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Transparency and Board Responsibility of Corporate Governance on the Performance of State Corporations in Kenya; A Case Study of Kenya Literature Bureau

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ABSTRACT:

Education is vital for sustainable development, aligning with UN Sustainable Development Goal 4 and Kenya's Vision 2030, and the Kenya Literature Bureau (KLB) supports this mission by publishing educational materials. Despite its crucial role, the organization faces significant internal challenges in leadership and organizational structure. The general objective of this study is to evaluate the effect of corporate governance practices on the organizational performance of the Kenya Literature Bureau. The study specifically evaluated how transparency and board responsibility influenced organizational performance, utilizing Agency Theory as the primary framework, supplemented by Stakeholder Theory and the Resource-Based View. A descriptive research design was employed, targeting all 240 staff members at KLB, with a sample size of 150 selected through proportionate and random sampling methods. Data collection involved structured questionnaires, and a pilot study was conducted to refine these tools. Quantitative data analysis utilized descriptive and inferential statistics using SPSS version 28 including correlations and regression analyses, to explore relationships between variables. The analysis results reveals a strong evidence that corporate governance practices, specifically transparency and board responsibility, have a statistically significant and positive impact on the organizational performance of the Kenya Literature Bureau. The strong correlation coefficient ($R = .748$) indicates a robust positive relationship, while the coefficient of determination ($R^2 = .560$) reveals that these two governance factors explain approximately 56% of the variation in organizational performance, demonstrating substantial explanatory power. Based on the findings that transparency and board responsibility significantly influence the organizational performance of the Kenya Literature Bureau, it is recommended that the institution prioritize strengthening these key aspects of corporate governance. Management should implement clear policies and practices that enhance transparency by promoting open communication, timely disclosure of information, and stakeholder engagement to build trust and accountability.

Keywords: *Transparency, board responsibility, corporate governance, performance, state corporations, Kenya*

1. INTRODUCTION

In Europe, a broader distribution of shareholding enhances the market's role in corporate control, necessitating the establishment of rules for effective oversight of corporations (Toukabri & Mohamed 2023). In several continental European nations, shareholding tends to be concentrated, which reduces the frequency and visibility of corporate governance issues. Understanding corporate control in these countries requires considering the influence of insurance companies, pension funds, institutional investors, and other stakeholders, such as employees and banks (Barker & Chiu, 2017). The Tennessee Valley Authority in the United States was established by the federal government to provide electricity to the public. However, this authority misallocated its efforts towards unrealistic projects that did not serve the public interest (Choi, Szewczyk & Chhabria, 2019).

Locally in Kenya, inconsistencies in corporate governance practices have led to uncompetitive behaviors within state corporations, resulting in poor performance and eventual failures (Emodia, 2021). For example, in 2020, the management of KEMSA, a state corporation, mishandled the procurement of Personal Protective Equipment (PPE), disregarding the serious consequences for frontline medical staff. This situation highlights the public's expectation for state corporations to establish procedures that promote sustainable growth and development (Kamau, Benard & Matu, 2019). Consequently, corporations must operate in an environment where effective governance is prioritized. In the 1980s, over 33 banks collapsed, along with other parastatals like Kenya Cooperative Creameries (KCC) and the National Housing Corporation (NHC), which faced similar fates in the past decade. The MWONGOZO framework in Kenya aims to ensure that sustainability, performance, and excellence are central to government-owned entities (Owalo, 2020).

The practice of transparency in corporate governance is crucial for enhancing organizational performance. Transparency refers to the ability of a company to provide clear, accurate, and timely information about its operations, practices, decisions, and performance. This principle fosters trust among stakeholders, including shareholders, employees, customers, and the broader community, which can significantly impact an organization's effectiveness and success (Healy & Palepu, 2001). When organizations prioritize transparency, they create an environment where stakeholders feel informed and engaged. This openness encourages a culture of accountability, as company executives and board members are answerable for their actions and decisions. Stakeholders are more likely to support organizations that demonstrate transparency, leading to increased loyalty and advocacy, which can contribute to sustainable growth (Mishra & Mishra, 2016). Furthermore, transparent communication can enhance employee morale and engagement, as team members feel more secure and valued in an environment where information is freely shared (Bennett, 2019). Transparency also plays a vital role in risk management. Organizations that practice transparency are better equipped to identify and address potential issues before they escalate. By openly disclosing information related to risks and challenges, companies can foster a proactive approach to governance that mitigates the likelihood of unethical behavior and poor decision-making (Sullivan, 2018). This proactive stance not only protects the organization from reputational damage but also enhances its credibility and attractiveness to investors and customers. Moreover, a commitment to transparency can lead to improved decision-making processes. When diverse perspectives and insights are shared openly, organizations can benefit from a broader range of ideas, driving innovation and strategic growth (Brown & Treviño, 2006). This inclusive approach aligns with the principles of good governance, emphasizing the importance of clear communication and stakeholder engagement.

The practice of responsibility in corporate governance is vital for enhancing organizational performance. Responsibility in this context refers to the obligation of organizations to act in the best interests of their stakeholders, including shareholders, employees, customers, and the community. This principle ensures that companies are accountable for their actions and decisions, fostering a culture of ethical behavior and integrity (Aguilera et al., 2007). When organizations embrace responsibility, they create a framework that balances the interests of various stakeholders. This balance is crucial for building trust and loyalty, which can significantly impact an organization's effectiveness and success. Stakeholders are more likely to support organizations that demonstrate a commitment to responsible practices, leading to increased customer loyalty, employee engagement, and overall organizational performance (Mishra & Mishra, 2016). Moreover, responsible corporate governance practices can enhance risk management. Organizations that prioritize responsibility are better equipped to identify and mitigate potential risks associated with unethical behavior or poor decision-making. By establishing clear roles and responsibilities for board members and management, companies can ensure accountability and transparency in their operations (Kolk & Van Tulder, 2010). This proactive approach not only protects the organization from reputational damage but also enhances its credibility and attractiveness to investors and customers. Additionally, a commitment to responsibility can drive innovation and strategic growth. When organizations prioritize the needs and interests of their stakeholders, they are more likely to develop products and services that meet market demands and societal expectations. This alignment with stakeholder interests can lead to improved financial performance and competitive advantage (Porter & Kramer, 2011).

The goal of organizational performance is to determine which business areas to focus on, how to respond to changing internal and external environmental conditions, allocate resources effectively, and monitor and assess the overall performance of the organization. This core function is essential for a state corporation to fulfill its mission sustainably. For a state corporation to operate realistically, it must adhere strictly to performance standards at all organizational levels. The stakeholder-based perspective has significantly shaped various performance measurement tools, reflecting the evolving influence of stakeholders. This approach evaluates performance based on the expectations of diverse stakeholder groups that have specific interests in the outcomes of the organization's actions (Hubbard, 2009). Some organizations and industries have yet to develop comprehensive formulas for a performance index that encompasses all performance indicators. Consequently, the definition, practice, and operationalization of performance remain complex. Ongoing debates continue regarding how performance should be assessed and what metrics should be used. However, it is widely accepted that an organization's performance cannot be attributed to a single factor. The resources a firm controls can lead to superior performance, as these resources form the foundation for unique, value-creating strategies and their associated activity systems. These strategies target specific markets and customers in distinctive ways, potentially resulting in a competitive advantage. The impact of resources on performance may also be influenced by various factors, including corporate governance structures (Hubbard, 2009).

1.. Statement of the Problem

Education is a key enabler for sustainable development and a means for attaining all targets for the United Nations 2030 Agenda for Sustainable Development Goals (SDGs), especially SDGs; No. 4 on inclusive and equitable quality education and promotion of lifelong learning opportunities for all (MOE, 2023), In Kenya's Vision 2030, Education and Training is one of the sectors in the Social Pillar that aims to improve the quality of life for all Kenyans by targeting a cross-section of human and social welfare projects and programmes (MOE, 2023). Articles 43, 53, 54, 55, 56, 57, and 59 of the Constitution of Kenya 2010, provides for children's right to free and compulsory basic education, including quality services, and to access education institutions and facilities for persons with disabilities (Constitution of Kenya, 2010).

The Kenya Literature Bureau is currently facing significant challenges. Multiple legal suits involving the organization's management have surfaced, accusing the KLB of payment disputes, discrimination, and unfair treatment at the workplace (iRead, 2024). These issues have raised concerns about the agency's leadership and organizational structure. In 2023 KLB has implemented a new organizational structure without apparent approval from the Public Service Commission (PSC). The PSC typically has the authority to approve, review, and make recommendations regarding human resource policies. Additionally, in June 2024, Kenya Literature Bureau, implemented a new Human Resource (HR) structure which has been challenged for lack of fairness and transparency. Of concern in new Human Resource (HR) structure is the Irregular appointment, Ignoring seniority and qualifications in staff promotions and failure to follow proper procedures contrary to Fair Administrative Action Act. Additionally, the Auditor-General issued a qualified opinion on the Kenya Literature Bureau's financial statements as of June 30, 2023, noting that the accuracy, occurrence, and completeness of the turnover

(Kshs. 2,742,632,258) and cost of sales (Kshs. 1,715,406,139) could not be verified, despite adherence to relevant financial reporting standards and laws (Oagkenya, 2023).

Adebayo, Ibrahim, Yusuf, and Omah (2022) investigated the relationship between corporate governance and the performance of food products companies operating in Nigeria. Gnawali, (2023) assessed the impact of corporate governance on the perceived performance of commercial banks in Nepal. Mwachikoka, (2023) investigated the effects of corporate governance practices on organizational performance, focusing on the Zambia's Competition and Consumer Protection Commission (CCPC) as a case study. These studies have been conducted in different contexts and thus not applicable to Kenyan context. The concerns surrounding the leadership and organizational structure of the Kenya Literature Bureau indicate that the agency will face challenges in achieving its goal of publishing, printing, and distributing quality literary, educational, cultural, and scientific materials for learning and teaching in educational institutions at all levels. This, in turn, may impact the attainment of Sustainable Development Goal No. 4 of the United Nations and Kenya's Vision 2030 agenda. Therefore this study will explore the impact of corporate governance on the organisational performance in public institutions in Kenya in order to learn if there is significant influence of the current level of corporate governance on organisational performance of Kenya Literature Bureau.

1.1 Research Specific Objectives

i. To assess the effect of transparency on the performance of state corporations in Kenya, case study of Kenya Literature Bureau.

ii. To examine the influence of board responsibility on the performance of state corporations in Kenya, case study of Kenya Literature Bureau.

II.LITERATURE REVIEW

2.1 Stakeholder Theory

The stakeholder theory, initially popularized by R. Edward Freeman in his influential work Strategic Management: A Stakeholder Approach (1984), emphasizes the importance of considering the interests of all stakeholders in organizational decision-making processes. Freeman argued that addressing the needs of diverse stakeholders, such as employees, customers, suppliers, and communities, fosters sustainable success and ethical business practices. Over the years, other scholars have built upon Freeman's foundational ideas, further exploring the role of stakeholder theory in enhancing corporate governance and promoting corporate social responsibility. This expanded perspective highlights how organizations can achieve long-term success by balancing stakeholder interests and integrating ethical considerations into governance practices (Freeman et al., 2010; Harrison et al., 2019).

Stakeholder theory is a widely recognized framework in organizational management and business ethics that underscores the importance of addressing the needs and interests of all parties impacted by an organization's actions. These stakeholders include employees, customers, suppliers, creditors, local communities, and others who have a vested interest in the organization. The theory posits that businesses should aim to create value for all stakeholders, rather than focusing solely on maximizing shareholder wealth. By fostering interconnected relationships that benefit all parties, organizations can achieve sustainable success. Additionally, stakeholder theory emphasizes the moral and ethical responsibilities of organizations in managing these relationships, ensuring that their actions align with broader societal and ethical considerations (Freeman et al., 2010; Harrison et al., 2019).

In the realm of corporate governance, stakeholder theory serves as a critical framework for understanding how governance practices impact organizational performance. The principles of stakeholder theory emphasize several key aspects. First, it advocates for inclusivity in decision-making by incorporating diverse stakeholder perspectives, such as those of employees, customers, and communities, to ensure balanced and ethical governance practices (Freeman et al., 2010). Second, transparency and accountability are central to stakeholder theory, as effective governance requires openness in operations and accountability to all stakeholders, fostering trust and reducing conflicts of interest (Harrison et al., 2019). Third, the theory underscores the importance of creating value for all stakeholders, not just shareholders, aligning governance practices with long-term sustainability and ethical considerations over short-term financial gains (Freeman et al., 2010). Lastly, stakeholder theory highlights the need for conflict resolution mechanisms, such as open communication channels, to address and resolve stakeholder concerns promptly and fairly, ensuring harmonious relationships and organizational success (Harrison et al., 2019). In the current study, stakeholder theory can be applied as an independent variable in examining the relationship between corporate governance namely Transparency and Board Responsibility and organizational performance. By adopting governance practices that align with stakeholder theory—such as inclusivity, transparency, and value creation—the organization can enhance its decision-making processes, improve Board Responsibility, and foster stronger relationships with its stakeholders. These practices ultimately contribute to improved organizational performance by addressing the diverse needs and expectations of all parties involved.

2.2 Resource-Based View (RBV) Theory

The resource-based view (RBV) of the firm was initially developed and popularized by scholars such as Birger Wernerfelt (1984), Jay Barney (1991), and Margaret Peteraf (1993). These researchers highlighted the critical role of an organization's internal resources and capabilities in achieving competitive advantage and superior performance. Wernerfelt (1984) introduced the concept of viewing firms as bundles of resources, while Barney (1991) expanded on this by identifying the characteristics of valuable, rare, inimitable, and non-substitutable (VRIN) resources as key to sustaining competitive advantage. Peteraf (1993) further refined the theory by emphasizing the importance of resource heterogeneity and immobility in explaining firm performance. Together, these contributions form the foundation of RBV, which remains a cornerstone of strategic management research.

The principles of the resource-based view (RBV) theory in relation to organizational performance emphasize the unique characteristics of resources and their impact on competitive advantage. First, RBV assumes that organizations possess heterogeneous bundles of resources and capabilities that differentiate them from competitors, making these resources the foundation of competitive advantage (Barney, 1991; Peteraf, 1993). Second, the theory highlights resource immobility, suggesting that valuable, rare, inimitable, and non-substitutable (VRIN) resources are difficult for competitors to acquire or replicate, ensuring a sustainable competitive advantage (Barney, 1991). Third, RBV establishes a direct link between an organization's unique resources and its performance, asserting that these resources contribute to superior outcomes compared to competitors (Peteraf, 1993; Wernerfelt, 1984). Lastly, more recent extensions of RBV, such as the concept of dynamic capabilities, emphasize an organization's ability to adapt and reconfigure its resources and capabilities in response to changing market conditions, further enhancing its performance (Teece et al., 1997).

The Resource-Based View (RBV) theory is highly relevant in understanding the relationship between corporate governance and organizational performance at the Kenya Literature Bureau (KLB). RBV emphasizes that an organization's internal resources and capabilities are critical for achieving competitive advantage and superior performance. In the context of KLB, corporate governance practices such as effective leadership, transparency, and accountability can enhance the development and utilization of valuable, rare, inimitable, and non-substitutable (VRIN) resources, such as skilled personnel, intellectual property, and organizational culture. These resources, when well-governed, contribute to improved organizational performance by fostering innovation, operational efficiency, and long-term sustainability.

2.3 Transparency and Organizational Performance

Christensen and Cheney (2022) explores two dimensions of transparency: transparency as a condition and transparency as a strategy. Transparency as a condition refers to the degree to which an organization openly shares information about its future objectives, involves its members in decision-making processes, fosters trust among stakeholders, and encourages active participation within the organization. It is considered a fundamental value embedded in an organization’s culture, promoting company-wide access to information, processes, and strategies. This openness enables employees to act independently and creatively in the organization’s best interest. Transparency is shaped and exemplified by leadership, but it is not a universal element in every organizational culture, as its presence depends on the specific goals and purpose of the organization. However, since leadership and culture are dynamic, the level of transparency within an organization can also evolve over time.

Ramírez and Tejada (2019) emphasize that transparency allows others to observe and comprehend how an organization operates in an honest and open manner. Similarly, Widiatmika and Darma (2020) describe transparency as the practice of full disclosure, particularly in public companies, ensuring that processes and transactions are visible to external parties. Transparency involves making necessary disclosures, informing all affected parties about decisions, and maintaining openness. According to Azeez (2022), transparency is a vital aspect of corporate governance, as it ensures that an organization’s actions can be scrutinized by external observers at any time, promoting accountability and trust.

Williams et al. (2021) contend that the primary aim of risk management is to provide managers with a structured approach to decision-making that helps reduce risks and uncertainties. Risks can be categorized into two main types: (1) Traditional risk management, which focuses on financial stability and the management of personnel-related risks, and (2) Business risk management, which addresses both financial and non-financial risks. Mikes and Kaplan (2019) indicate that effective risk management positively influences a firm's performance and overall value. Supporting this view, Bromiley, Rau, and McShane (2020) suggest that companies with robust business risk governance systems foster greater confidence among stakeholders. This implies that high-quality risk governance is essential for generating standardized risk-related information, which serves as a crucial asset for stakeholders. The current study will further explore whether Transparency influences the organizational performance of the Kenya Literature Bureau.

The research conducted by Baxter, Bedard, Hoitash, and Yezegel (2023) suggests that organizations with high-quality business risk management governance tend to achieve superior performance and are more highly valued compared to those with lower-standard governance systems. To ensure the effectiveness of business risk management systems and controls, it is essential to periodically review them to identify, assess, mitigate, and monitor risks that could otherwise escalate and hinder the achievement of the organization’s objectives. Despite efforts by modern managers to implement mechanisms for mitigating risks, success has been limited due to conflicting personal incentives.

2.4 Board Responsibility and Organizational Performance

A study conducted by Westphal (2019) expanded on the concept by suggesting that independent external directors, when closely collaborating with firms, not only provide strategic guidance but also offer valuable information and advice. These directors play a crucial role in bringing specialized knowledge that can enhance an organization’s performance. According to Hung (2018), independent external directors also act as agents for resource acquisition and contribute to improving a corporation's reputation. For a board to be effective, it should reflect a diverse group of stakeholders, incorporating a mix of experiences, training, expertise, education, and gender, which collectively enrich the corporation’s human capital and overall performance. Additionally, having a range of age groups represented is important for balancing perspectives and reaching well-rounded decisions. Clearly distinguishing the roles of directors and managers is essential, particularly by separating the positions of the board chairperson and the CEO. A board that effectively oversees the CEO can positively influence the CEO’s risk-taking behavior. Conversely, when one individual holds both roles—acting as both chairperson and CEO—agency problems can arise due to conflicting interpretations of information. Research has shown that such duality often results in unfavorable outcomes for stakeholders (Petra & Dorata, 2019). However, separating these roles helps minimize tension between management and the board, leading to better governance practices.

DeVilliers et al. (2021) highlight that separating the roles of the CEO and the chairperson can encourage the chairperson to make decisions that deliver long-term economic and social benefits for all stakeholders. Supporting this perspective, Zhang (2022) underscores the importance of this separation of powers in fostering competitive advantage and synergy within the corporation. From a theoretical standpoint, the relationship between corporate governance practices and the behavior of board members suggests that positive outcomes are influenced by factors such as the educational qualifications of board members, the frequency of board meetings, and the absence of duality or role accumulation. Additionally, the composition and size of the board, along with the degree of compliance with governance standards, play a significant role in shaping corporate governance and business performance. To fulfill their oversight responsibilities effectively, board members are expected to lead by example and adhere to established corporate governance principles. The current study will further explore whether board responsibility influences the organizational performance of the Kenya Literature Bureau.

Zhaoyang and Udaya (2023) found in their study that the scope and composition of non-executive board members within a firm's overall board structure showed a negative correlation with the firm's value. Furthermore, their research indicated that non-executive directorship had an adverse impact on financial performance. Similarly, Yermack (2022) investigated the relationship between board size and firm performance, concluding that smaller boards tend to perform better. He suggested that an ideal board size would consist of 10 or fewer members. A smaller board is considered more effective because it allows for streamlined training, cohesive integration, and faster decision-making, as it is easier to coordinate and mobilize a smaller group of members.

A study by Nthiga, Cheluget and Mwikya (2023) assessed the effect of transformational leadership on performance of microfinance banks in Kenya. The study was anchored on transformational leadership theory and stakeholder theories. The study adopted positivism research philosophy and applied cross-sectional survey design. The study's target population was the 14 microfinance banks as listed by the central bank of Kenya as of 31st December 2020. The study applied stratified proportionate random sampling and questionnaires were used to collect data from 366 respondents. Primary data was analysed using inferentially analysis. The results revealed: strong positive correlation (R=0.684) between transformational leadership and performance of microfinance banks in Kenya. The study recommends microfinance banks should adopt transformational leadership to achieve high organisational performance through individual consideration and intellectual stimulation through helping the employees develop themselves career wise and getting the employees to think and generate new ideas and new ways of doing things and business. The current study examine relationship between corporate governance practices namely Board Responsibility and Transparency on organizational performance of the Kenya Literature Bureau.

Asiimwe (2022), in his comparative study on corporate governance practices and the performance of Kampala Capital City Authority (Uganda) and the City of Kigali (Rwanda), discovered that while both cities adopted corporate governance frameworks based on established principles (KCCA 2010 Act; Law no 10/2006 of 03/03/2006), they operate under a similar structure. Each city uses a city council as the highest governing authority and a management body, led by a CEO, responsible for the day-to-day operations and reporting to the council. However, Kampala faces more significant challenges in governance and service delivery compared to Kigali. These issues include an unclear separation of powers, inadequate accountability from management, weak leadership collaboration, and limited stakeholder involvement. The current study will further explore whether board responsibility influences the organizational performance of the Kenya Literature Bureau.

Naciti (2019) asserts that board responsibility in governance serves as the framework that organizes the board and dictates its operations. Alabdullah, Ahmed, and Muneerali (2019) explain that the responsibilities of the board include setting the long-term goals of the organization, providing leadership to achieve these objectives, establishing a supervisory framework to ensure effective management, and reporting performance to shareholders. Essentially, board responsibility encompasses both the duties of the board and the overall health of the organization. Ullah (2020) emphasizes that board responsibility is a crucial element of corporate governance, highlighting the importance of accountability and liability for the board's actions. The current study will further explore whether board responsibility influences the organizational performance of the Kenya Literature Bureau.

III. RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

A research design serves as a comprehensive blueprint that outlines the methods and procedures for gathering and analyzing the data required for a study. This research employed a descriptive design, which focuses on understanding the "what," "where," "when," and "how" of the subject under investigation. According to Robson (2002), a descriptive study provides an accurate depiction of individuals, situations, or events. Similarly, Chandran (2004) explains that descriptive research captures existing conditions and attitudes through observation and interpretative techniques. This approach was chosen for its effectiveness in accurately addressing the research questions using a questionnaire. This approach was adopted for the analysis of study respondents in order to produce insights into the effects of corporate governance practices on organizational performance at Kenya Literature Bureau.

3.2 Target Population

McBurney and Theresa (2010) define population as the aggregate or totality of all the subjects, members or objects that conform to a given set of specifications. A population is a full can of all cases from which a sample is taken. It is a total collection of elements from which the researcher may wish to take references. The target population for this study will be all staff at the Kenya Literature Bureau. The unit of observation comprised of Top Management, Middle management and Low management staff from various departments at the Kenya Literature Bureau.

3.3 Sampling Design and Sample Size

Kothari (2004) defines a sample as "a specific plan for obtaining a sample from a specific population. Sampling is a method in which some elements of the population are chosen as probabilistic representations of the target population to achieve a representational degree of reliability in the chosen segment. When selecting the sample size, the Yamane (1973) formula with a 95% confidence level was used.

n=N / [1+N(e^2)]

where: n=sample size; N=Population;1= Constant;e= error term.

n=240 / [1+240(0.05^2)]= 150

*Total sample size for the study was 150 staff***.**

Proportionate random sampling was used to select the most appropriate representation. The study will determine what percentage of the population falls into each stratum. The researcher will proportionately sample the population using percentages (Dempsey & Dimpsey, 2000); the formula below will be used to calculate this. According to Kothari (2013), Proportionate sampling will be applied on Staff to be sampled in each stratum= (category population in stratum / Total population) *sample size = (8/240) *150 = **5**

Table 1: Sample size

Category	Target Population	Sample Size
Top-level Management	8	5
Middle-level Management	69	43
Low level-Management	163	102
TOTAL	240	150

3.4 Data Collection Instrument

According to Kothari (2004), a questionnaire is a tool used to solicit, document, and gather data. It is a written form with several questions on it that is used to gather data. The researcher, their assistants, or the subject themselves may administer the questionnaires, either under supervision or on their own. The data collection method for this study was an informal survey. Due to its affordability and convenience, which enables respondents to finish it within a week, the researcher chose to have all respondents administer the questionnaire themselves.

3.5 Pilot Study

A pilot investigation involves doing initial investigation to assess a project's viability, foresee any issues with its execution, and confirm the validity and reliability of the findings. This procedure assists in estimating an adequate sample size for the main analysis. In alignment with this methodology, random sample of 10 respondents was selected from Jomo Kenyatta Foundation (JKF) for pilot study was 10% of sample size and was not included in the final analysis. This ensured objectivity, enhance generalizability, and refine the research approach. Data collected from these individuals identified and addressed any ambiguities in the questions or researcher biases. It should be made clear that the pilot research's respondents did not make up the research's final population (Kothari 2008).

3.5.1 Validity Test

Krishnaswamy (2009) refers to the accuracy or correctness of an instrument. Validity of instruments used for data collection is contingent upon their ability to capture the necessary data from the field. Content validity assesses whether the test comprehensively represents the aspects it intends to measure, while face validity evaluates whether the content of the test seems relevant to its intended objectives. A validity test was performed before the study instrument is used on the sample population to identify and address any flaws. The questionnaires will also be sent to my research supervisor for validation. The supervisor will review the questionnaire and make recommendations on the items' adequacy. The primary goal of validating the questionnaires prior to conducting field research was to assess the format and applicability of the enquiries.

3.5.2 Reliability Test

Cronbach (1951) introduced a reliability concept, defining it as the extent of consistency observed among a set of scores. As Krishnaswamy (2009) has outlined, reliability refers to an instrument's ability to consistently and consistently measure a specific construct, producing dependable and consistent results. This study utilized the test-retest reliability method, which involves administering same questionnaire twice to evaluate its trustworthiness. We can say that a measure is dependable if a respondent's results on the same test, administered twice, show similarities. A trustworthy research tool is one that, when used frequently, yields consistent results. To confirm the reliability of the research instruments and ensure their alignment with the study's objectives, the researcher will take appropriate measures. acceptable level of reliability. In this case, a Cronbach's alpha of 0.7 or higher is considered an acceptable level of reliability.

3.6 Data Collection Procedure

According to Kothari (2014), researchers have access to various methods for collecting data, such as interviews, questionnaires, focus groups, and observations. In this study, the researcher opted to use questionnaires as the primary tool for assessing respondents' perceptions. This method was selected because it facilitates a descriptive correlation and simplifies the application of inductive statistical analysis. Additionally, the use of questionnaires supports the quantitative approach by providing valuable insights. Since many participants prefer to remain anonymous, this method also ensures their identities are protected.

3.7 Data Analysis and Presentation

Data analysis involves examining, cleaning, transforming, and modeling data to derive meaningful insights. The primary goal of this process is to extract valuable information and draw conclusions from large datasets, as highlighted by McDaniel and Gates (2004). In this study, data will be analyzed using SPSS software. To present the findings effectively, tables and charts will be utilized, as they simplify complex information and enhance clarity. Each diagram will be appropriately labeled to ensure the conveyed information is easy to understand. Descriptive statistics will be employed, incorporating measures such as mean, standard deviation, and frequency tables to summarize and interpret the data. The study will employ multivariate regression analysis to establish the relationship between the variables under consideration and generate inference statistics. The model of regression for the study will have only one dependent variable and two independent variables.

The regression model is predicated on the following statement:

$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \varepsilon_i$

Where: Y = Organisational Performance; $X_1 =$ *Transparency;* $X_2 =$ *Board Responsibility*

$\beta_0 =$ *the intercept (value of Y when X = 0);* β_1*-n* $=$ *the regression coefficient*

ε_i *= error term*

IV. RESEARCH FINDINGS AND DISCUSSIONS

4.1 Response Rate

There were a total of 150 questionnaires distributed to the target respondents at Kenya Literature Bureau Nairobi Headquarters. From this, 148 respondents gave their responses in all the questions asked. This indicates that out of the total number of individuals targeted for the study, 148 of them completed and submitted their responses. The 98.7% signifies that a very high proportion of the distributed surveys were successfully collected. Consequently, as seen in Table 2, the questionnaire response rate was 98.7% which is more than satisfactory and substantial going by (Mugenda & Mugenda 2013) affirmations that a response rate that exceeds more than half is both acceptable and significant. This exemplary response rate is a result of unwavering efforts by the researcher and research assistants who tirelessly kept in touch with the respondents and collected the dully filled questionnaires on time.

Table 2: Response Rate of Respondents

Response	Frequency	Percentage
Returned	148	98.7%
Unreturned	2	1.3%
Total	**150**	**100%**

4.2 Pilot Study Results

The study conducted a pilot study to test the validity and reliability of the research instruments using the Cronbach's Alpha values for each variable and finally the overall items were used in the questionnaire. The respondents provided key information that was useful to modify the questionnaire thereby availing constructs that were valid. The reliability results were enumerated as seen in Table 3.

Table 3: Reliability Test Results

Variable	No. of Items	Cronbach's Alpha
Transparency	5	0.967
Board Responsibility	6	0.897
Organizational Performance	9	0.907

The pilot study results in Table 3 indicate that all variables exhibit strong reliability, with Cronbach's Alpha values above the commonly accepted threshold of 0.70 for good reliability. This suggests that the measurement instruments used in the study are effective and can be trusted to yield consistent results across different contexts. High reliability is crucial for ensuring that the findings of the study are valid and can be generalized to broader applications

4.3 Regression Analysis

The purpose of this study was to assess the effect of corporate governance practices on the performance of Kenya Literature Bureau. Specifically the effect of independent variable corporate governance practices indicators namely Transparency and Board Responsibility, on the dependent variable, organizational performance. The findings in this section show the model summary, analysis of variance and multiple regression coefficients for corporate governance practices indicators and performance of Kenya Literature Bureau.

Table 5: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
.748[a]	.560	.554	.46550	.560	92.216	2	145	.000

a. Predictors: (Constant), Transparency and Board Responsibility

Based on the provided Model Summary table 5, the results indicate that corporate governance practices specifically transparency and board responsibility have a statistically significant effect on the organizational performance of the Kenya Literature Bureau. The multiple correlation coefficient (R) of .748 reflects a strong positive relationship between these governance factors and organizational performance, suggesting that increases in transparency and board responsibility are associated with improved performance outcomes. The coefficient of determination (R^2) of .560 reveals that approximately 56% of the variation in organizational performance can be explained by the combined influence of transparency and board responsibility, while the remaining 44% is attributed to other factors not captured in this model. The Adjusted R^2 value of .554, which accounts for the number of predictors, closely aligns with the R^2, indicating that the model fits the data well without overfitting. Furthermore, the model's statistical significance is confirmed by a Sig. F Change value of .000, well below the conventional threshold of .05, and a high F Change value of 92.216, demonstrating that transparency and board responsibility together provide a substantially better prediction of organizational performance than a model without these variables. These findings underscore the critical role that transparency and board responsibility play as core components of corporate governance in driving the Kenya Literature Bureau's performance. Transparency fosters trust and accountability within the organization and among its stakeholders, while a responsible and effective board ensures strategic oversight and sound decision-making. The substantial explanatory power of these two factors suggests that focusing on enhancing transparency and strengthening board responsibility could lead to significant improvements in organizational outcomes. However, it is important to recognize that other elements such as economic conditions, employee engagement, and operational efficiency also contribute to organizational performance and should be explored in future research to provide a more comprehensive understanding.

Table 6: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	39.964	2	19.982	92.216	.000[b]
Residual	31.420	145	.217		
Total	71.384	147			

a. Dependent Variable: organizational performance

b. Predictors: (Constant), Transparency and Board Responsibility

Based on the provided ANOVA table 6, the results indicate that the independent variables, transparency and board responsibility, collectively have a statistically significant effect on the organizational performance of the Kenya Literature Bureau. The F-statistic value of 92.216 compares the variance explained by the regression model to the unexplained variance, and this large F-value suggests that the model predicts organizational performance much better than simply using the mean. Additionally, the p-value of .000, which is well below the conventional significance threshold of .05, confirms that the observed effect of transparency and board responsibility on organizational performance is highly unlikely to be due to random chance.

Table 7: Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	.948	.214		4.438	.000	.526	1.370
Transparency	.340	.056	.406	6.055	.000	.229	.451
Board Responsibility	.402	.061	.439	6.546	.000	.280	.523

a. Dependent Variable: Organizational Performance

Based on the Coefficients table 7, both transparency and board responsibility have a statistically significant and positive effect on the organizational performance of the Kenya Literature Bureau. Transparency, with a p-value of .000, well below the .05 significance threshold, indicates that for every one-unit increase in transparency, organizational performance is predicted to increase by .340 units, assuming board responsibility remains constant. Similarly, board responsibility also shows a highly significant effect with a p-value of .000, where a one-unit increase in board responsibility predicts a .402 unit increase in organizational performance, holding transparency constant. The constant (.948) is the predicted value of organizational performance when both transparency and board responsibility are zero. Its p-value (Sig.) is .000, meaning it is statistically significant. However, in this context, the value of the constant itself may not have a practical interpretation as it's unlikely for an organization to have zero levels of both transparency and board responsibility.

This can be expressed by the following equation,

Y = .948+ .340 (transparency) + .402 (board responsibility)

Additionally the current study results are in agreement with Naciti (2019) who asserts that board responsibility in governance serves as the framework that organizes the board and dictates its operations. Westphal (2019) expanded on the concept by suggesting that independent external directors, when closely collaborating with firms, not only provide strategic guidance but also offer valuable information and advice. These correlation analyses provide compelling evidence that corporate governance practices are integral to the performance of the Kenya Literature Bureau. The study results are also in concurrence with Kiratu (2021) investigated the effect of corporate governance on the performance of organizations in Kenya. The analysis revealed that board structure, organizational culture, and customer relationship management were all positively linked to performance. The research highlighted that board managerial skills were the most critical factor influencing success.

V. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the results indicate that corporate governance practices, particularly transparency and board responsibility, have a significant and positive impact on the organizational performance of the Kenya Literature Bureau. There is a strong positive relationship between these governance factors and performance, suggesting that improvements in transparency and board responsibility are associated with better organizational outcomes. The model demonstrates a good fit, explaining a substantial portion of the variation in performance, and its statistical significance confirms that these factors together provide a meaningful prediction of organizational success. Transparency enhances trust and accountability within the organization and among stakeholders, while a responsible board ensures effective strategic oversight and decision-making. Although these two factors are key drivers of performance, other elements such as economic conditions, employee engagement, and operational efficiency also influence outcomes and should be considered in future research.

Based on the findings that transparency and board responsibility significantly influence the organizational performance of the Kenya Literature Bureau, it is recommended that the institution prioritize strengthening these key aspects of corporate governance. Management should implement clear policies and practices that enhance transparency by promoting open communication, timely disclosure of information, and stakeholder engagement to build trust and accountability. Additionally, efforts should be made to reinforce board responsibility by ensuring that board members are well-qualified, actively engaged, and held accountable for their strategic oversight and decision-making roles. Regular training and evaluation of board performance can help maintain high standards of governance. Given the substantial impact of these factors on performance, the Kenya Literature Bureau should integrate transparency and board responsibility into its governance frameworks as core pillars for driving organizational success. Furthermore, recognizing that other factors such as economic conditions, employee engagement, and operational efficiency also affect performance, the organization should adopt a holistic approach to improvement, exploring these areas alongside governance enhancements. Continuous monitoring and periodic reviews of governance practices will ensure they remain effective and aligned with best practices, ultimately fostering sustainable growth and improved organizational outcomes.

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