

**FACTORS INFLUENCING IMPLEMENTATION OF CORPORATE
GOVERNANCE PRACTICES IN KENYA STATE CORPORATIONS: A
CASE OF NATIONAL INDUSTRIAL TRAINING AUTHORITY**

MARY WATIRI THANGARU

MGE/09/113/1270

**A RESEARCH PROJECT SUBMITTED FOR THE AWARD OF THE
DEGREE OF MASTER IN GOVERNANCE AND ETHICS OF MOUNT
KENYA UNIVERSITY**

MARCH, 2015

ABSTRACT

Kenya in the past years has witnessed many cases of collapse of state corporations such as Kenya Cooperative Creameries (KCC) and National Housing Corporation (NHC) among many others. The Centre for Corporate Governance (CCGC) highlights that the collapse of many state corporations had negative social and economic consequences for the Kenyan public and thus corporate governance became a major policy priority. The general objective of the research study was to determine factors influencing implementation of corporate governance practices in Kenya State Corporations, a case of National Industrial Training Authority. The study specifically determined the influence of organizational structure, established the influence of employees' competency, assessed the influence of top management and established the influence of regulatory framework on implementation of corporate governance practices in Kenya State Corporations. The study applied a descriptive research design and the study population comprised of one hundred and twenty staff working at National Industrial Training Authority offices in Nairobi County. The study applied a stratified random sampling technique to select a sample size of sixty respondents. Questionnaires were used as the main data collection instruments and a pilot study was undertaken to pretest the questionnaires for validity and reliability. The gathered data was analyzed using descriptive statistics aided by Statistical Package for Social Sciences (SPSS) and findings presented on tables and charts. Inferential statistics using linear regression analysis was applied to determine the relationship between the research variables. The study found out that, organizational structure, employees' competency, top management support and regulatory framework were the major factors that influenced implementation of corporate governance practices in Kenya State Corporations. The study drew conclusion that the major factors influencing implementation of corporate governance practices in Kenya State Corporations includes; organizational structure followed by employees' competency then regulatory framework and lastly top management support. To improve on organization structure, the management of state corporations should design organizational structure that eases on allocation and coordination of employees' job tasks, helps in employees' supervision, encourages organized task allocation, supervision and decision making process, provides clear employees' job description, allows delegation of duties, eases change management, eases information flow, allows effective decision making and provides good work environment.