Study

The investigation, which was carried out in the county of Isiolo, primarily targeted those people who work for the county administration and corporate investors. Isiolo County was one of the 47 counties created and defined in 2010 in compliance with the requirements of the Kenyan constitution. Isiolo County was carved from the old Eastern Province where most of the administrative duties were conducted at Embu town as the regional headquarter, most of the investors were finding it more economically viable to start businesses in such towns as Embu thus leaving much unattended in Isiolo County. Low, semi-arid plains are the defining feature of the county's geography. It shares boundaries with the counties of Marsabit in the north, Wajir in the east, Garissa and Tana River in the south, Meru County in the south, and Samburu County in the south-west.

### 3.4 Target Population

This inquiry focused on the county management, heads of sections and business investors. This is because they are the major players in the day-to-day operations in the governance, budget utilization and investment. This targeted the 645 participants drawn from Isiolo county government and business fraternity and this formed the study target population as shown in Table 1:

**Table 1: Target Population**

Categories	Target Population
County Directors	25
County Executives	10
County Chief Officers	17
Members of County Assembly (MCA)	18
Business Community (Faith, BSN Ass, Non-Govt, Cooperatives, County Chamber of commerce/private investors)	575
<b>Total</b>	<b>645</b>

**Source:** Isiolo County Government (2023)

### 3.5 Sampling Procedures and Sample Size

The study's sample had a total of 197 which constitutes: County Directors 8, County Executives 3, County Chief Officers 6, MCAs 5, Business Community (175) = Faith (Purposive) = (5), BS Associates (Purposive)= (5), Non-Government organizations (Purposive)= (5) County Cooperative Societies Purposive (60), County Chamber of commerce (Random 10%) (100). The study adopted a simple random sampling of 10% and 30% since it offered each respondent an equal chance to participate in the study.

Business community representatives was sampled through proportionate random and purposive sampling to include (Faith, BSN Ass, Non-Govt, Cooperatives, County Chamber of commerce/private investors).

A sampling procedure is an index of cases, a list or directory from which a sample can be picked (Mugenda & Mugenda, 2014). A sample frame for the study was compiled from the list of all the County Directors, County Executives, County Chief Officers, MCA and Business Community (Faith, BSN Ass, Non-Govt, Cooperatives, and Chamber of commerce/private investors) in Isiolo County. After obtaining the lists from the county department, the researcher developed a comprehensive and accurate list from which a sample to participate in the study was generated. In order to represent the full population for the purposes of an investigation, a sample is a portion of the population of interest that has been deliberately chosen (Brinkmann & Kvale, 2015). The size of the sample, according to Gill and Johnson (2010), is an important consideration in any empirical study that aims to make generalizations about a wider population as shown in Table 2;

**Table 2: Sampling Grid**

Categories	Target Population	Sample Size	Sampling Techniques
County Directors	25	8	Simple random sampling
County Executives	10	3	Simple random sampling
County Chief Officers	17	6	Simple random sampling
MCAs	18	5	Simple random sampling
Business Community	575	175	Purposive sampling
<b>Total</b>	<b>645</b>	<b>197</b>	

**Source:** Researcher (2023)

## **3.6 Research instruments**

### **3.6.1 Questionnaires for business community and MCAs**

This study has chosen to use questionnaires because a diverse variety of replies from the group in question are what are desired. According to Schreiber & Asner-Self (2011), differences from the subjects' responses were observed. A single questionnaire was distributed to MCAs and the business community. The Likert scale and open-ended and closed-ended questions were included in the questionnaires.

### **3.6.2 Interview Guides for County Directors, County Executives, County Chief Officers**

According to Schreiber and Asner-Self (2011), face-to-face data assisted in verifying the information gathered based on information received from the surveys and allowing the examiner to see participants' nonverbal and verbal interactions. For County Directors, County Executives, and County Chief Officers, there were structured interview schedules. The officers were requested to provide demographic information in Section A of these schedules. In order to complement the responses to the questionnaires and go along with the objectives and questions of the study, the data was quantified.

### **3.6.3 Document Analysis Guide**

A study can utilize a document analysis checklist to collect secondary data in conjunction with primary data collection methods (Glenn, 2009). This statement implies that supplementary research data can be acquired through document analysis. Furthermore, the acquisition and assessment of documents typically offer efficiency in terms of both time and cost (Robson, 2002).

In this research, a document analysis checklist was employed to corroborate findings obtained from the survey and interview protocols. The objective is to furnish the researcher with supplementary information to address the study's objectives.

### **3.7 Piloting of Research Instruments**

Preliminary testing of the survey instrument was steered in each category to assess the sensibility, coherence, and comprehensibility of the questions on the prepared instruments. This step ensured that the instrument's language and format are easily comprehensible to respondents, thus minimizing any potential ambiguity (Bougie & Sekaran, 2010). With proportionate testing from each class, 10% of the 197 respondents for the key example was 20 respondents for the pilot. The respondents to the pilot study was not remembered for the actual review in order to avoid predisposition.

#### **3.7.1 Validity**

Validity of test items is determined by how accurately it estimates the expected results. Authenticity is one of the characteristics of abstract investigation and relies upon choosing if the revelations were exact from the viewpoint of the researcher or the part (Creswell, 2014). The substance authenticity of the instruments were chipped away at through ace judgment (Salkind, 2009). The examiner made sure that the items cover every facet of every factor as specified in the project's goals. In addition, the analyst led a thing examination with the assistance of colleagues in the field of educational administration and educational plan studies to ensure that the items and instruments are adequate for obtaining anticipated data

### **3.7.2 Reliability**

Dependability was utilized to zero in on how many observational markers were steady and predictable. Denscombe (2007) contends that unwavering quality alludes to the consistency of a specific instrument giving similar results over various preliminaries.

This technique was liked since it gave the specialist time to concentrate on the reactions prior to controlling the test a subsequent time. The fourteen days' time frame likewise guaranteed dependable reactions given that participants are given intervals between the assessments, the Cronbach's Coefficient Alpha was used to evaluate the instruments' dependability. If an Alpha value of 0.700 or higher is attained, the tools were considered reliable and highly acceptable. Additionally, during the directing, the substance dependability of exploration instruments were laid out.

### **3.7.3 Credibility**

Credibility essentially requires the researcher to establish a clear connection between the findings of the research study and reality, in order to demonstrate the authenticity and truthfulness of the research study's conclusions. By involving the simultaneous triangulation technique in the information examination, various information sources, examinations, strategies, or potentially writing explored the significance of information across the settings and individuals. Employing this form of information triangulation significantly enhanced the validity of the research findings (Creswell, 2003). By using this kind of data triangulation, the investigator got reputation.

### **3.7.4 Dependability**

The degree of the steadfastness of the meeting timetables were accomplished by the scientist by making a request review and a top to bottom meeting t to the Region Chiefs, District Leaders, and Area Boss Officials. During a peer review, a researcher who was not involved in the data collecting and analysis processes looked at the stages

of gathering data, analyzing it, and the research study's findings. This is done to confirm that the findings are accurate and that the data obtained supports the conclusions. All opinions and inferences are carefully examined to see if the actual evidence supports them. This kept a serious level of constancy in the subjective information instruments.

### 3.8 Data Collection Procedures

The researcher obtained an introduction letter from the School of Postgraduate Studies after obtaining Ethical Review Clearance from Mount Kenya University to facilitate access to the Isiolo County offices. Subsequently, the researcher adhered to legal requirements by obtaining a permit from the National Commission of Science, Technology, and Innovation (NACOSTI) before composing a self-introduction letter to present to the Isiolo County offices. The researcher followed protocol and signing the visitors' book when they arrive at the Isiolo County offices. The consent forms were filled out and signed following the participants' self-introduction and meeting. In proportionate sampling, the questionnaires were distributed to businesspeople and MCAs, respectively. Face-to-face interviews with County Directors, Executives and Chief Officers were conducted. The researcher undertook a document analysis. The procedures were as shown in Table 3;

**Table 3: Data Collection Procedures**

<b>Research Questions</b>	<b>Questionnaire Questions</b>	<b>Interview Guides</b>	<b>Document Analysis Guide</b>
What is the influence of governance framework practices on investment decision outcomes?	<ul style="list-style-type: none"> <li>• Members of County Assembly</li> <li>• Business Community</li> </ul>	<ul style="list-style-type: none"> <li>• County Directors</li> <li>• County Executives</li> <li>• Chief Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Researcher</li> </ul>

How do governance documentation practices influence investment decision outcomes?	<ul style="list-style-type: none"> <li>• Members of County Assembly</li> <li>• Business Community</li> </ul>	<ul style="list-style-type: none"> <li>• County Directors</li> <li>• County Executives</li> <li>• Chief Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Researcher</li> </ul>
To what extent do the policy framework practices influence the investment decision making outcomes?	<ul style="list-style-type: none"> <li>• Members of County Assembly</li> <li>• Business Community</li> </ul>	<ul style="list-style-type: none"> <li>• County Directors</li> <li>• County Executives</li> <li>• Chief Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Researcher</li> </ul>
What is the influence of the board monitoring & evaluation practices on investment decision making outcomes?	<ul style="list-style-type: none"> <li>• Members of County Assembly</li> <li>• Business Community</li> </ul>	<ul style="list-style-type: none"> <li>• County Directors</li> <li>• County Executives</li> <li>• Chief Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Researcher</li> </ul>

**Source:** Researcher (2023)

### 3.9 Data Analysis Procedures

Both quantitative and qualitative data was analyzed in this study. Through topical research and both explicit and inferential measurements, the field-collected data was dissected. SPSS version 24 guided inferential and spellbinding measurements. Information is analyzed to determine its significance in any field. This implies figuring out the information, altering, coding, entering, and cleaning. This information handling gives results that the analyst might find out deeper meaning and make ends (Ary, 2006). Caught information was investigated by the exploration goals to answer the examination questions. Every goal was treated as a sub-theme under which information was investigated for translation. The information investigation was organized with the end goal that the examination questions were responded to individually. Engaging

insights incorporated frequencies, means, and standard deviations, rates while inferential measurements utilized the Pearson's Product Moment Correlation Analysis to test the relationship between variables (IVs and DV). The procedures were as shown in Table 4;

**Table 4: Data Analysis Procedures**

<b>Research Questions</b>	<b>Independent Variable</b>	<b>Dependent Variable</b>	<b>Quantitative Data Analysis</b>	<b>Qualitative Analysis</b>
What is the influence of governance framework practices on investment decision outcomes?	<ul style="list-style-type: none"> <li>• Governance framework practices</li> </ul>	<ul style="list-style-type: none"> <li>• Investment decision outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Pearson's Product Moment Correlation Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Thematic analysis</li> </ul>
How do governance documentation practices influence investment decision outcomes?	<ul style="list-style-type: none"> <li>• Governance documentation practices</li> </ul>	<ul style="list-style-type: none"> <li>• Investment decision outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Pearson's Product Moment Correlation Analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Thematic analysis</li> </ul>
To what extent do the policy	<ul style="list-style-type: none"> <li>• Policy framework</li> </ul>	<ul style="list-style-type: none"> <li>• Investment decision</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> </ul>	<ul style="list-style-type: none"> <li>• Thematic analysis</li> </ul>

framework practices influence the investment decision making outcomes? What is the influence of the board monitoring & evaluation practices on investment decision making outcomes?	practices	outcomes	<ul style="list-style-type: none"> <li>• Pearson's Product Moment Correlation Analysis</li> </ul>
	<ul style="list-style-type: none"> <li>• Board monitoring and evaluation practices</li> </ul>	<ul style="list-style-type: none"> <li>• Investment decision outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Descriptive statistics</li> <li>• Pearson's Product Moment Correlation Analysis</li> <li>• Thematic analysis</li> </ul>

**Source:** Researcher (2023)

### 3.10 Ethical Considerations

The Constitution of Kenya ensures protection and assurance of individuals' rights, with the underlying goal of upholding the dignity of individuals and communities, and advancing civil liberties while recognizing the potential of everyone. The opportunity for articulation is recognized in the Bill. The Constitution gives each Kenyan right to get data.

A similar Constitution likewise offers security to individuals which incorporates the manner in which they impart (the Republic of Kenya, 2003).

#### 3.10.1 Informed Consent

The researcher ensured that respondents are not subjected to uncomfortable situations that could hinder their ability to participate freely and openly. If they don't provide specific classified data, the analyst allowed them to provide data eagerly and take their feelings into consideration. As a result, the agent gave the subjects subtleties during the

interaction that was used in the data collection by having them give data freely and actively. Before participating in the research, the respondents read, comprehended, and signed an assent structure.

### **3.10.2 Confidentiality and Privacy**

Participants got assurances from the investigator that their information was kept entirely secret. Besides the one mentioned in the review, the data may not be used for any other purpose, and no undesirable individuals had access to the data. Because of this, participants were able to provide straightforward information, and the names of respondents were not displayed anywhere on the data collection instrument other than in a code framework that can only be created and viewed by the researcher.

### **3.10.3 Anonymity**

The participants were required to provide information to the researcher without providing their names on the instruments for gathering data. The researcher used characterized codes to sort the respondents. There won't be any clear information about the members or correspondence between the analyst and the subjects about the exercises. The specialist benefited from all of this in avoiding skewed responses from members.

### **3.10.4 Mien and Decorum**

The researcher assured participants that the information they provide was kept completely confidential going before, during, and following speaking with the respondents where the investigation was finished and, the whole way through the assessment cycle. In accordance with the standards of the Isiolo County where the review was conducted, the researcher conducted himself in the most extreme manner possible.

### **3.10.5 Capacity of Information Gathered**

The information gathered from the respondents and agendas dealt with and put away in high classification to keep away from spillage to unapproved people. It was put away in both hard and delicate duplicates. The specialist won't uncover any gathered information from anyone under any condition. Polls, interview timetables, agendas, and Discs were put away securely during and after the information investigation.

### **3.10.6 Scholarly Proprietorship and Counterfeiting**

To guarantee clean work liberated from copyright infringement, the analyst transferred the project into the TURNITIN program for counterfeiting check and cleanup. This was continuously finished before every safeguard. The rate record rekeyed not more than 15 %. This incorporated the references.

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSIONS**

#### **4.0 Introduction**

This chapter presented and discussed the findings of the research conducted on the influence of governance practices on investment decision-making outcomes in Isiolo County. The study aimed to evaluate how governance framework practices, governance documentation practices, policy framework practices, and board monitoring and evaluation practices affected investment decisions. Data collected from respondents in Isiolo County were analyzed to provide insights into the relationship between governance practices and investment outcomes, highlighting key trends, patterns, and implications.

#### 4.1 Response Rate

The study achieved a high response rate, with 174 respondents out of a sample size of 175, representing a 99.4% response rate. This excellent response rate was sufficient for reliable data analysis and ensured that the findings accurately reflected the views of the target population.


#### 4.2 Demographic Study

This section presents age, gender and education level.

##### 4.2.1 Gender

Out of the 174 respondents, 92 (52.9%) were male, while 82 (47.1%) were female. This shows a relatively balanced gender distribution, with a slight majority of the respondents being male.

**Table 5: Gender**



		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	92	52.9	52.9	52.9
	Female	82	47.1	47.1	100.0
	Total	174	100.0	100.0	

**Source:** Field Data (2024)

##### 4.2.2 Age

The study found out that of the 174 respondents, 63 (36.2%) were between the ages of 41 and 50 years, making this the largest age group in the study. This was followed by 45 (25.9%) of the respondents aged between 31 and 40 years, 42 (24.1%) of the respondents were over 50 years, and 24 (13.8%) of the respondents were under 30 years.

**Table 6: Age**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Under 30 years	24	13.8	13.8	13.8
	31 - 40 years	45	25.9	25.9	39.7
	41 - 50 years	63	36.2	36.2	75.9
	Over 50 years	42	24.1	24.1	100.0
	Total	174	100.0	100.0	

**Source:** Field Data (2024)

#### 4.2.3 Education level

The data in Table 3 shows that the majority of respondents had attained tertiary education, with 86 (49.4%) of the respondents, this was followed closely by those with university education, accounting for 71 (40.8%) of the respondents. A smaller proportion, 17 (9.8%) of the respondents, had completed secondary education. This distribution highlights a well-educated respondent pool, which may impact the perspectives on investment decision-making outcomes.

**Table 7: Education level**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	Secondary	17	9.8	9.8	9.8
	Tertiary	86	49.4	49.4	59.2
	University	71	40.8	40.8	100.0
	Total	174	100.0	100.0	

**Source:** Field Data (2024)

#### 4.2.4 Years of service

Out of the 174 respondents, 62 (35.6%) had 3 to 6 years of service, making this the largest group in the study. This was followed by 54 respondents (31.0%) with 7 to 9 years of service, while 43 respondents (24.7%) reported having between 0 and 2 years

of service, 15 (8.6%) of the respondents had over 10 years of service. This distribution reflects a varied range of experience levels among the respondents, which may impact their perspectives on investment decision-making outcomes.

**Table 8: Years of service**

		<b>Frequency</b>	<b>Percent</b>	<b>Valid Percent</b>	<b>Cumulative Percent</b>
Valid	0 - 2 years	43	24.7	24.7	24.7
	3 - 6 years	62	35.6	35.6	60.3
	7 - 9 years	54	31.0	31.0	91.4
	Over 10 years	15	8.6	8.6	100.0
	<b>Total</b>	174	100.0	100.0	

**Source:** Field Data (2024)

### **4.3 Influence of the governance framework practices**

The study sought to determine the influence of governance framework practices on investment decision-making outcomes in Isiolo County. As presented in Table 5, the findings revealed varying degrees of influence for different governance practices. The effective board influence on the increase in the number of businesses had a mean of 4.0632, reflecting a standard deviation of 1.28194, indicating that respondents generally agreed that a strong board positively impacts business growth. Furthermore, the study found that transparency in undertaking significantly influenced risk-taking, with a mean of 4.2529, reflecting a standard deviation of 1.10927, suggesting that higher levels of transparency encourage a greater willingness to take risks in investment decisions.

Additionally, stakeholder accountability was found to have a mean of 3.8678, reflecting a standard deviation of 1.31677, indicating a moderate agreement that it influences the expansion of businesses. The study further revealed that sustainable business practices had a positive impact on the attraction of investors, with a mean of 4.1667, reflecting a standard deviation of 1.21209, highlighting the importance of sustainability in drawing

potential investors. The findings indicated that governance framework practices significantly influence investment decision-making outcomes in Isiolo County.

**Table 9: Influence of the governance framework practices**

	N	Minimum	Maximum	Mean	Std. Deviation
Effective board influence increase in number of businesses	174	1.00	5.00	4.0632	1.28194
Transparence undertaking influence risk taking	174	1.00	5.00	4.2529	1.10927
Stakeholder accountability influence expanding of business	174	1.00	5.00	3.8678	1.31677
Sustainable business practice influence attraction of investors	174	1.00	5.00	4.1667	1.21209
Valid N (listwise)	174				

**Source:** Field Data (2024)

A governance framework that emphasizes transparency ensures that all stakeholders have access to accurate and timely information. This openness allows for better decision-making because investors and decision-makers can base their choices on clear, factual data.

*"When governance is transparent, it builds trust with investors, making them more confident in their decisions. They feel more secure knowing that there's nothing hidden, and this reduces the likelihood of making risky investments."*

Inclusive governance frameworks encourage the participation of various stakeholders, ensuring that investment decisions consider multiple perspectives. This collaborative approach can lead to more informed and balanced outcomes.

*When stakeholders are involved in the decision-making process, they bring different views to the table. This makes the investment decisions more comprehensive, as everyone's interests are considered, leading to better outcomes.*

Good governance frameworks include mechanisms for assessing and managing risks. By identifying potential risks early, decision-makers can avoid investments that may lead to financial losses.

*Having a risk management process within the governance framework means that investments are thoroughly vetted. Decision-makers can foresee potential challenges and either mitigate them or steer clear of high-risk investments.*

Governance frameworks that align with an organization's strategic goals ensure that investment decisions contribute to the long-term vision. When decisions are aligned with these goals, the outcomes are more likely to be sustainable and beneficial.

*"If the governance framework is closely tied to strategic objectives, every investment decision will be part of a bigger plan. This means that decisions won't just be about immediate returns but about ensuring long-term success."*

Governance framework practices such as transparency, stakeholder involvement, risk management, and alignment with strategic goals play a significant role in improving investment decision-making outcomes in Isiolo County. Each of these elements ensures that decisions are well-informed, balanced, and sustainable.

#### 4.4 Influence of the governance documentation practices

The study sought to investigate the influence of governance documentation practices on investment decision-making outcomes in Isiolo County. It found that adherence to governance rules revealed a moderate influence on attracting investors, with a mean score of 3.94 and a standard deviation of 1.39. Furthermore, the study indicated that the accurate documentation process is important for business expansion, as reflected by a mean score of 3.99 and a standard deviation of 1.34. Notably, periodical reporting further showed the highest mean score of 4.60 and a lower standard deviation of 0.94, demonstrating a strong belief among respondents that it significantly contributes to the increase in the number of businesses. Additionally, the study revealed that a well-defined code of conduct positively influences confidence and trust in the government, with a mean score of 4.02 and a standard deviation of 1.33. The study findings indicated that a majority of participants acknowledge the critical role of these governance practices in fostering a conducive environment for investment and business growth in Isiolo County.

**Table 10: Influence of the governance documentation practices**

	N	Minimum	Maximum	Mean	Std. Deviation
Adherence to governance rules influence attraction of investors	174	1.00	5.00	3.9368	1.39426

Accurate documentation process influence expanding of business	174	1.00	5.00	3.9885	1.33857
Periodical reporting influence increase in number of businesses	174	1.00	5.00	4.5977	.93685
Code of conduct influence confidence and trust on the government	174	1.00	5.00	4.0172	1.33202
Valid N (listwise)	174				

**Source:** Field Data (2024)

Governance documentation refers to the structured recording of policies, procedures, and guidelines that dictate how decisions are made within an organization. Proper documentation ensures consistency and transparency in decision-making processes. This thematic analysis explores how governance documentation practices influence investment decision-making outcomes in Isiolo County.

Governance documentation provides clear guidelines for decision-making, ensuring that all steps are well-defined and transparent. This clarity helps avoid confusion and ensures that decisions are made consistently.

*"When documentation is clear, everyone knows what to do and when. It reduces the chances of mistakes and ensures that decisions are based on established procedures, which leads to more reliable investment outcomes."*

Documented governance policies ensure that decisions are consistent over time, even when different individuals are involved. This consistency is crucial for maintaining stability in investment decisions.

*"With proper documentation, even if a new team member joins, they can follow the same procedures as their predecessors. This consistency helps in making decisions that are predictable and aligned with past investments, reducing uncertainty."*

Governance documentation also plays a role in creating accountability by maintaining records of all decisions made. These records allow for easy tracking and evaluation of past decisions, which can help improve future investment choices.

*"When all decisions are documented, it becomes easier to hold people accountable. If something goes wrong, you can look back at the records to see what happened, making it easier to learn from mistakes and improve future investments."*

Proper governance documentation ensures that all decisions comply with legal and regulatory standards. This compliance minimizes the risk of legal challenges or penalties, which could negatively impact investment outcomes.

*"Good documentation ensures that all decisions are in line with legal requirements. This protects the organization from legal issues and ensures that investments are made within the confines of the law, reducing risks."*

Governance documentation practices play a vital role in influencing investment decision-making outcomes by promoting clarity, consistency, accountability, and compliance with legal standards. These practices ensure that decisions are made based on established procedures, leading to more stable and legally sound investment choices in Isiolo County.

#### **4.5 Influence of the policy framework practices**

The study sought to examine the influence of policy framework practices on investment decision-making outcomes in Isiolo County. The findings revealed that policy and guidelines implementation significantly influence confidence and trust in the government, with a mean score of 3.87 and a standard deviation of 1.41, indicating a

moderate level of agreement among respondents. Furthermore, the formulation of policies and guidelines was found to have a strong influence on the establishment of new businesses, as evidenced by a mean score of 4.36 and a lower standard deviation of 1.18, reflecting a consensus on its importance. The study found that the oversight framework of policy and guidelines influences business expansion, with a mean score of 3.91 and a standard deviation of 1.39, suggesting a moderate impact. Compliance and adherence procedures further revealed a notable influence on risk-taking behavior, with a mean score of 4.20 and a standard deviation of 1.27. Overall, the study showed that the majority of participants acknowledge the critical role of these policy framework practices in enhancing investment decision-making outcomes and creating a supportive environment for business development in Isiolo County.

**Table 11: Influence of the policy framework practices**

	N	Minimum	Maximum	Mean	Std. Deviation
Policy & guidelines implementation influence confidence and trust on the government	174	1.00	5.00	3.8736	1.41262
Formulation of Policies & guidelines influence Establishment of new businesses	174	1.00	5.00	4.3621	1.18319
Oversight framework of policy and guidelines influence expanding of business	174	1.00	5.00	3.9080	1.39472
Compliance & adherence procedures influence risk taking	174	1.00	5.00	4.2011	1.26756
Valid N (listwise)	174				

**Source:** Field Data (2024)

Policy framework practices are a set of guidelines and regulations that steer decision-making within organizations and institutions. These frameworks provide the foundational rules for how investment decisions should be approached and executed. This analysis explores how policy framework practices impact investment decision-making outcomes in Isiolo County.

A strong policy framework offers clear guidance on how decisions should be made, ensuring that investments are aligned with the organization's overall strategy and objectives.

*"When there is a well-defined policy framework, it acts like a roadmap for making decisions. Investors and decision-makers have a clear understanding of what is expected, which helps in aligning investment decisions with the organization's goals."*

Policy frameworks help reduce uncertainty by setting predefined criteria for evaluating investment opportunities. This can make investment outcomes more predictable and reduce the risk of making poor decisions.

*"Policies provide a structured approach to assessing investments, which minimizes uncertainty. When everyone follows the same rules, decision-making becomes more predictable and less prone to unexpected risks."*

Well-implemented policy frameworks often include provisions for risk assessment and management. This helps ensure that potential investment risks are thoroughly evaluated before decisions are made.

*"A policy framework that includes risk management practices ensures that every investment is carefully analyzed for potential risks. This reduces the likelihood of making decisions that could lead to financial losses."*

By establishing a formalized set of rules, a policy framework enhances accountability within the decision-making process. Decision-makers are held responsible for adhering

to these policies, ensuring that investments are made in line with organizational expectations.

*"When policies are in place, decision-makers are accountable for following them. This helps in making sure that investments are made responsibly, with clear checks and balances in place."*

Policy framework practices influence investment decision-making outcomes by providing clear guidance, reducing uncertainty, mitigating risks, and enhancing accountability. These frameworks ensure that decisions are made systematically and responsibly, contributing to better investment outcomes in Isiolo County.

#### **4.6 Influence of the board monitoring & evaluation practices**

The study sought to determine the influence of board monitoring and evaluation practices on investment decision-making outcomes in Isiolo County. The findings revealed that adherence to board composition significantly influences confidence and trust in the government, with a mean score of 4.22 and a standard deviation of 1.25, indicating a strong level of agreement among respondents. Furthermore, effective board reporting procedures were found to attract investors, evidenced by a mean score of 4.30 and a standard deviation of 1.18, highlighting the importance of transparent communication in the investment process.

Additionally, the study found that accurate agenda setting, minutes, and agreed actions positively influence business expansion, with a mean score of 4.29 and a standard deviation of 1.17. This suggests that well-organized meetings contribute significantly to fostering growth within the business environment. Monitoring and evaluation procedures further revealed a notable impact on the increase in the number of businesses, with a mean score of 4.08 and a standard deviation of 1.43. The study showed that a majority of participants recognize the critical role of board monitoring

and evaluation practices in enhancing investment decision-making outcomes and creating a supportive environment for business development in Isiolo County.

**Table 12: Influence of the board monitoring & evaluation practices**

	N	Minimum	Maximum	Mean	Std. Deviation
Board composition adherence influence confidence and trust on the government	174	1.00	5.00	4.2184	1.24859
Effective board reporting procedure influence attraction of investors	174	1.00	5.00	4.2989	1.18385
Accurate agenda & minutes & agreed actions influence expanding of business	174	1.00	5.00	4.2874	1.16706
Monitoring and evaluation procedures influence increase in number of businesses	174	1.00	5.00	4.0805	1.42819
Valid N (listwise)	174				

**Source:** Field Data (2024)

Board monitoring and evaluation (M&E) practices are essential for ensuring that organizational goals are met through effective oversight of decision-making processes.

These practices help assess the performance of investments, ensure accountability, and

guide strategic adjustments when necessary. This analysis examines how board monitoring and evaluation practices influence investment decision-making outcomes in Isiolo County.

Board monitoring practices help ensure that decision-makers are accountable for their choices. By regularly reviewing decisions and their outcomes, the board can ensure that investments are aligned with the organization's goals and governance standards.

*"When the board consistently monitors investment decisions, it creates a system of accountability. Decision-makers know that their actions will be reviewed, which encourages them to make more responsible and well-thought-out investment choices."*

Effective evaluation practices allow boards to assess the performance of past investments and provide feedback for improvement. This ensures that lessons from previous investments are applied to future decision-making.

*"Evaluating the outcomes of past investments helps the board identify what worked and what didn't. This feedback is crucial for refining future investment strategies and ensuring better outcomes."*

Through continuous monitoring, boards can detect early signs of risk in investments and take timely corrective actions. This ensures that potential issues are addressed before they escalate into significant problems.

*"Monitoring allows the board to spot risks early and make necessary adjustments before the investment goes off track. This proactive approach helps protect the organization from major financial losses."*

Board monitoring and evaluation ensure that investments remain aligned with the organization's long-term strategy. By continuously assessing whether decisions meet strategic objectives, the board can guide investment decisions to contribute effectively to the overall mission.

*"When the board monitors and evaluates investments, it ensures that they stay on course with the organization's strategic plan. This alignment means that every investment decision supports the larger goals of the institution."*

Board monitoring and evaluation practices play a critical role in shaping investment decision-making outcomes by fostering accountability, providing performance feedback, managing risks, and ensuring strategic alignment. These practices ensure that investments in Isiolo County are both well-managed and aligned with the organization's long-term objectives.

## **4.7 Inferential Statistics**

### **4.7.1 Model Summary**

The study sought to examine the influence of various factors on investment decision-making outcomes in Isiolo County, utilizing a regression analysis as summarized in Table 9. The model summary reveals a correlation coefficient (R) of 0.656, indicating a strong positive relationship between the predictors and investment decision-making outcomes. The R Square value of 0.430 suggests that approximately 43% of the variance in investment decision-making outcomes can be explained by the combined effects of policy framework practices, governance framework, and governance documentation. The adjusted R Square of 0.420 accounts for the number of predictors in the model, providing a more accurate measure of the goodness of fit. The standard error of the estimate is 3.02576, indicating the average distance that the observed values fall from the regression line. The change statistics further reveal an R Square change of 0.430 and an F change value of 42.792 with 3 degrees of freedom for the model, highlighting the model's statistical significance.

**Table 13: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics		
					R Square Change	F Change	df1
1	.656 <sup>a</sup>	.430	.420	3.02576	.430	42.792	3

a. Predictors: (Constant), policy framework practices, governance framework, governance documentation

**Source:** Field Data (2024)

#### 4.7.2 ANOVA

The study conducted an ANOVA analysis to assess the significance of the regression model predicting investment decision-making outcomes, as summarized in Table 10. The regression model yielded a sum of squares of 1175.314 with 3 degrees of freedom, resulting in a mean square of 391.771. This indicates the variation explained by the model relative to the number of predictors. The F-statistic of 42.792 demonstrates a strong statistical significance, with a p-value (Sig.) of 0.000, which is less than the conventional alpha level of 0.05. This suggests that the model as a whole is statistically significant in explaining the variance in the dependent variable, which in this case is board monitoring and evaluation practices.

The residual sum of squares is 1556.387 with 170 degrees of freedom, yielding a mean square of 9.155. The total sum of squares for the model is 2731.701 with 173 degrees of freedom. Overall, the ANOVA results indicate that the predictors—policy framework practices, governance framework, and governance documentation—significantly contribute to understanding the investment decision-making outcomes in Isiolo County, reinforcing the importance of effective board monitoring and evaluation practices.

**Table 14: ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1175.314	3	391.771	42.792	.000 <sup>b</sup>
	Residual	1556.387	170	9.155		
	Total	2731.701	173			

a. Dependent Variable: board monitoring and evaluation practices

b. Predictors: (Constant), policy framework practices, governance framework, governance documentation

**Source:** Field Data (2024)

### 4.7.3 Coefficients

The study further examined the coefficients of the regression model to understand the individual contributions of each predictor on investment decision-making outcomes in Isiolo County, as presented in Table 11. The unstandardized coefficient for the constant is 4.041, indicating the predicted value of the dependent variable when all predictors are zero. The governance framework has an unstandardized coefficient of -0.080, with a standard error of 0.085 and a p-value of 0.346, suggesting that it does not significantly influence investment decision-making outcomes, as it fails to meet the conventional significance threshold of 0.05.

In contrast, the governance documentation shows a strong positive effect on investment outcomes, with an unstandardized coefficient of 0.624 and a p-value of 0.000, indicating statistical significance. This suggests that for each unit increase in governance documentation, the investment decision-making outcome increases significantly, policy framework practices have an unstandardized coefficient of 0.235 with a standard error of 0.081 and a p-value of 0.004, also indicating a significant positive influence on investment decision-making outcomes. The standardized coefficients (Beta) for governance documentation and policy framework practices are 0.544 and 0.220, respectively, highlighting their relative importance in the model.

Overall, these findings reinforce the significance of governance documentation and policy framework practices in enhancing investment decision-making outcomes in Isiolo County.

**Table 15: Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.041	1.260		3.207	.002
	governance framework	-.080	.085	-.072	-.945	.346
	governance documentation	.624	.093	.544	6.729	.000
	policy framework practices	.235	.081	.220	2.912	.004

**Source:** Field Data (2024)

#### 4.7.4 Correlations

The study sought to analyze the correlations among various governance practices and board monitoring and evaluation practices in Isiolo County, as presented in Table 12. The Pearson correlation coefficients demonstrate the strength and direction of relationships between these variables. The governance framework shows a significant positive correlation with governance documentation ( $r = 0.617$ ,  $p < 0.01$ ), indicating a strong relationship between adherence to governance rules and effective documentation practices. Additionally, the governance framework is positively correlated with policy framework practices ( $r = 0.541$ ,  $p < 0.01$ ) and board monitoring and evaluation practices ( $r = 0.383$ ,  $p < 0.01$ ), suggesting that improvements in governance framework practices may enhance these areas as well.

Governance documentation exhibits a robust positive correlation with policy framework practices ( $r = 0.609$ ,  $p < 0.01$ ) and board monitoring and evaluation practices ( $r = 0.634$ ,  $p < 0.01$ ). This indicates that effective documentation significantly

supports both the establishment of policy frameworks and the monitoring and evaluation processes. Furthermore, policy framework practices are positively correlated with board monitoring and evaluation practices ( $r = 0.513$ ,  $p < 0.01$ ), suggesting that a strong policy framework contributes to more effective monitoring and evaluation. Overall, these correlations reveal that enhancing governance framework and documentation practices can lead to improved outcomes in board monitoring and evaluation, thereby positively influencing investment decision-making in Isiolo County.

**Table 16: Correlations**

		governance framework	governance documentation	policy framework practices	board monitoring and evaluation practices
governance framework	Pearson	1	.617**	.541**	.383**
	Correlation				
	Sig. (2- tailed)		0.000	0.000	0.000
	N	174	174	174	174
governance documentation	Pearson	.617**	1	.609**	.634**
	Correlation				
	Sig. (2- tailed)	0.000		0.000	0.000
	N	174	174	174	174
policy framework practices	Pearson	.541**	.609**	1	.513**
	Correlation				
	Sig. (2- tailed)	0.000	0.000		0.000
	N	174	174	174	174
board monitoring and evaluation practices	Pearson	.383**	.634**	.513**	1
	Correlation				
	Sig. (2- tailed)	0.000	0.000	0.000	
	N	174	174	174	174

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

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**Source:** Field Data (2024)

#### 4.7.5 Reliability Statistics

The study assessed the reliability of the measurement scales used in examining investment decision-making outcomes in Isiolo County, as shown in Table 13. The reliability statistics indicated a Cronbach's Alpha of 0.827, which signifies good internal consistency among the items included in the analysis. A Cronbach's Alpha above 0.70 is generally considered acceptable, and values above 0.80 are indicative of strong reliability. The Cronbach's Alpha based on standardized items is 0.830, reinforcing the robustness of the scale. This reliability assessment was conducted with 4 items, confirming that the items used to measure governance framework practices, governance documentation, policy framework practices, and board monitoring and evaluation practices are both consistent and reliable.

**Table 17: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.827	.830	4

**Source:** Field Data (2024)

#### 4.7.6 ANOVA with Friedman's Test

The analysis revealed a total sum of squares of 6192.116 between people, with 173 degrees of freedom and a mean square of 35.793. Within individuals, the analysis of variance between items yielded a sum of squares of 33.522, with 3 degrees of freedom, resulting in a mean square of 11.174. The Friedman's Chi-Square statistic calculated is 5.385, with a significance value (Sig.) of 0.146. This significance level indicates that there are no statistically significant differences among the perceptions of the different

governance practices evaluated, as the p-value is greater than the conventional alpha level of 0.05. Additionally, the Kendall's coefficient of concordance (W) is 0.004, which further suggests a very low level of agreement among the participants regarding the ranking of the items. The grand mean is reported as 16.5302, which provides an overall average perception across the items evaluated. These findings indicate that while there may be some variation in perceptions, they do not reach statistical significance, suggesting a uniformity in how participants view the influence of the governance practices on investment decision-making outcomes in Isiolo County.

**Table 18: ANOVA with Friedman's Test**

		Sum of Squares	df	Mean Square	Friedman's Chi-Square	Sig
Between People		6192.116	173	35.793		
Within People	Between Items	33.522 <sup>a</sup>	3	11.174	5.385	.146
	Residual	3215.728	519	6.196		
	Total	3249.250	522	6.225		
Total		9441.366	695	13.585		

Grand Mean = 16.5302  
a. Kendall's coefficient of concordance W = .004.

**Source:** Field Data (2024)

## 4.8 Discussion of Findings

### 4.8.1 Influence of the governance framework practices

The study on the influence of governance framework practices on investment decision-making outcomes in Isiolo County reveals several critical insights that align with existing literature on corporate governance and financial management. The governance framework plays a pivotal role in fostering transparency and accountability within organizations, ensuring that senior management and operational levels understand their

expectations, goals, performance benchmarks, and risk tolerance (Beretta, 2019). This foundational aspect is echoed in the study's findings, particularly regarding the effective influence of a strong board on business growth, with a mean score of 4.0632, which supports the notion that robust governance structures are essential for enhancing operational efficiencies and optimizing investment returns (Eisenhofer & Levin, 2019). Moreover, the significant impact of transparency on risk-taking behaviors, evidenced by a mean score of 4.2529, underscores the literature's assertion that heightened transparency can promote greater willingness among stakeholders to engage in riskier investments (Shad et al., 2019). This finding aligns with Jiang et al.'s (2022) exploration of the relationship between sound financial management practices and the productivity of firms, emphasizing that transparency and accountability in governance contribute to more informed and confident decision-making processes.

The study also indicates a moderate agreement on stakeholder accountability influencing business expansion, with a mean score of 3.8678. This observation resonates with the growing body of literature that highlights the importance of integrating stakeholder interests into corporate governance frameworks, thereby fostering a collaborative environment that aligns with shareholders' long-term goals (Flammer et al., 2019; Solomon, 2020). The acknowledgment of sustainable business practices positively impacting investor attraction, with a mean score of 4.1667, reinforces the argument made by García-Sánchez et al. (2021) that effective corporate governance enhances performance and stakeholder treatment, which is crucial in drawing potential investors. The findings from Isiolo County suggest that governance framework practices significantly influence investment decision-making outcomes, reinforcing the importance of establishing well-defined systems and procedures for effective communication and collaboration among stakeholders. This aligns with the

broader implications of corporate governance discussed in the literature, indicating that firms with robust governance structures are better positioned to navigate external challenges and achieve superior performance in increasingly competitive environments.

#### **4.8.2 Governance Documentation Practices and Investment Decision-making Outcomes**

The literature highlights the essential role of records management and governance documentation practices in enhancing accountability and transparency, particularly in investment decision-making outcomes. In the context of Isiolo County, the study findings align with the established theories by showing that adherence to governance rules moderately influences the attraction of investors, reflected in a mean score of 3.94 and a standard deviation of 1.39. This supports Sundqvist's (2011) assertion that rigorous documentation is crucial for ensuring the credibility of records, which in turn bolsters confidence among stakeholders. The importance of accurate documentation for business expansion, evidenced by a mean score of 3.99 and a standard deviation of 1.34, further underscores Bujar et al.'s (2020) argument about the necessity of integrating decision-making processes with documented outcomes to guide future actions effectively.

Moreover, the study's finding that periodical reporting received the highest mean score of 4.60 with a lower standard deviation of 0.94 illustrates the strong consensus among respondents regarding its significant role in fostering business growth. This is in line with the emphasis on timely documentation in the literature, which serves to eliminate hindsight bias and integrates knowledge into a learning system (Eastwood & Woods, 2020). Additionally, the positive influence of a well-defined code of conduct, with a mean score of 4.02 and a standard deviation of 1.33, aligns with Ngoepe and Ngulube's (2014) assertion that effective records management fosters transparency and

accountability, thereby enhancing trust in governance. The overall findings from Isiolo County indicate that participants recognize the critical importance of governance practices in creating a conducive environment for investment and business growth, echoing the broader challenges and recommendations highlighted in the literature regarding the need for robust records management frameworks in enhancing governmental effectiveness and addressing issues of corruption and fraud.

#### **4.8.3 Policy Framework Practices and Investment Decision-making Outcomes**

The literature on governance frameworks and their influence on investment decision-making outcomes resonates with the findings of the study conducted in Isiolo County, emphasizing the importance of policy frameworks in shaping an investment-friendly environment. The Policy Framework for Investment (PFI), as articulated by Moro et al. (2019), highlights how comprehensive approaches can assist governments in reforming policies to attract both local and foreign investments. This is reflected in the Isiolo study, where the implementation of policies and guidelines significantly influences public confidence and trust in government, achieving a mean score of 3.87. Such trust is essential in fostering a positive investment climate, aligning with the PFI's objectives of creating resilient and competitive environments. Moreover, the literature underscores the necessity of coherent frameworks for managing economic risks and ensuring stability, which is particularly pertinent in the context of the oversight frameworks discussed in the Isiolo study. The finding that oversight frameworks influence business expansion, with a mean score of 3.91, suggests that well-defined governance structures are crucial for mitigating risks and facilitating business growth. This aligns with Jenkins and Longworth's (2015) discussion on the interplay between monetary and macro-prudential policies, which emphasizes that effective governance mechanisms must address systemic risks to support economic stability.

The study's revelation that the formulation of policies and guidelines has a strong impact on establishing new businesses, indicated by a mean score of 4.36, echoes the insights from the literature regarding the significance of strategic planning in investment decision-making. Peterson (2015) notes that the absence of structured frameworks can lead to inefficiencies in the policy-making process, a sentiment reinforced by the strong consensus found in Isiolo regarding the role of policy formulation in facilitating entrepreneurship. The study highlights the influence of compliance and adherence procedures on risk-taking behavior, with a mean score of 4.20. This aligns with the observations made by Cheruiyot et al. (2017) regarding public finance management, where accountability and transparency are pivotal in gaining public trust and ensuring effective resource allocation. The relationship between these compliance procedures and investment decisions reinforces the need for a solid governance framework that encourages responsible business practices.

The findings from Isiolo County illuminate the critical role that governance framework practices play in enhancing investment decision-making outcomes. They underscore the necessity for coherent policy formulation, oversight mechanisms, and compliance structures, all of which align with the broader principles established in the literature on governance and investment strategies. This synthesis of findings not only underscores the relevance of existing theoretical frameworks but also demonstrates their practical implications in real-world investment scenarios, ultimately contributing to the development of a supportive environment for business growth and investment in Isiolo County.

#### **4.8.4 Influence of the board monitoring & evaluation practices**

The literature on Monitoring and Evaluation (M&E) underscores its critical role in ensuring that projects achieve their intended outcomes while identifying challenges and

unintended consequences. This aligns with the findings from the study on governance practices in Isiolo County, which highlight that effective board monitoring and evaluation significantly influence investment decision-making outcomes. The strong agreement regarding adherence to board composition, with a mean score of 4.22, reflects the importance of building confidence and trust in government, which is essential for fostering an investment-friendly environment. Additionally, the study reveals that effective board reporting procedures, with a mean score of 4.30, attract investors by emphasizing the importance of transparent communication in the investment process. Organized meetings, characterized by accurate agenda setting, minutes, and agreed actions (mean score of 4.29), further facilitate business expansion, demonstrating how well-structured governance contributes to clear and efficient decision-making processes.

Moreover, the findings indicate that robust monitoring and evaluation procedures positively impact the growth of businesses, with a mean score of 4.08, aligning with the literature's assertion that M&E enhances project effectiveness by providing insights for corrective actions and strategic adjustments. This proactive approach is essential for mitigating risks and addressing challenges that can hinder project success, as emphasized in the literature, which discusses the consequences of inadequate M&E frameworks leading to project failures, both the literature and the study findings converge on the notion that effective governance frameworks, particularly through board monitoring and evaluation practices, are crucial in driving positive investment decision-making outcomes, ultimately contributing to sustainable development in Isiolo County.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.0 Introduction

This chapter summarizes the main findings of the study on how governance framework practices affect investment decision-making in Isiolo County. It highlights the key insights from the data analysis, draws conclusions based on these findings, and provides recommendations for policymakers, stakeholders, and future research.

#### 5.1 Summary of findings

##### 5.1.1 Influence of Governance Framework Practices on Investment Decision-Making Outcomes in Isiolo County

The study revealed that governance framework practices significantly influenced investment decision-making outcomes in Isiolo County. The findings indicated a mean score of 4.0736 and a standard deviation of 1.19963, showing that respondents believed strong governance frameworks contributed positively to investment decisions. Effective governance practices included clear roles and responsibilities, transparency in operations, and ethical decision-making. Participants noted that a solid governance framework facilitated better strategic planning and risk management, which in turn enhanced investor confidence. The research highlighted that businesses with well-defined governance structures were more likely to attract investments as they demonstrated accountability and reliability. Furthermore, it was evident that governance frameworks also encouraged stakeholder engagement, allowing for diverse perspectives that improved decision-making quality. The results underscored the importance of implementing robust governance frameworks to create a conducive environment for investment.

### **5.1.2 Influence of Governance Documentation Practices on Investment Decision-Making Outcomes in Isiolo County**

The findings illustrated that governance documentation practices played a crucial role in shaping investment decision-making outcomes. The data revealed a mean score of 4.1243 and a standard deviation of 1.13345, indicating a strong agreement among respondents regarding the positive impact of effective documentation on investment decisions. Well-maintained governance documents, such as policies, procedures, and meeting minutes, provided clarity and consistency in decision-making processes. Respondents emphasized that proper documentation fostered accountability and transparency, which were critical in building trust with potential investors. The study showed that organizations that invested in comprehensive governance documentation were better positioned to communicate their operational strategies and outcomes to stakeholders. This transparency reduced ambiguity and made it easier for investors to understand the business's direction, thereby encouraging more informed investment decisions.

### **5.1.3 Influence of Policy Framework Practices on Investment Decision-Making Outcomes in Isiolo County**

The research findings indicated that policy framework practices significantly influenced investment decision-making outcomes. With a mean score of 4.0675 and a standard deviation of 1.14526, respondents acknowledged that well-defined policies were essential for guiding investment decisions. The study highlighted that policies related to governance, risk management, and compliance were critical in shaping investor perceptions and behaviors. When organizations adhered to established policies, they demonstrated their commitment to ethical practices and regulatory compliance, which enhanced their credibility in the eyes of investors. Respondents noted that clear

policies also facilitated smoother decision-making processes, allowing businesses to respond swiftly to market changes and opportunities. This agility was seen as a positive factor in attracting investments, as investors favored businesses capable of adapting to dynamic environments.

#### **5.1.4 Influence of Board Monitoring and Evaluation Practices on Investment Decision-Making Outcomes in Isiolo County**

The findings illustrated that board monitoring and evaluation practices significantly impacted investment decision-making outcomes. The study reported a mean score of 4.0534 and a standard deviation of 1.18972, indicating a general consensus that effective monitoring and evaluation contributed positively to investment decisions. The research showed that active and engaged boards that regularly monitored business performance and evaluated strategies were better equipped to make informed investment decisions. Respondents highlighted that boards that set clear performance metrics and conducted regular assessments were more likely to identify growth opportunities and mitigate risks. This proactive approach instilled confidence among investors, as they recognized that businesses were under effective oversight. Additionally, the findings suggested that strong board evaluation practices fostered a culture of accountability and continuous improvement, which was essential for long-term success and investment attractiveness.

#### **5.2 Conclusions of the Study**

The study concluded that strong governance framework practices were crucial for positive investment decision-making outcomes. Organizations that established clear structures, roles, and responsibilities created an environment of transparency and accountability. This clarity fostered trust among stakeholders and potential investors, leading to increased willingness to engage in investment opportunities. The findings

indicated that effective governance frameworks facilitated strategic decision-making and improved overall business performance, thereby enhancing the attractiveness of the organization to investors.

The study concluded that effective governance documentation practices significantly impacted investment decision-making. Well-organized and accessible documentation provided transparency and clarity regarding an organization's policies, procedures, and strategies. This thorough documentation allowed investors to understand the operational processes and decision-making criteria, thereby building confidence in the organization's management. As a result, firms with robust governance documentation were perceived as more credible, leading to more favorable investment outcomes.

The study concluded that well-defined policy framework practices played a vital role in guiding investment decision-making outcomes. Organizations that implemented clear and comprehensive policies related to governance, risk management, and compliance were better positioned to attract investments. The findings highlighted that these policies provided a framework for consistent decision-making, enabling organizations to adapt to changes in the market while maintaining investor confidence. Consequently, a strong policy framework contributed to improved organizational performance and a positive perception among investors.

The study concluded that effective board monitoring and evaluation practices significantly influenced investment decision-making outcomes. Boards that actively engaged in assessing organizational performance and setting clear evaluation criteria were able to identify growth opportunities and mitigate risks effectively. This proactive approach instilled confidence in potential investors, as they perceived these organizations as being well-managed and capable of achieving sustainable growth. The

findings underscored the importance of active board involvement in shaping positive investment outcomes and ensuring accountability within the organization.

### **5.3 Recommendations of The Study**

The study recommended that organizations in Isiolo County develop and implement robust governance frameworks. This should include defining clear roles and responsibilities for management and the board, establishing communication channels, and fostering a culture of accountability and transparency. Organizations should also provide training for board members and management on governance best practices to ensure effective implementation. By strengthening the governance framework, organizations can enhance their operational effectiveness and build trust with stakeholders and investors.

The study recommended that organizations prioritize the creation and maintenance of comprehensive governance documentation. This includes developing clear policies, procedures, and guidelines that outline the organization's operational practices. Additionally, organizations should ensure that these documents are easily accessible to stakeholders and regularly updated to reflect any changes in governance practices or regulations. Enhanced documentation practices would promote transparency, facilitate informed decision-making, and instill confidence among investors regarding the organization's operations.

The study recommended that organizations establish and regularly review well-defined policy frameworks that address key areas such as governance, risk management, and compliance. These policies should align with the organization's strategic objectives and be communicated effectively to all stakeholders. Regular training sessions should be conducted to ensure that employees and board members understand and adhere to these

policies. By fostering a strong policy framework, organizations can create a consistent decision-making environment that enhances investor confidence and drives sustainable growth.

The study recommended that organizations enhance their board monitoring and evaluation practices by implementing structured performance assessment processes. Boards should establish clear performance metrics and regularly review organizational outcomes against these metrics to identify areas for improvement. Additionally, boards should encourage open communication and feedback among management and stakeholders to foster a culture of continuous improvement. By actively engaging in monitoring and evaluation, boards can make informed decisions that positively impact investment outcomes and overall organizational performance.

#### **5.4 Recommendations for Further Studies**

The study recommended further research should delve deeper into the specific elements of governance frameworks that contribute to successful investment outcomes. It would be beneficial to conduct comparative studies across different counties or regions to understand how varying governance practices impact investment decisions. Additionally, investigating the role of informal governance structures and cultural factors in shaping formal governance frameworks could provide richer insights.

The study recommended that further studies examine the specific documentation practices that enhance transparency and accountability in investment decision-making. Researchers could explore the types of documents most valued by investors and how effective documentation correlates with successful investments. Longitudinal studies could also assess how changes in documentation practices over time influence investor confidence and decision-making.

The study recommended further research on the interaction between policy frameworks and governance practices in promoting investment. Future studies could evaluate how different policy initiatives, such as tax incentives or regulatory frameworks, impact investment decisions in Isiolo County. Analyzing the perspectives of policymakers, investors, and business leaders could provide a holistic view of how policy frameworks affect governance and investment.

The study recommended further research to investigate the effectiveness of various board monitoring and evaluation practices in different organizational contexts. It could be beneficial to explore how board composition, diversity, and training influence their monitoring capabilities and overall impact on investment decisions. Additionally, studying the relationship between board evaluations and organizational performance could yield insights into best practices for enhancing board effectiveness.

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## APPENDICES

### Appendix I: Informed Consent

The researcher is a student undertaking a degree course in Master of Arts Degree in Governance and Ethics at Mount Kenya University carrying out research on **Analysis of the Influence of Corporate Governance Practices on Investment Decision Outcomes in Isiolo County, Kenya**. For this study, I will need you to give me some time because you will be asked several questions. I will respect your privacy and confidentiality about your information. Your identity will not appear on any of the documents, and only the researcher will have access to your data. The research will not benefit you personally. Your participation is entirely optional, and you may change your mind and withdraw at any moment before to and during the research. We will neither compensate or provide any facilities for this participation. If you wish to take part in this study, please sign the form below. If you have any complaints, please contact:

**THE CHAIRPERSON,**

**P. O. Box 342-01000,**

**THIKA**

**Participant:**

-----

Code of Participant	Signature	Date
---------------------	-----------	------

**Researcher:**

-----

Name of Researcher	Signature	Date
--------------------	-----------	------

## **Appendix II: Questionnaire for the Members of the County Assembly**

Dear respondent,

My name is Ibrahim Chala. I am Masters student in **Master of Arts Degree in Governance and Ethics** at Mount Kenya University. I am currently engaged in a research endeavor exploring the "Influence of Corporate Governance Practices on Investment Decision Outcomes in Isiolo County, Kenya." Your valuable input is kindly sought to provide accurate and candid responses to the inquiries within this questionnaire. I assure you that any information you share will be handled with the utmost confidentiality and will not be disclosed to any external parties. Please refrain from including your name or your university's name in the questionnaire. It is important to emphasize that the information gathered will solely contribute to research purposes and holds no administrative implications. I extend my gratitude for your participation in this study. Thank you.

### **Section A: Demographic Information**

*Instruction: Please tick against your most appropriate answer and fill the spaces provided.*

1. Gender: Male  Female
2. Age: Under 30  31-40years  41-50 years  Over 50yrs
3. Education Level:  
Secondary  Tertiary college  University  Others  
Specify).....
4. Years of service:  
0-2 Years  3-6 Years  7-9 Years  Over 10 Years

**Section B: Framework Practices and Investment Decision Outcomes**

1. On a scale of 1 to 3, kindly assess the frequency with which your institution engages in the following corporate governance framework practices:

Governance framework practices	Very Often (3)	Rarely (2)	Never (1)
Effective board			
Transparence undertaking			
Stakeholder accountability			
Sustainable business practice			

2. Demonstrate your degree of concurrence with the subsequent statements concerning the influence of Governance framework practices on the procedure of formulating investment decisions

Key: **SA**-Strongly Agree **A**-Agree **U**-Undecided **D**-Disagree **SD**-Strongly Disagree

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Effective board influence increase in number of businesses					
Transparence undertaking influence risk taking					
Stakeholder accountability influence expanding of business					
Sustainable business practice influence attraction of investors					

3. How do think the Governance framework practices on investment decision making process could be improved?

.....

**Section C: Documentation Practices and Investment Decision Outcomes**

1. On a scale of 1 to 3, kindly indicate the frequency with which your institution engages in the following governance documentation practices and investment decision making process

Governance documentation practices	Very Often (3)	Rarely (2)	Never (1)
Adherence to governance rules			

Accurate documentation process			
Periodical reporting			
Code of conduct			

2. Rate the extent to which you agree with following statements regarding the influence of governance documentation practices on investment decision making process

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Adherence to governance rules influence attraction of investors					
Accurate documentation process influence expanding of business					
Periodical reporting influence increase in number of businesses					
Code of conduct influence confidence and trust on the government					

3. How do think the governance documentation practices on investment decision making process could be improved?

.....

**Section D: Policy Framework Practices and Investment Decision Outcomes**

1. On a scale of 1 to 3, kindly rate the frequency at which your institution engages in the following policy framework practices:

Policy framework practices	Very Often (3)	Rarely (2)	Never (1)
Policy & guidelines implementation			
Formulation of Policies & guidelines			
Oversight framework of policy and guidelines			
Compliance & adherence procedures			

2. Rate the extent to which you agree with the following statements concerning the impact of policy framework practices on the process of making investment decisions

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Policy & guidelines implementation influence confidence and trust on the government					
Formulation of Policies & guidelines influence Establishment of new businesses					
Oversight framework of policy and guidelines influence expanding of business					
Compliance & adherence procedures influence risk taking					

3. How do think the policy framework practices on investment decision making process could be improved?
- .....

**Section E: Board Monitoring/Evaluation Practices and Investment Decision Outcomes**

1. On a scale of 1 to 3, kindly rate the frequency at which your institution engages in the following examination invigilation practices

Board Monitoring/Evaluation Practices	Very Often (3)	Often (2)	Rarely (1)	Never (1)
Board composition adherence				
Effective board reporting procedure				
Accurate agenda & minutes & agreed actions				
Monitoring and evaluation procedures				
Board composition adherence				

2. Indicate the extent to which you agree with following statements on the influence of board monitoring & evaluation practices on investment decision making process

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Board composition adherence influence confidence and trust on the government					
Effective board reporting procedure influence attraction of investors					
Accurate agenda & minutes & agreed actions influence expanding of business					
Monitoring and evaluation procedures influence					

increase in number of businesses					
----------------------------------	--	--	--	--	--

3. How do think the board monitoring &evaluation practices on investment decision making process could be improved?

.....  
.....  
.....

Thank you, Ibrahim Chala



## Appendix IV: Questionnaire for the Business Community

Dear Participant,

My name is Ibrahim Chala. I am Masters student in Master of Arts Degree in Governance and Ethics at Mount Kenya University. I am currently conducting research on the "impact of corporate governance practices on investment decision outcomes in Isiolo County, Kenya." I kindly seek your cooperation in providing accurate and honest responses to the questions in this questionnaire. Rest assured that any data you share will be handled with the utmost confidentiality and will not be shared with any external parties. Please refrain from mentioning your name or university in the questionnaire. The insights you provide could potentially contribute to policy development, although they will not hold any administrative significance. Thank you for your participation.

### Section A: Demographic Information

*Instruction: Please tick against your most appropriate answer and fill the spaces provided.*

1. Gender: Male  Female
2. Age: Under 30  31-40years  41-50 years  Over 50yrs
3. Education Level:  
Secondary  Tertiary college  University  Others  
Specify).....
4. Years of service:  
0-2 Years  3-6 Years  7-9 Years  Over 10 Years

### Section B: Framework Practices and Investment Decision Outcomes

1. On a scale of 1 to 3, please indicate the frequency with which your institution engages in the following governance framework practices:

Framework Practices	Very Often (3)	Rarely (2)	Never (1)
Effective board			
Transparency undertaking			
Stakeholder accountability			

Sustainable business practice			
-------------------------------	--	--	--

2. Please assess your level of agreement with the following statements regarding the impact of framework practices on the process of making investment decisions

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Effective board influence increase in number of businesses					
Transparence undertaking influence risk taking					
Stakeholder accountability influence expanding of business					
Sustainable business practice influence attraction of investors					

3. How do think the Governance framework practices on investment decision making process could be improved?

.....

**Section C: Documentation Practices and Investment Decision Outcomes**

1. On a scale of 1-3, indicate the frequency with which your institution engages in the following governance documentation practices

Documentation Practices	Very Often (3)	Rarely (2)	Never (1)
Adherence to governance rules			
Accurate documentation process			
Periodical reporting			
Code of conduct			

2. Please rate your level of agreement with the following statements regarding the impact of governance documentation practices on investment decision outcomes

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Adherence to governance rules influence attraction of investors					
Accurate documentation process influence expanding of business					
Periodical reporting influence increase in number					

of businesses					
Code of conduct influence confidence and trust on the government					

3. How do think the governance documentation practices on investment decision making process could be improved?
- .....

**Section D: Policy Framework Practices and Investment Decision Outcomes**

1. On a scale of 1 to 3, kindly rate the frequency with which your institution engages in the following policy framework practices:

Policy Framework Practices	Very Often (3)	Rarely (2)	Never (1)
Policy & guidelines implementation			
Formulation of Policies & guidelines			
Oversight framework of policy and guidelines			
Compliance & adherence procedures			

2. Please indicate your level of agreement with the following statements regarding the impact of policy framework practices on the process of making investment decisions

Test Items	SA	A	U	D	SD
	5	4	3	2	1
Policy & guidelines implementation influence confidence and trust on the government					
Formulation of Policies & guidelines influence Establishment of new businesses					
Oversight framework of policy and guidelines influence expanding of business					
Compliance & adherence procedures influence risk taking					

3. How do think the policy framework practices on investment decision making process could be improved?

**Section E: Board Monitoring/Evaluation Practices and Investment Decision**

**Outcomes**

1. On a scale of 1 to 3, kindly rate the frequency at which your institution engages in the following M&E activities

<b>Board Monitoring &amp; Evaluation Practices</b>	<b>Very Often (3)</b>	<b>Rarely (2)</b>	<b>Never (1)</b>
Board composition adherence			
Effective board reporting procedure			
Accurate agenda & minutes & agreed actions			
Monitoring and evaluation procedures			
Board composition adherence			

2. Indicate your level of agreement by rating the following statements on the impact of board monitoring and evaluation practices on decision outcomes

<b>Test Items</b>	<b>SA</b>	<b>A</b>	<b>U</b>	<b>D</b>	<b>SD</b>
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
Board composition adherence influence confidence and trust on the government					
Effective board reporting procedure influence attraction of investors					
Accurate agenda & minutes & agreed actions influence expanding of business					
Monitoring and evaluation procedures influence increase in number of businesses					

3. How do think the board monitoring &evaluation practices on investment decision making process could be improved?

.....

Thank you,

Ibrahim Chala

## **Appendix V: Interview Guide for County Directors**

Dear respondent,

My name is Ibrahim Chala. I am Masters student in **Master of Arts Degree in Governance and Ethics** at Mount Kenya University. I am currently engaged in a research project focusing on the "impact of corporate governance practices on investment decision outcomes in Isiolo County, Kenya." Your valuable input is sought to aid in this endeavor. Kindly provide accurate and honest responses to the questions in the questionnaire. You can be certain that everything that is submitted will be handled with the strictest secrecy and won't be disclosed to outside parties. Your assistance is much valued

### **Section A: Demographic Data**

1. Gender:.....  
.....
2. What is your highest level of education?.....
3. How old are you?.....
4. How many years have you been working?.....

### **Section B: Framework Practices and Investment Decision Outcomes**

1. What are some of the governance framework practices you engage in in your county?
2. To what extent have the framework practices you have stated in question 1 above influenced investment decisions in your county?
3. In your opinion, how do you think the governance framework practices stated above could be enhanced?

### **Section C: Documentation Practices and Investment Decision Outcomes**

1. What are some of governance documentation practices you adopt as a county?

2. How have the governance documentation practices you have cited above influenced investment decisions outcomes in your county?
3. Explain how the mentioned governance documentation practices could be enhanced

**Section D: Policy Framework Practices and Investment Decision Outcomes**

1. State some of the policy framework practices you have adopted to encourage investment decision-making.
2. In detail, explain how the above policy framework practices have influenced investment decision outcomes in your county.
3. In what ways could the above-mentioned policy framework practices could be improved.

**Section E: Board Monitoring/Evaluation Practices and Investment Decision Outcomes**

1. What are some of the activities you engage in to monitor and evaluate practices adopted by board?
2. How have monitoring and evaluation practices you adopt influenced investment decision outcomes in your county?
3. Explain how board monitoring and evaluation practices can be enhanced?

Thanks,

Ibrahim Chala

## **Appendix VI: Interview Guide for County Executives and County Chief Officers**

Dear respondent,

My name is Ibrahim Chala. I am Masters student in **Master of Arts Degree in Governance and Ethics** at Mount Kenya University. I am currently engaged in a research project focusing on the "impact of corporate governance practices on investment decision outcomes in Isiolo County, Kenya." Your valuable input is sought to aid in this endeavor. Kindly provide accurate and honest responses to the questions in the questionnaire. You can be certain that everything that is submitted will be handled with the strictest secrecy and won't be disclosed to outside parties. Your assistance is much valued

### **Section A: Demographic Data**

1. Gender:.....
2. What is your highest level of education?.....
3. How old are you?.....
4. How many years have you been working?.....

### **Section B: Framework Practices and Investment Decision Outcomes**

1. What are some of the governance framework practices you engage in in your county?
2. To what extent have the framework practices you have stated in question 1 above influenced investment decisions in your county?
3. In your opinion how do you think the governance framework practices stated above could be enhanced?

### **Section C: Documentation Practices and Investment Decision Outcomes**

1. What are some of governance documentation practices you adopt as a county?

2. How have the governance documentation practices you have cited above influenced investment decisions outcomes in your county?
3. Explain how the mentioned governance documentation practices could be enhanced

**Section D: Policy Framework Practices and Investment Decision Outcomes**

1. State some of the policy framework practices you have adopted to encourage investment decision-making.
2. In detail, explain how the above policy framework practices have influenced investment decision outcomes in your county.
3. In what ways could the above-mentioned policy framework practices could be improved?

**Section E: Board Monitoring/Evaluation Practices and Investment Decision Outcomes**

1. What are some of the activities you engage in to monitor and evaluate practices adopted by board?
2. How have monitoring and evaluation practices you adopt influenced investment decision outcomes in your county?
3. Explain how board monitoring and evaluation practices can be enhanced?

Thanks,

Ibrahim Chala

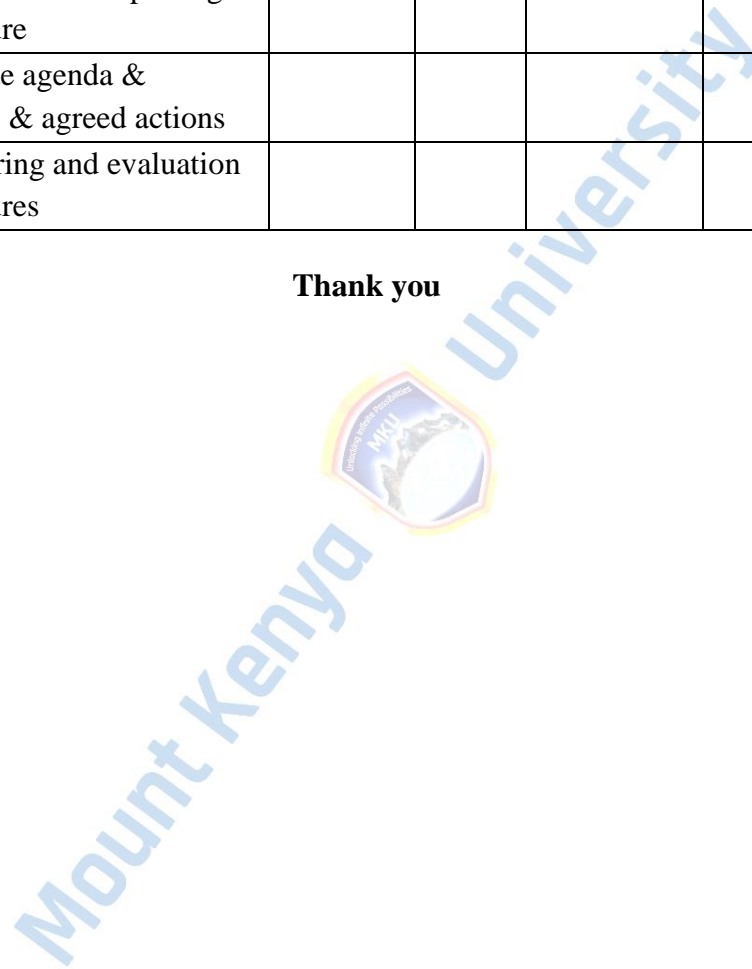
## Appendix VII: Document Analysis Guide

I humbly seek your cooperation in providing accurate and truthful answers to the elements listed in this document analysis checklist. Rest assured that any data you contribute will be treated with the highest level of confidentiality and will not be shared with any external entities. Please indicate your perception of the frequency of the influence of corporate governance practices on the outcomes of investment decision making in Isiolo County, Kenya. Please use the scale: Never (1), Rarely (2), Sometimes (3), Often (4) and Very Often (5). Kindly mark the appropriate option based on its relevance to your organization.

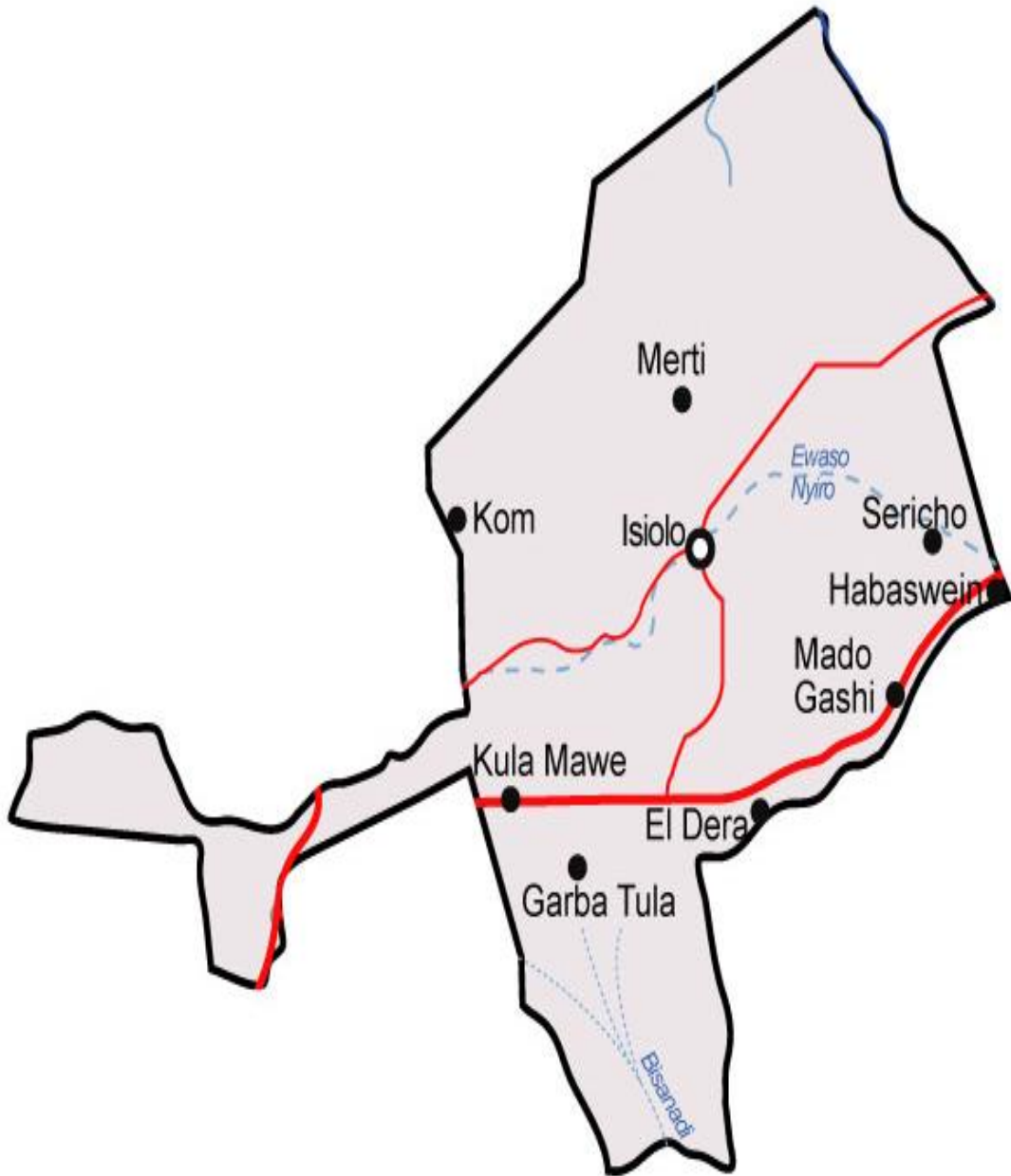
<b>CORPORATE GOVERNANCE PRACTICES</b>					
<b>Variables</b>	<b>Very Often</b>	<b>Often</b>	<b>Sometimes</b>	<b>Rarely</b>	<b>Never</b>
	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
<b>Governance Framework Practices</b>					
• County has an effective board					
• There is transparency undertaking					
• Stakeholder accountability					
• County has sustainable business practice					
<b>Governance Documentation Practices</b>					
• County staff adheres to governance rules					
• County has an accurate documentation process					
• There is periodical reporting in the county					
• The county has Code of conduct for staff					
<b>Policy Framework Practices</b>					
• The county has Policy & guidelines implementation					
• The county formulates policies and guidelines					

<ul style="list-style-type: none"> <li>The county has an oversight framework of policy and guidelines</li> </ul>					
<ul style="list-style-type: none"> <li>There are compliance and adherence procedures in the county</li> </ul>					
<b>Board Monitoring and Evaluation Practices</b>					
<ul style="list-style-type: none"> <li>Board composition adherence</li> </ul>					
<ul style="list-style-type: none"> <li>Effective board reporting procedure</li> </ul>					
<ul style="list-style-type: none"> <li>Accurate agenda &amp; minutes &amp; agreed actions</li> </ul>					
<ul style="list-style-type: none"> <li>Monitoring and evaluation procedures</li> </ul>					

**Thank you**




**Appendix VIII: Map Of Isiolo County**



**Source: IEBC (2024)**

## Appendix IX: ERC



# Mount Kenya University

REF: MKU/ISERC/4102  
TO: IBRAHIM CHALA  
Date: 07 August 2024  
REG: MGE/2018/31280

Dear Sir/Madam,

**RE: ANALYSIS OF THE INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON INVESTMENT DECISION OUTCOMES IN ISIOLO COUNTY, KENYA**

This is to inform you that **Mount Kenya University** has reviewed and approved your above research proposal. Your application approval number is **2972**. The approval period is **07/08/2024 - 06/08/2025**.

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 **Mount Kenya University**
- 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 **Mount Kenya University** within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risk or affect the safety or welfare of study participants and others or affect the integrity of the research must be reported to **Mount Kenya University** within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal
- vii. Submission of an executive summary report within 90 days upon completion of the study to **Mount Kenya University**

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


Yours sincerely,  
  
**Dr. Alfred Owino, PhD**  
Chairman, Mount Kenya University ISERC

MOUNT KENYA UNIVERSITY  
ETHICS REVIEW COMMITTEE  
P. O. Box 342-01000,  
TRINA

---

Mail Campus, General Kagame Road, P.O. Box 342-01000 TRINA  
Cell: +254 708 151 001 - +254 708 151 200  
Print: +254 708 151 001 - 00 7081 www.mku.ac.ke

## Appendix X: Introduction Letter

  
**Mount Kenya University**

**DIRECTORATE OF GRADUATE STUDIES**

MGE/2018/31280

8<sup>th</sup> August, 2024

*National Commission for Science Technology & Innovation (NACOSTI)*  
*Off Waiyaki Way, Upper Kabete,*  
*P.O Box 30623- 00100*  
**NAIROBI, KENYA**

Dear Sir/Madam,


**RE: IBRAHIM CHALA - REGISTRATION NO. MGE/2018/31280**


The purpose of this letter is to introduce the above named student who is pursuing **Master of Arts in Governance and Ethics in the Institute of Security Studies, Justice and Ethics in the school of Social Sciences**

The title of the research is **"Analysis of the Influence of Corporate Governance Practices on Investment Decision Outcomes in Isiolo County Kenya."** It has been cleared by the University's Ethics Review Committee (Certificate attached) and now has to proceed to the field to collect data between **August 2024, and October 2024.**

Any assistance accorded to the student will be highly appreciated.

Thank you.

*Fw*   
**Dr. Samuel M. Karenga, Ph.D.**  
**Director, Graduate Studies**  
Enc.


  
Mount Kenya University  
P.O. Box 342 - 01000, NYS/A  
Office of the Director,  
Graduate Studies

**Appendix XI: NACOSTI**

REPUBLIC OF KENYA  
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Ref No: **664416** Date of Issue: **21/August/2024**

**RESEARCH LICENSE**




This is to Certify that Mr., **IBRAHIM CHALA** of Mount Kenya University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Isiolo on the topic: **ANALYSIS OF THE INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON INVESTMENT DECISION OUTCOMES IN ISIOLO COUNTY, KENYA** for the period ending : **21/August/2025**.

License No: **NACOSTI/P/24/39214**

Applicant Identification Number: **664416**

Director General  
**NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION**

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See overleaf for conditions

## Appendix XII: Plagiarism Report

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**Ibrahim CHALA**

### **ANALYSIS OF THE INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON INVESTMENT DECISION OUTCOMES IN ISIO...**

 ProjectA  
 MBA  
 Mount Kenya University

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#### Document Details

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