MODERATING EFFECT OF DIVERSITY MANAGEMENT ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE PRACTICES AND PERFORMANCE OF SELECTED COUNTIES IN NORTHERN KENYA

ORGE BAJJI

A Thesis Submitted in Partial Fulfillment of the Requirement for the Award of Masters Degree in Business Administration of Kenya Methodist University

2019

DECLARATION

This thesis is my original work and has not been presented in any other university for any award.

Signed: _____________________________ Date: ______________________________

Orge G.Bajji

Reg No: **BUS-3-0937-3/2015**

Approval

This thesis has been presented for examination with our approval as the university supervisors.

Signed: _____________________________ Date: __________________________

Dr. Clement Nkaabu-PhD

Lecturer, School of Business & Economics

Signed: _____________________________ Date: __________________________

Dr. Nancy Rintari-PhD

Lecture, school of Business & Economics

DEDICATION

This work is dedicated to my husband who has been unceasing source of encouragement not only in this research work but my overall personal growth within a Pastoralist/Muslim context where women are to be seen only rather than heard.

My parents who taught me to trust in God and believe in hard work.

My children who maturely understood and copied with my frequent absence as I juggled work, education and motherhood.

ACKNOWLEDGEMENT

I am indebted to University supervisor Dr. Clement Nkaabu (PhD) for his guidance and constant supervision as well as for providing necessary information regarding the work.

His constant encouragement, patience and commitment to ensure that I progress on have been a source of continuous motivation.

I thank Dr. Nancy Rintari (PhD) for her guidance and great support throughout my work. It is a privilege and honour for me to share of her exceptional knowledge in the field of business and incredible human qualities.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

ACRONYMS AND ABBREVIATIONS

CEC	Chief Executive Officer
CEC	County Executive Committee
CF	Conceptual Framework
CFSs	Critical Success Factors
CG	Corporate Governance
CGP	Corporate Governance Practices
DM	Diversity Management
KPIs	Key Performance Indicators
NACOSTI	National Commission for Science, Technology and Innovation
OECD	Economic Cooperation and Development
ROA	Return on Assets
SACCOs	Savings and Credit Cooperatives
SPSS	Statistical Package for Social Sciences
VIF	Variance Inflation Factor

ABSTRACT

The county governments in Kenya have been facing serious challenges in developing corporate governance frameworks that are secure and beneficial to all stakeholders. The purpose of this study was to evaluate the moderating effect of diversity management on the relationship between corporate governance practices and performance of county government (survey of Isiolo, Marsabit and Samburu). Specifically, the study sought; to evaluate the connection between corporate governance practices and performance of the county government in Kenya; to examine the relationship between diversity management and performance of county government in Kenya; and to assess the moderating effect of diversity management on the relationship between corporate governance practice and performance of county government in Kenya. The study was guided by three theories; the stakeholder theory, the standpoint theory and the goal setting theory. The three theories explain the study variables including corporate governance practices, diversity management and county government performance. A descriptive research design was employed in this research. The study population comprised of all departmental heads or their equivalent in the three county governments, that is, Isiolo, Marsabit and Samburu. There are 80 departments in the three county governments. The study conducted a survey since the number of departments was small. Therefore, the study surveyed 80 departmental heads. The choice of department heads was justifiable since they are the key players in running the county governments. Primary data was collected through well-structured questionnaires, which constituted of closed questions. Collected data was processed using SPSS version 23. Descriptive statistics including frequencies, percentages, means and standard deviations were used. Further, inferential statistics including correlation and regression analysis were also used to illustrate the relationship between the variables under study. The study used a multiple regression model. The findings indicated a linear relationship between corporate governance practices and county performance. The addition of diversity management to corporate governance practices improved the prediction of county performance although in a statistically insignificant way. Further, diversity management was found to have no moderation effect on the relationship between corporate governance practices and county performance. The study recommends that counties should continue practicing corporate governance. They should separate management body from boards for proper oversight. The counties should formulate policies in line with promoting career development and inclusiveness of the public opinions for transparency. Such practices of corporate governance will possibility augment the performance of counties because these two variables were significantly associated. The study commends the management of diversity observed in the counties because its combined main effect with corporate governance practices had more association to county performance than when considering corporate governance independently.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Corporate governance structure is viewed as having tremendous benefits to organizations. Countries with strong corporate governance mechanisms attracts financial resources easily. Organizations that assure investor rights and have proven corporate governance practices such as timely and adequate corporate disclosure and sound board practces attract both domestic and international investors. Attention is now targeted towards the effects of corporate governance on firm performance (Honghui, 2017).

Corporate governance is concerned with ways in which all persons inspired by the company's wealth (partners) strive to ensure that executives and various insiders continuously take appropriate steps or adopt elements that safeguard the partners' interests (Adebayo, Olusola & Abiodun, 2013). Due to the division of ownership from leadership, an undeniably basic component of the sophisticated organizations, such steps are needed. Corporate governance is the method and structure used to coordinate and supervise the entity's company problems in order to promote flourishing and corporate bookkeeping with the ultimate objective of recognizing long-term importance for investors while taking into account the requirements of various partners (Rezaee, 2009).

Globally, as indicated by Organisation for Economic Co-operation and Development, OECD (2010), corporate administration involves having a board structure that is powerful and productive. The board is in charge of deciding the objectives of the association. The board must be composed of capable and experienced people who can frequently survey associations' frameworks and procedures and in addition adequately engage with all partners.

Corporate governance involves a connection agreement between the management of an organization, its board, its shareholders and various associates (Dembo & Rasaratnam, 2014). It provides the framework by which the organization's objectives are set, and the techniques by which those objectives are achieved. Corporate organization in this way incorporates running a firm in a way that ensures that its proprietors or investors get a fair benefit for their endeavor, while simultaneously meeting the desires of unmistakable accomplices (Magdi & Nedareh, 2012). It grasps the requirement for definitive stewards to carry on to the greatest advantage of significant individuals from the organization, especially minority investors, by guaranteeing that solitary activities that advance the transmission of ideal yields and other ideal results are consistently taken.

1.1.1 County Performance

The 1980s and particularly the 1990s saw the growth and rise of performance as an issue in public sector premise and practice. According to Shin and Konrad (2017), organizational performance is the aggregate financial results of the operations taken by an enterprise. Various indicators are used to assess the financial performance. These indicators include; income, sales turnover, cash flow and profits. Nonfinancial measures involve innovation and customer satisfaction. Essential measurements of business execution can be grouped into three classifications: viability, proficiency and flexibility.

Coughlin and Schmidt (2015) argued that corporate governance promotes organizational performance by persuading supervisor to optimize degrees of profitability, raising operational efficiencies and guaranteeing long term beneficial development. Great corporate administration practices can unequivocally add to market growth and business steadiness. Without governance strategies, such as, a board to direct and control - directors may flee with the returns. Meredith and Robyn (2015) pointed out that great corporate administration limits the likelihood of poor performance by the firm.

Mavin and Girling (2010) posited that diversity management in today's exceedingly competitive industry is essential to corporate development. Companies seeking global market relevance must integrate diversity in their thinking, behavior and innovation. Although partners are dependent on the job setting, effectiveness can be enhanced with regard to personal uniqueness (Thomas, 2014). Consequently, adaptability and imagination are keys to aggressiveness; diversity is essential to the prosperity of a company. Similarly, the results (time and money loss) should not be overlooked. Workforce diversity advances imagination and heterogeneous individuals have been proved to deliver better results for issues (Fredman, 2011).

In Kenya, performance of counties, particularly, the Northern counties has not been impressive. The responsibility of corporate governance rest with the governors and county executive committee members (CEC), however, these officers have failed to design good corporate governance within the institution. The county leadership is made of authority (full-time) and its obligation incorporates characterizing the basic objectives of the county, giving capacity to influence the set objectives, directing the county’ administration and reacting to speculators on their stewardship. Moreover, the board builds up budgetary strategy and manages its utilization, utilizing systems of checks connected to money. The operations of the board are subject to legislation and regulations (Mugenyi, 2014).

1.1.2 Corporate Governance Practices

In Germany, the act of good corporate administration in enhancing the efficiency of public entities and has along these lines turn into an essential requirement for any association to adequately perform. Therefore, organizations would be compelled to depend on their internally generated money to fund continuous activities and investments openings (Monks, 2010). Subsequently the general monetary execution likely would be affected because numerous promising opportunities would be missed. The structure of the administration determines the transfer of rights and responsibilities between different members of the association and suggests the values and methodology for settling decisions in corporate problems.

Good corporate governance in Japan has ensured that government organisation performance is sensible and simple and that associations can be held accountable for their operations (Freeman, 2011). Again, frail corporate management prompts waste, blunder, and degradation. It is also essential to remember that while corporate management has evolved as an approach to overseeing present joint stock associations, it is equally critical in state-claimed organisations, cooperatives, and private-run businesses. Regardless of the sort of company, only good management can deliver high business efficiency in practice. Associations with great corporate administration have the ability to keep up superb administrations and to convey change. Poor administration courses of action set the structure inside which the hierarchical frameworks and procedures neglect to recognize or suspect genuine administration and money related challenges (Freeman, 2011).

India has investment in good governance which has improved performance of public organizations (Cubbin & Leech, 2012). This has encouraged receptiveness, clearness and fair responsibility, consequently upgrading open trust and urban engagement. The corporate administration discussion has generally focused on the forces of the Board of Directors against the attentiveness of top managers in decision making processes. The conventional way to deal with corporate administration has ordinarily disregarded the special impact that firm proprietors apply on the board, and by augmentation, the best administration, to act or settle on choices especially (Cubbin & Leech, 2012).

To enhance performance of public organizations, South Africa has developed better corporate governance issues, which the public organizations need to, mull over amid hazard taking introductions of their investors as these have an immediate bearing on the sort of speculation choices that supervisors will incline toward (Klapper & Love, 2014). Firm proprietorship structure is hence talked about regarding the real characters of the proprietors and rates of shareholding by these investors. Additionally, administrative attentiveness is basic for advancement and innovativeness, which results to improved returns (Jensen, 2010).

In Nigeria, the idea of corporate administration rose in light of the disappointments with the way corporate associations work (Isaac, 2014). The changes in the banking system in Nigeria realized the union of banks and, in view of the exploratory investigation. It is factual that banks have an emphatic impact on financial advancement and the proficient distribution of assets, resulting in lower cash-flow costs for firms (Maurie, 2011).

Uganda public service operates on basis of corporate administration with a specific objective of enhancing efficiency of public institutions (Bovaird & Löffler, 2013). The capital market foundation bolsters the capacity of investors to hold into accountable the management; if an association is failing to meet expectations, speculators may essentially markdown the estimation of its offers, and in serious cases the association might be assumed control and redesigned to deliver worthy returns for its proprietors. Bookkeeping guidelines endorse the introduction of monetary data regarding auspiciousness and precision that speculators use to consider management and the board responsible. It tends to require authoritative stewards or managers to behave to the biggest benefit of important members of the company (Novikova, 2011).

In Kenya, public organization depends on corporate governance which ensures creation of operational base that advances the recognition of sets of accepted rules that settles in responsibility, straightforwardness, reasonableness, moral conduct, duty and different values intended to provide protection against institutional debasement and misuse of firm's assets (Wambua, 2011). The strategies, rules, forms, practices, projects and establishments utilized as a part of overseeing, coordinating and controlling the activities and issues of an association by and large constitute the components and instruments of its corporate administration.

1.1.3 Diversity Management

Lee Cooke and Saini (2012) evaluated the elements of diversity management taken by the leadership of organisations in China and India. The study was qualitative and surveyed 16 middle and senior Chinese and Indian executives and four Human Resources (HR) director of overseas multinational companies' regional headquarters. It has been disclosed that most organisations in China do not see diversity management as a problem. Wherever there is, its focus is on avoiding conflict rather than adding value to the company. Managing diversity in India, on the other hand, is of higher importance to companies, both legally and financially. The Indian executives are much more acquainted with the concept of diversity compared to their Chinese counterparts. They are more educated and articulate in their nation and organisation about problems of diversity. Diversity management has yet to be featured as a sponsored HR strategy in Chinese and Indian companies as a softer approach to human resource management (HRM).

In Australia, Sharma (2016) explored the connection between performance assessments, socio-cultural problems, Affirmative Action (AA), and workplace diversity and equality management organisational capacities. First, performance assessments have been discovered to be a significant cause of discrimination, particularly owing to the impact of raters on the real process. Sociocultural problems played a significant role in assisting their subordinates, particularly in paternalistic nations, as some executives came out of their manner, while some left it to employees themselves.

Managing diversity, multiculturalism, affirmative action and equal employment prospects are words in common currency in a newly democratic South Africa as they are in most democratic countries of the world (Human, 2011). However, in South Africa, as elsewhere on the globe, these concepts are often confused, often misunderstood, and at best form the theoretical background to practical programs of questionable effectiveness, which can be counter-productive at worst. Management of diversity is often hampered by over-emphasis on domestic culture at the cost of wider identity and relationships with energy. Human (2011) described how this knowledge framework informed the development of a training workshop to handle diversity skills that was performed efficiently in both corporate and non-profit organizations.

Wambui, Wangombe, Muthura, Kamau and Jackson (2013) noted in Kenya that diversity in the workforce is a must-have for all organisations in a nation that want social, financial and political benefits. Diversity is usually referred to as recognizing, understanding, accepting, valuing and celebrating differences between individuals in terms of age, class, ethnicity, gender, physical and mental capacity, race, sexual orientation, religious orientation and status of government help (Esty, Griffin & Schorr-Hirsh, 2010). Organizations communicate with distinct cultures and customers by handling diversity. It improves creativity, productivity, new attitudes, new language competencies, worldwide comprehension, new procedures, and new solutions to challenging issues. Greater agility, enhanced market knowledge, greater client and community loyalty, innovation, and better recruitment and retention of employees (Wambui et al., 2013).

Many organizations proactively tackle the decency concerns of employees by implementing different procedures and policies in the administration of diversity. Institutions can use diversity management as a crucial response to the evolving element of labor and social values, thus empowering everyone's complete commitment in and at job (Kandola & Fullerton, 2013). A diverse workforce provides the ability of an association to tackle the challenges of the unforeseen future by creating a more adaptable and flexible workforce (Fredman, 2011).

Diversity management starts with recruitment and selection procedures. Obviously, the organisation secures a diverse workforce at this stage and may need to use creative methods to define and attract appropriate work applicants. An organization's culture plays a key role in establishing a unifying brand of employers. Organizations should strive to create a culture that transcends cultural, language and social obstacles in diversity (Nankervis, Rowley & Salleh, 2016). Diversity management is concerned about problems of oversight within a multi-social organization of different domestic communities (Ashley & Empson, 2016). On the other hand, diversity management identifies with improvement and equality in the work environment (Liff, 2012). According to Cox (2011), diversity management alludes to a specific approach through which distinctive parts of an association are coordinated or the manner by which individuals are coordinated deliberately.

The vital concept of supervising diversity, as stated by Kandola and Fullerton (2013), recognizes that the working population comprises of unique people. It includes evident and imperceptible contrasts that integrate variables such as gender, age, foundation, ethnicity, identity, and style of job. It is based on the concept that improving these differences will result in a favorable scenario where everyone feels valued, where their skills are generally fully utilized and where strong goals are achieved (Liff, 2012). Diversity management operations are practices that the organization willingly gets to guarantee that all people from a diverse workforce feel they are being treated fairly (Jackson, Schuller & Werner, 2011).

1.1.4 County Government in Kenya

Devolution is at the core of the new Constitution as well as a major spatial imbalance vehicle. Given the diversity of Kenya and prior involvement with the central authority's political use, a more decentralized state bodes well. Decentralization has been gradually noted and adopted throughout the world as a certification against the optional use of energy by key elites, as well as an approach to improving social service productivity by taking into account a closer coordination between open approaches and the needs of electoral neighborhood bodies (Khaunya, Wawire & Chepng'eno, 2015).

Kenya's Constitution enshrines county government by ensuring that counties under the new administration have a minimum unconditional exchange. Decentralized government offers an opportunity to tackle Kenya's diverse national requirements, choices, and imperatives. This is a diverse nation with ten major ethnic groups and over thirty minor ethnic groups. There are quite different needs between the arid and semi-arid North, the highlands, the rural Northern Rift, the Mombasa, Nairobi, and Kisumu, the Coast, and West Kenya metropolitan centres.

Nonetheless, the Kenya's devolution structure presents enormous difficulties for political and authoritative rebuilding by empowering fracture of the state along factional, territorial and ethnic lines or is viewed as 'decentralizing debasement', leaving natives more regrettable off if local elites are able to grab assets to the impediment of the larger part, or when the recently settled districts neglect to set up the frameworks required for viable and straightforward service delivery (Khaunya, Wawire & Chepng'eno, 2015).

1.2 Statement of the Problem

Good corporate administration should ensure that the performance of public organization is reasonable, straightforward and that organizations can be liable for their activities (Freeman, 2011). As such, organizations ought to invest in good governance which is expected to improve performance of public organizations (Cubbin & Leech, 2012). The county governments in Kenya have been facing serious challenges in developing corporate governance frameworks that are secure and beneficial to all stakeholders at large as effective monitors of management whilst preventing them from extracting excessive private benefits of control (Bebchuk, Cohen & Ferrell, 2014). There has been a lot of criticism, from stakeholders, on the way the county governments have been performing.

A report by Policy Options Kenya (2019) ranked Marsabit County position 31^{st} with 46.7% in terms of performance, Isiolo County was ranked 32^{nd} with 45.2% while Samburu County was ranked 38^{th} with 40.7%. Further, a report by Transparency International (2017) characterized county governments with lack of transparency in the distribution of resources for development projects. This is an indication that the three counties have been performing poorly and this is likely to affect the Counties' service delivery to the people.

Previous studies have attempted to study the relationship between corporate governance practices and performance. Heenetigala (2011) assessed the connection between corporate governance and organizational development methods in Sri Lanka. However, as it did not concentrate on County performance, the research provided a conceptual gap. The connection between corporate governance practices and bank performance in Nigeria was researched by

Isaac and Nkemdilim (2016). This research provided a contextual gap as it was conducted in Nigeria. Therefore, by assessing the moderating impact of diversity management on the connection between corporate governance practices and performance of selected counties in Northern Kenya (Isiolo, Marsabit and Samburu), the present study attempted to address the research gaps.

1.3 Research Objectives

1.3.1 General Objective

The general objective of this study was to evaluate the moderating effect of diversity management on the relationship between corporate governance practices and performance of selected counties in Northern Kenya (Isiolo, Marsabit and Samburu).

1.3.2 Specific Objectives

i. To determine the relationship between corporate governance practices and performance of the county government in Kenya.

ii. To examine the relationship between diversity management and performance of county government in Kenya.

iii. To assess the moderating effect of diversity management on the relationship between corporate governance practice and performance of county government in Kenya.

1.4 Research Hypotheses

$H0_1$: There is no significant relationship between between corporate governance practices and performance of the county government in Kenya.

$H0_2$: There is not significant relationship between diversity management and performance of county government in Kenya.

$H0_3$: There is no significant moderating effect of diversity management on the relationship between corporate governance and performance of county government in Kenya.

1.5 Significance of the Study

The research findings may be significant to the management of county governments by providing information on the most effective corporate governance practices and diversity management strategies, which they can adopt to enhance the efficiency.

Also, the research may be important to the devolution ministry in Kenya in making recommendations on how corporate governance practices can be enhanced to boost performance of devolved units.

Further, residents of Isiolo, Marsabit and Samburu counties are likely to benefit from the current study findings. This is because implementation of the suggested recommendations is expected to translate into improved county performance, which means better services to the people.

In addition, scholars and academicians who may be interested in advancing the body of knowledge regarding corporate governance practices may find the findings of this study useful. They are likely to borrow theoretical and empirical frameworks of the current study to build their research work in the same field.

1.6 Scope of the Study

The study assessed the moderating impact of diversity management on the relationship between corporate governance practices and performance of selected counties in Northern Kenya. This research covered three counties: Isiolo, Marsabit and Samburu. The choice of the three counties was justified because they share several characteristics such as religion, culture, economic activities, climate and geography. Additionally, the three counties face similar challenges such as drought, poor infrastructure, community clashes among others. Other counties in Norther Kenya such as Garissa, Wajir and Mandera also share similar characteristics and therefore, the findings of this study can be generalized to fit all the Counties in Northern Kenya. The selection of the three Counties was further informed by proximity of the counties to each other. The three counties: Isiolo, Marsabit and Samburu border each other and therefore, the researcher found it convenient to collect data across these counties. The study involved all the heads of departments of the three county governments. There are a total of 80 heads of departments in the three counties (County Directorate, 2017). The choice of department heads was justifiable since they are the key players in running the county governments.

1.7 Limitations and Delimitations of the Study

This research was restricted to the governments of the counties of Isiolo, Marsabit and Samburu. Also, owing to fear of victimization, some of the chosen participants were reluctant to answer questions. The investigator mitigated this by assuring them of their identity's confidentiality and the use to which they would bring their responses, which was the study alone.

1.8 Assumption of the Study

This study assumed that valid, current, true and honest information would be given by the respondents. The study further assumed that the targeted organizations had embraced corporate governance in their management.

1.9 Definition of terms

Corporate Governance-is alarmed at the way in which all people interested in the company's (partners') prosperity seek to ensure that managers and various insiders are continuously taking appropriate action or embracing schemes that safeguard the partners' interests (Adebayo, Olusola & Abiodun, 2013).

Diversity Management- Alludes to a particular strategy that coordinates distinguishing components of an organization or how people are intentionally managed (Cox, 2011).

Performance- Performance- refers to an association's genuine results against its proposed yields as estimated (Abor & Adjasi, 2007).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section reviews the theoretical frameworks as well as empirical research linked to corporate governance, performance and diversity management practices. The conceptual framework is developed and the explanatory constructs are reviewed in relation to the expounded construct. The study also criticizes the literature reviewed, identifies the research gaps and lastly gives a chapter overview.

2.2 Theoretical Framework

The research is built on the following theories: stakeholder theory, standpoint theory and goal setting theory.

2.2.1 Stakeholder Theory

Fontaine (2006) developed the theory of stakeholders and sees a larger collection of constituents rather than focusing on investors. Focusing on investors means that enhancing the value of investors is central though when a larger gathering of partners, such as employees, credit providers, customers, providers, government and the public, is considered to reduce the focus on investors. However, most entities do endeavor to expand investors' value while in the meantime attempting to consider the premiums of other stakeholders. One justification for adequately privileging investors over different partners is that they are beneficiaries of the lingering free income. This implies the investors have personal stake in endeavoring to guarantee that assets are utilized to most extreme impact, which thus ought to be to the advantage of the general public (Cho & Kim, 2010).

Shareholder and stakeholders may support distinctive corporate administration structures and also checking systems. As indicated by CMA (2008), contrasts in the corporate administration structure and instruments of the Anglo-American model, with its emphasis on investor value and a board made absolutely out of official and non-official executives appointed by investors, contrasted with the German model whereby certain stakeholders, for example, workers have a privilege cherished in law for their delegates to sit on the supervisory board close to the directors. Enlighten value maximization uses a great part of the structure of partner hypothesis yet acknowledges expansion of the long run estimation of the firm as the rule for making the imperative exchange offs among its partners and consequently tackles the issues that emerge from different goals that go with traditional stakeholder hypothesis (Miles, 2017).

The stakeholder hypothesis is applicable to this research since it clarifies the idea of corporate governance in an association. County governments have a responsibility to focus on the wider stakeholders including workers, creditors, clients, providers, government and the local community. According to Adebayo, Olusola and Abiodun (2013) corporate administration is concerned about ways in which all individuals interested in the company's prosperity strive to ensure that managers and various insiders continuously take appropriate steps or use technologies that safeguard the partners' interests. Hence, the county government management ought to consider the interest of all the stakeholders, especially, the public who are the majority stakeholders. Therefore, the stakeholder theory supports the corporate governance practices variable in this study.

2.2.2 Standpoint Theory

Smith (1987) developed the standpoint theory and postulates that to understand co-social relationships; it is necessary to investigate the positive experience of those in subordinate roles. Co-social hypothesis provides a system access to its perspective of collaboration between prevalent and non-predominant interactions within current social systems from the point of view of marginalized individuals.

The hypothesis suggests that marginalized people present alternative viewpoints to an association that will differ from that of the prevailing group in questioning the status quo since their socially constructed world perspective (Adeyoju, 2018). Despite the reality that the predominant group will often have more weight, a transformative leader will encourage the coincidence of contracting positions within an organization that will result in a debate for permitted conflict. Misunderstanding arises from questioning how things were done reliably, as well as ideas and problems that were not explored from many points of view.

The hypothesis gives a voice to those in position to see examples of conduct that those inundated in the way of life experience problems recognizing (Gilroy & Donelly, 2016). The difference in viewpoints help to kill oblivious obedience which can emerge in a homogenous gathering. Diversity in cooperation isn't generally basic and that there are numerous difficulties to cultivating a comprehensive domain in the work environment of various contemplations and thoughts.

In this study, the standpoint theory informs the diversity management aspect since it explains the importance of bringing alternate point of view to an association that questions the status quo. For county governments to work effectively there is need for diversity in all levels including management and employees. A diversified county government management brings new ideas on how to run the institution.

2.2.3 Goal Setting Theory

The theory was developed by Latham and Locke (2002) who, as a basis for strong results, emphasized setting goals and supporting choice rights. The theory postulates that assuming responsibility for the outcome involves giving people the opportunity to have a positive effect on their results and the flexibility to proceed. This implies that people need to be approved by their administrators to move on problems autonomously and rapidly without first requesting permission. Choice rights allow more inclusion of employees in the choice of problems affecting their job (Locke & Latham, 2002).

This indicates that employees have a say in characterizing the right Key Performance Indicators (KPIs) and in setting up Critical Success Factors (CSFs) in connection with their business commitments. As Nankervis, Rowley & Salleh, 2016) indicates, employees are likely to exceed performance goals when they are harnessed with the authority to settle on decisions and take care of problems identified with the results, they are accountable for. An association's performance goals talk to a common duty among each of its employees, each of whom has a stake in the prosperity of the association.

Basic worker strengthening is administration's perspective of its workers as resources that are fit for adding to the development of their individual associations as opposed to expenses to be borne by the Organizations. The commitments of people and groups are a beginning stage for specifying the outcomes for which they are responsible, (Locke & Latham, 2002; Nankervis, Rowley & Salleh, 2016). The hypothesis informs this study by explaining the aspect of organizational performance. For county governments to achieve their goals and objectives, they should allow their employees to make independent decisions in relation to their job responsibilities. Employees should also be guided by the institutions' goals and this translates into effective outcome.

2.3 Empirical Review

2.3.1 Corporate Governance Practice and Performance

Corporate administration is thought to have enormous impact on an economy's growth prospects. Heenetigala (2011) evaluated the link between Sri Lanka's corporate governance practices and organisational development. The examination was a comparative analysis and measured the variations in corporate administration from 2003 to 2007. The investigation found a positive link between CG components and firm growth. This suggested that firms had adopted corporate administration procedures, which had resulted to higher returns. However, the research was done in Sri Lanka and not Kenya. Further, the reviewed study focused on organizational growth and not performance, thus presented a conceptual gap.

Isaac and Nkemdilim (2016) studied the association between CG practices and bank performance in Nigeria. The study utilized secondary data for analysis, which was covered the period from 2006 to 2014. The findings indicated that an indirect association existed between board size, board composition and financial performance of the banks. On the other hand, a positive and significant relationship was observed between directors' equity holding and banks' performance. The research concluded that director's equity holding was crucial in enhancing the bank's performance. Nonetheless, the reviewed study presented a contextual gap because it was carried out in Nigeria whereas the current study was conducted in Kenya.

Ndikwe and Owino (2016) explored the effect of four corporate governance aspects on school performance. The aspects included; board composition, board skills, separation of duties and application of corporate governance principles. The findings indicated that the four aspects influenced school performance, with board skills having the greatest effect. However, the research reveals a contextual gap since it concentrated on public schools whereas the current study focused on county governments.

Nandasaba (2010) study investigated the link between various components of CG and profitability of coffee farmer's cooperative society in Bungoma County. The study targeted 20 coffee farmer's co-operative society. Data was obtained from the ministry of co-operative offices in Bungoma town for the period between 1999 and 2008. The key research results revealed a linear connection between board size and performance; Secretary -manager (CEO) status and board composition. The research introduces a contextual gap as it focuses on the cooperative culture of coffee farmers while the suggested research focuses on district governments. Additionally, since the research used secondary information while the present research used main information, there is a methodological gap.

Areba (2011) study examined the impact of CG practices on the success of government owned firms in Kenya. The research used a survey technique and concluded that board composition and size, splitting of the parts of administrator and CEO, ideal blend of inside and outside bearings, extent of outside chiefs, official compensation, number of non-official executives, interest of non-executives and number governing body influenced the profitability of the firms.

Otieno (2013) examined how CG practices affect the financial performance of SACCOs within Nairobi County. The specific components included the board size, board meeting frequency, composition of audit committee, audit committee size, audit committee meeting frequency. The research used a descriptive survey technique and found out that CG practices have a significant direct influence on firms' profitability. However, there are indicators that never had a bearing on the performance indicator (ROA), and this can be attributed to the fact that they remained constant over the whole study period such as Board Committee size, Composition of Audit Committee and Board Size.

2.3.2 Diversity Management and Performance

Eulerich, Velte and van Uum (2013) analyzed the effect of diversity management on performance of German firms. It was observed that diversity administration is depicted by characteristics such as age, sex, nationality and usefulness. Further, the investigation discovered negative impacts of different board diversity attributes on organization success, particularly, nationality and age. This could be explained by the fact that huge internationality on boards can diminish correspondence between board individuals and substantial age contrasts may reduce basic leadership forms.

Ugwuzor (2014) research analyzed the link between diversity in the work place and growth of manufacturing companies in Nigeria. To address this lacuna, essential information was gathered from Forty-two enlisted firms in South-South Nigeria. The Spearman Rank Order Correlation Coefficient at 95% certainty level and the Hierarchical Multiple Regression models were utilized to examine the information. The results indicated that poor performance of the firms could be linked to poor diversity administration.

Otsudi (2017) research determined the influence of diversity administration on the performance of the National Social Security Fund Kenya. This was a case study that used an interview guide to obtain primary data. The findings revealed that NSSF Kenya has adopted workforce diversity management strategies and had an approved workforce diversity management policy in place. The strategies included the hiring process, education through training and career development, fairness and policy review, encouraging interaction among employees, commitment from top leadership and compensation of workforce. The organization recruit employees from diverse backgrounds; they are treated impartially and offered attractive packages. Top management was also committed to the implementation of workforce diversity management strategies which boosted employees' morale. The study concluded that continuous training through systems that harness quality diversity in the work environment enhances staff satisfaction and teamwork, reduced the rate of employee turnover and at the same time increased employee morale for the job which ultimately led to increased productivity in the organization.

Diversity administration is involved in ensuring that everyone in the firm is appreciated. Research by Mudanya (2014) aimed to determine the impact of diversity administration on Mombasa Technical University performance. The design of the studies has been a case study. It arose from the results that a diverse workforce helps to obtain varied thoughts and opinions, leading to an appreciation of the culture of other people in the job setting. The research found that the administration of diversity has a beneficial impact on company results. It is suggested that Mombasa Technical University check employment policies, particularly those related to affirmative action towards the disabled. The research, however, was a case study, presenting a methodological gap.

2.3.3 Moderating effect of Diversity Management on the relationship between Corporate Governance Practice and Performance

The moderating impact of administration on the connection between diversity and academic excellence of learners was evaluated by Saeed, Lodhi, Ashraf, Riaz, Dustgeer, Sami and Ahmad (2013). The study concentrated on the education industry in Pakistan. The research used age, ethnicity, gender, culture, and education to measure diversity. Results indicated a leadership does not moderate the relationship between diversity and achievement of learners. The study by Saeed et al. provides analysis techniques, which the current study can adopt. However, the research was done in Pakistan which is a different environment from that of Kenya.

Al Matari, Al Swidi and Fadzil (2014) examined the moderating impact of board diversity on the impact of characteristics of executive board on corporate profitability in Malaysia. From the outcomes, a favorable connection was created between the characteristics of the executive committee and the profitability of the company. The research used numbers of non-executive foreign managers and total amount of board members to measure diversity. However, it has been discovered that the moderating impact of board diversity is insignificant. The research was performed in Malaysia, which is a distinct financial setting from Kenya.

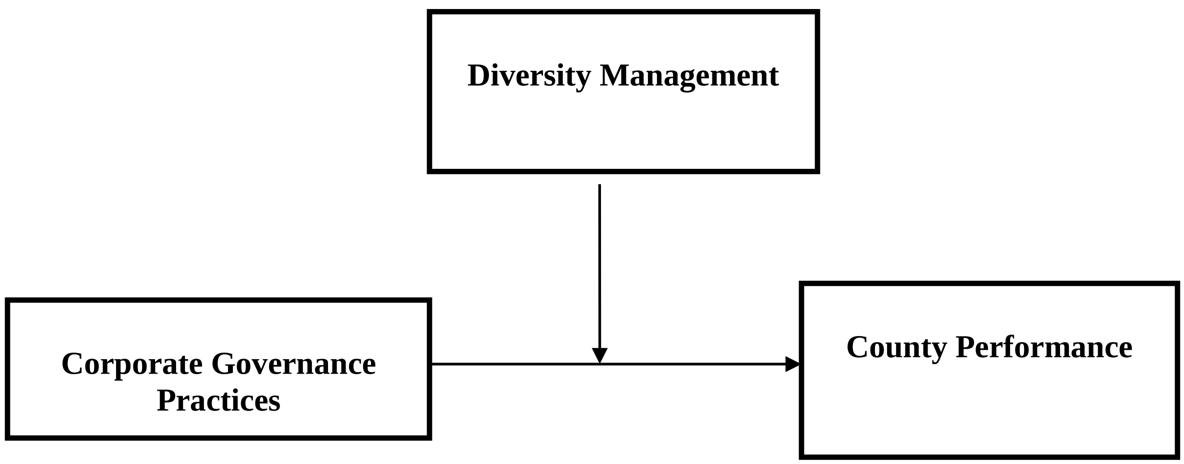
Bae and Skaggs (2017) looked at the impact of managerial gender diversity on firms' achievement in Korea. The study used information from the panel between 2005 and 2009. The results indicated that company productivity is influenced by managerial gender diversity. The research, however, introduces a conceptual gap as it did not concentrate on diversity management as the moderating variable.

Research by Bolo (2014) examined the impact of diversity management policies on the connection between corporate banks' top management and profitability in Kenya. The study found a significant influence on the association between top management and profitability of diversity management strategies. It was found that diversity management policies ensure that minority interests are well cared for in commercial banks in Kenya. The research focused on business banks, however, thus presenting a contextual divide.

2.4 Conceptual Framework

A conceptual framework is a game plan with wide variables and norms derived from extensive research fields and used to structure a later implementation (Kothari, 2008). The purpose of a conceptual framework is to sort and depict the study's significant ideas (Childs, 2010). Figure 2.1 demonstrates the diagrammatic illustration of the different elements of this research to be investigated.

Moderating Variable



Independent variable   Dependent Variable

Figure 2.1: Conceptual Framework

2.5 Operational Framework

Figure 2.2 demonstrates the research variables' operationalization. The structure demonstrates and their measurements the independent, moderator, and dependent variables.

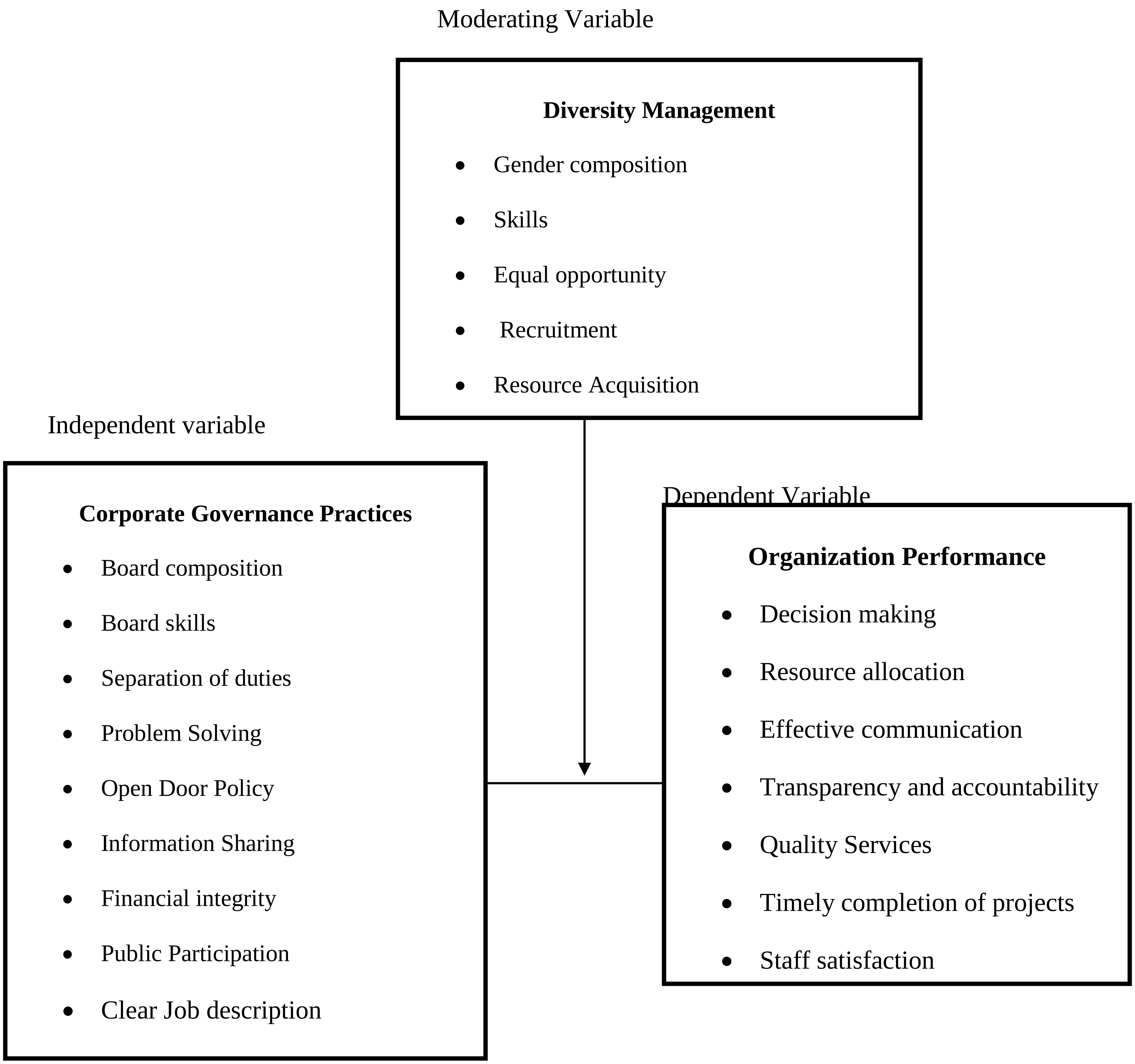


Figure 2.2: Operational Framework

2.6 Chapter Summary

Key theories were discussed in this chapter: the stakeholder theory, standpoint theory and goal setting theory. It also reviewed the relevant literature informing the variables of the study. The further outlines the conceptual framework which presented figuratively the variables under study (independent, moderating and dependent variables).

Reviewed global and local empirical surveys failed to concentrate on the moderating impact of diversity management on the connection between corporate governance practices and district governments' results including Isiolo, Marsabit, and Samburu counties. Therefore, this research attempted to tackle the current gap in understanding.

2.7 Research Gap

Review of current corporate management and performance literature reveals several study gaps. Heenetigala (2011) evaluated the link between Sri Lanka's corporate governance practices and organisational development. Ugwuzor (2014) study evaluated the connection of assembly companies in Nigeria between Workforce Diversity Management and Corporate Performance. The impact of diversity on German firms ' results was evaluated by Eulerich, Velte and van Uum (2013). These investigations pose a contextual gap as they have been undertaken in other nations and not in Kenya.

In addition, the research by Areba (2011) evaluated the impact of corporate governance procedures on the results of government-owned companies in Kenya. Ndikwe and Owino (2016) investigated the impact on classroom performance of four elements of corporate governance. Otieno (2013) article looked at how corporate governance procedures impact SACCO's economic performance in Nairobi County. These studies did not focus on county government of Isiolo, Marsabit and Samburu, hence revealing a contextual gap.

Furthermore, the research by Nandasaba (2010) explored the connection between different elements of corporate governance and results of the cooperative society of coffee farmers in Bungoma County. The research introduces a methodological gap as it uses secondary data while relying on primary data for the suggested research. Research by Mudanya (2014) aimed to evaluate the effect of diversity administration on Mombasa Technical University performance. The design of the studies has been a case study. The study also presents a methodological gap as it was a case study while a survey was being conducted in the current study.

Despite previous corporate governance research, none of them concentrated on the moderating impact of diversity management on the connection between corporate governance practices and county government performance in Isiolo, Marsabit, and Samburu counties. Therefore, this research tried to fill this gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This section describes research design, study population, sample size and sampling procedure, research tools, reliability of instrument validity, information collection processes, methods for data analysis and ethical consideration.

3.1 Research Design

A descriptive research design was employed in this study. This allowed the study an opportunity to collect data across the three county governments including Isiolo, Marsabit and Samburu counties and empirically test the relationship of the study variables (Mugenda, 2008).

3.2 Location of the study

The study was conducted in three county government offices, which included Isiolo, Marsabit and Samburu counties.

3.3 Study Population

A population is the entire pool from which a measurable sample is drawn and usually, the population has some common noticeable attributes, (Calmorin, 2010)). This study population was all the management employees who included heads of departments of the three county governments. The choice of heads of departments was justified since they are expected to have adequate information regarding the subject matter. They are also expected to foster good governance in the institutions which would ultimately lead to better performance. This study focused on all the department heads of Isiolo, Marsabit and Samburu counties. There are a total of 22 departments in Isiolo County, 30 departments in Marsabit County and 28 departments in Samburu County. Therefore, the study population was 80 department heads or their equivalent in the three counties.

Table 3.1 Target Population

Counties	Departments
1. Isiolo County	22
2. Marsabit County	30
3. Samburu County	28
Total	**80**

Source: (County Directorate, 2018)

3.4 Sampling Techniques and Sample Size

The respondents was purposively selected (Kombo & Tromp, 2009). The choice of purposive sampling was justified since the department heads are known and therefore, there was no need of using probability to select the respondents. Further, purposive sampling enabled the researcher to reach the target sample quickly. It is easy to reach a sample of individuals with specific attributes. In this case, all the target respondents are departmental heads.

Table 3.2 Sample Size

Category	Frequency
Department Heads	80
Total	**80**

Source: County Directorate (2018)

3.5 Data Collection Instruments

This research collected primary data through the use of structured questionnaires. According to Kothari (2008), the use of questionnaires in gathering information is time effective and facilitates collection of more information. The questionnaire comprises of closed-ended questions. The issues were structured on the basis of subtopics extracted from the goals of the research (see Appendix II). Most of the issues were in the scale of five-likert. This enabled respondents to express their views on multiple elements linked to the topics of the research in an aptitude scale. Information for the elements included in the questionnaire was derived from literature review.

3.6 Procedures for Collecting Data

This is an important aspect in data gathering and generation of meaningful data for analysis and is subject to empirical studies that are informed by theories (Groves, Sketris, & Tett, 2009). The scientist received from the university a letter of introduction that was submitted to each of the three district governments' leadership. The questionnaires were given using the technique of drop and later select. Control has been practiced to guarantee that all instruments given to the participants are obtained by keeping a tool register distributed and returned. The research employed the help of two research assistants, to help in administering the questionnaires to the target respondents.

3.7 Measurement of Variables

Corporate governance practices was measured using the following items as adopted from Areba (2011); Board composition, Board skills, Separation of duties, Problem Solving, Open Door Policy, Information Sharing, Financial integrity, Public Participation, Clear Job description and Reporting Relationships.

Further, Diversity management was measured using the following items as adopted from Wambari (2014); Gender composition, Skills, Equal opportunity, Recruitment, Resource Acquisition, Corporate Image and Innovation.

In addition, County performance was measured using the following items as adopted from Otsudi (2017); Decision making, Resource allocation, Effective communication, Transparency and accountability, Quality Services, Timely completion of projects and Staff satisfaction.

3.8 Validity & Reliability

3.8.1 Validity Test

This study ensured validity of the data collection tool by using basic language free from jargon that would make it easy to be understood by the respondent (Yin, 2013). Further, content validity was assured by having research supervisors and other experts go through the instrument and recommend necessary changes. This ensured that the instrument measured what it was meant to measure and provided adequate coverage of the research topic. Further, to check for content validity, eight (8) questionnaires were pre-tested using department heads from neighboring County of Wajir. Riff, Lacy and Fico (2014) posits that 5 to 10% of the population sample is adequate for pre-testing.

3.8.2 Reliability Test

This research used Cronbach's Alpha (α) to test the questionnaire's reliability (Cronbach, 1951). For this research, the suggested value of 0.7 was used as a reliability cut-off. To be accurate, the Cronbach alpha value must be at least 0.7 or greater.

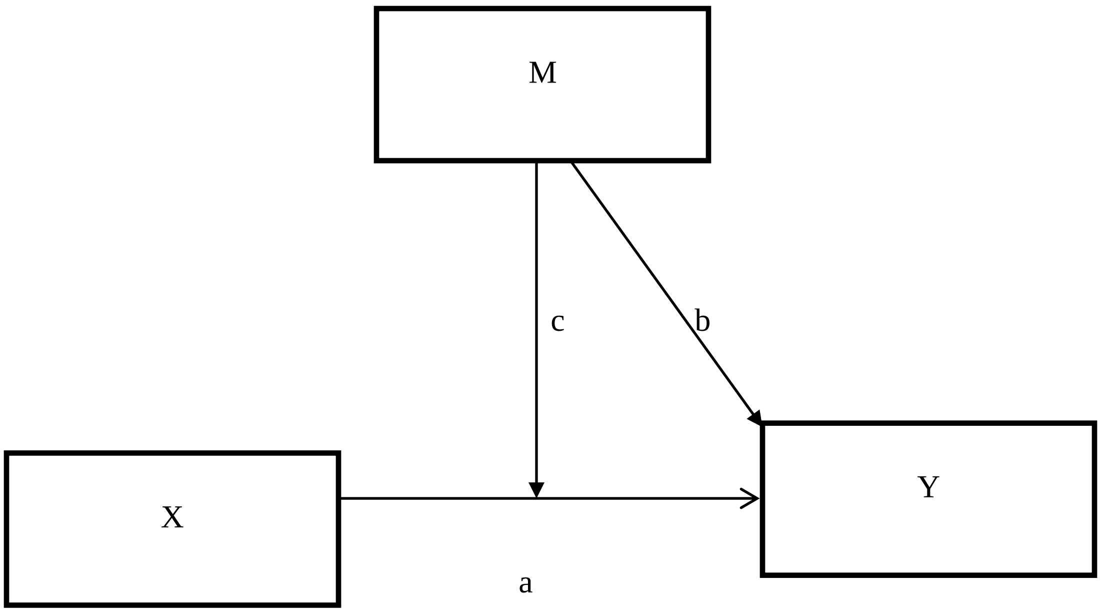
3.9 Data Processing and analysis

In order to draw significant findings, data analysis includes cleaning and transforming the information gathered (Silverman, 2018). Data gathered using the information questionnaire were coded, checked for completeness and precision, then analyzed using quantitative methods to obtain descriptive statistics / outputs. To process the information, the research used SPSS version 23. The software was used to generate frequencies, descriptive and inferential statistics that were used to derive demographic generalizations and findings. Quantitative data analysis enabled the research to create inferences by defining specific information stream features objectively and systematically (Creswell & Creswell, 2017).

3.9.1 Research Model

Data analysis was done guided by figurative model.

Figurative model



Where:

X=the independent variable (Corporate Governance Practices).

Y= the dependent variable (County Performance)

W= the moderating variable (Diversity Management)

a=the relationship between the independent variables & the dependent variable.

b=the relationship between the moderator and the dependent variable

c=the moderating effect of the moderator on the relationship between the independent and the dependent variables.

3.9.2 Statistical Model

The following linear regression model were used to test the relationships

Model 1

$$Y= \beta_0+ \beta_1 X+ e$$

Model 2

$$Y= \beta_0+ \beta_2 W+ e$$

Model 3

$$Y= \beta_0+ \beta_3 X+\beta_3 W+\beta_3 XW+ e$$

3.10 Testing of Regression Assumption

The study tested linearity, multicollinearity, normality, heteroskedasticity, self-correlation. Linearity implies the connection between the two factors is straight line. In Statistical P-P plot evaluate how strongly two information sets agree, plotting two cumulative distribution functions against each other, P-P plots are commonly used to evaluate a distribution's skewiness. Normality is essential in understanding the distribution shape and helps predict results of dependent variables (Paul & Zhang, 2009).

The normality of data was assessed using the Kolmogorov-Smirnov test and the Shapiro-Wilk test. Usually the data will be assigned if the probability exceeds 0.05 (Saunders & Thornhill, 2012). Multicollinearity testing was performed using the SPSS calculated Variance Inflation Factor (VIF). A VIF indicates no multicollinearity for all autonomous and dependent minus 3 (VIF minus 3), while a VIF minus 10 (VIF minus 10) indicates a multicollinearity problem.

To test heteroskedasticity, the Breush-pagan/Cook-Weisberg test was used. The test's null hypothesis is that in terms of mistake (i.e. it should be homoskedastic) there is a constant variance. If the p value is higher than the conventional p value 0.05, it is said that the error terms are homoskedastic, otherwise it is said that the error terms are heteroskedastic. Finally, autocorrelation testing was carried out to determine whether or not the residual is serially linked. The Durbin Watson test reports a test statistic of 0 to 4 where: 2 denotes no autocorrelation; 0 to 2<2 denotes a favourable autocorrelation; while > 2 denotes a negative autocorrelation. The rule of choice is that sample statistics in the range from 1.5 to 2.5 are relatively normal. There may be worrying values beyond this range (Field, 2009).

3.11 Ethical Consideration

Ethical factors relate to the ethical norms that should be considered by the investigator in all the research design stages of the examination policies. Before starting the information collection process, the investigator requested permission from the National Commission for Science, Technology and Innovation (NACOSTI). The investigator also requested permission from the University to conduct the research. Highest levels of honesty and integrity were noted during the research. Furthermore, the participants were ensured that the data they provided was anonymous and confidential.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents the outcomes from analysis of data in form descriptive and inferential statistics. These statistics are tabulated accordingly while figures such as scatter plots and histograms have been used for pictorial representation. The analysis of data begins with analyzing the response rate and demographic characteristics of the respondents. Reliability analysis of the instrument used in data collection will follow prior to description of responses to each variable questionnaire items in the form of frequencies, percentages and means. The study will test for the assumptions of linear regression after removing outliers. This will be followed by regression analysis.

4.2 Response Rate

The study collected 69 valid questionnaires out of a targeted a sample size of 80 respondents forming a response rate of 86.25 percent. This return rate was significant in reducing the risk of sampling bias. Fincham (2008) and Saldivar (2012) posit that a minimum response rate of 70 percent reduces the risk of sampling bias sufficiently in order to have corrent inference.

4.3 Demographic Characteristics

This section presents findings regarding gender distribution of the respondents, their age distribution according to age groups chosen by the study, their education level and their level of experience at work.

4.3.1 Gender Distribution

Table 4.1: Gender Distribution

Gender	Frequency	Percent
Male	41	59.4
Female	28	40.6

Total	69	100.0

According to Table 4.1, the bulk of the participants were 59.4% male, while 40.6% were female. This implies that there was equitable distribution of all gender that minimized gender biasness in information collected.

4.3.2 Age Distribution

Table 4.2: Age Distribution

Years	Frequency	Percent
less than 30 years	4	5.8
31-40 years	29	42.0
41-50 years	30	43.5
Above 50 years	6	8.7
Total	69	100.0

Table 4.2 shows that 43.5 percent of the respondents aged between 41-50 years making them the majority, 42.0 percent represented respondents aged between 31-40 years making them the second largest age group among the respondents. Cumulatively, 85.5 percent of the respondents fell between 31 and 50 year of age. The remaining 8.7 percent and 5.8 percent represented the respondents who aged 50 years and above and those who were less than 30 years respectively. The overall age distribution concluded that the respondents were active and mature enough to cooperate well and to provide valuable information.

4.3.3 Education Level of Respondents

Table 4.3: Education Distribution

Education Level	Frequency	Percent
College	12	17.4
Undergraduate	39	56.5
Post Graduate	18	26.1
Total	69	100.0

Table 4.3 shows the distribution of respondents in regards to their education level categorized into college, undergraduate and postgraduate. Majority of the respondents fell had completed undergraduate studies forming 56.5 percent of the total. Respondents with postgraduate and college level qualification formed 26.1 percent and 17.4 percent respectively. The results prove

that the respondents possessed adequate basic education to facilitate their understanding on the importance of carrying out the research. To provide useful data for the research, they were able to comprehend and interpret the questions well.

4.4 Reliability Statistics

The study relied on studies by Haele & Twycross (2015) and Bonett & Wright (2014) which show that Cronbach alpha values between 0.6 and 0.9 infer acceptable internal consistency in a data collection instrument. A very high alpha beyond 0.9 and tending to unity could mean that the questions used in that particular section are nearly similar. Therefore, an alpha of between 0.7 and 0.9 is a good indication of reliability in the questionnaire. The study conducted a pilot study of 10 respondents who were deputy heads of Marsabit County departments to determine the reliability of the questionnaire prior to the actual collection of data.

4.4.1 Reliability Analysis of Corporate Governance Practices

Table 4.4 show that the section scores of corporate governance principle was 0.718, which is more than the minimum acceptable score of 0.6 (Haele & Twycross, 2015; Bonett & Wright, 2014). No item if deleted rendered the section alpha do deviate significantly higher than 0.718 indicating internal consistency within all the questionnaire items in this section thus belonging to the scale.

Table 4.4: Reliability Analysis of Corporate Governance Practices

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Good corporate governance approach aims at performing the main function of separating the firm's principals and agents.	70.9000	13.878	0.196	0.716
Corporate governance themes in our organization separates management from the board	71.0000	12.222	0.724	0.665
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy	71.0000	12.889	0.513	0.686
Good corporate governance helps tin solving problems arising between shareholders and managers	70.6000	12.489	0.638	0.674
Good corporate governance enhances efficient skills within the management	70.8000	13.289	0.347	0.701
There is clear separation of duties within the organization	70.7000	12.011	0.733	0.661
Our department maintains an open-door policy	70.9000	15.211	-0.143	0.746
We share relevant information with our stakeholders very freely	70.8000	12.844	0.471	0.688
Our financial dealings are above board	71.2000	13.956	0.357	0.705
All managers know that they are answerable to the public	71.0000	11.556	0.630	0.663
We value public participation	70.4000	15.600	-0.320	0.743
Our managers are well qualified	70.8000	15.067	-0.109	0.744
All our staff have clear job descriptions	70.7000	13.567	0.280	0.708
The reporting relationships are clear	71.0000	11.111	0.457	0.689
We operate within the law	71.0000	14.444	0.061	0.727
We have clear policies to guide our operations	70.9000	14.767	-0.034	0.737
We offer services without any discriminations	71.1000	13.433	0.417	0.697
Corporate governance principles reliability score				**0.718**

4.4.2 Reliability Analysis of Diversity Management

Results in Table 4.5 show that the overall Cronbach alpha for diversity management was 0.774 which is more than the minimum acceptable score of 0.6 as decided in the study. Deletion of items with low corrected item - total correlation did not bring up the Cronbach alpha significantly hence conforming that each item belonged to the scale of diversity management. The highest Cronbach's Alpha if item deleted was 0.810, which was not numerically far from the overall section score of 0.774 on a scale of zero and one.

Table 4.5: Reliability Analysis of Diversity Management

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
We do not discriminate employees on gender basis.	29.6000	18.267	0.762	0.686
We have an initiative of hiring and recruiting women, youth, minorities and disabled in the workforce.	29.0000	24.667	0.495	0.747
Through diversity management we are able to solve problem	29.1000	25.656	0.401	0.761
Through diversity management we are able to acquire resources	28.6000	26.044	0.802	0.740
Diversity management promote corporate image	29.0000	24.000	0.574	0.736
Managing work place diversity attract a variety of skills	29.4000	23.600	0.264	0.810
Managing work place diversity attract a variety of innovation	29.4000	24.711	0.394	0.763
Everyone has an equal opportunity to join the organization.	29.0000	24.222	0.547	0.740
	Diversity management overall section score			**0.774**

4.4.3 Reliability Analysis of County Performance

The overall score for County performance in Table 4.6 was 0.711, which is more than the minimum acceptable score of 0.6 as decided in the study. This indicates that the questionnaire collected reliable information regarding county performance. The corrected item - total correlation column shows the highest score of 0.749 which was not numerically higher than 0.711 on the scale of zero to one. Therefore, all the questions in this section were useful in giving information regarding the performance of county.

Table 4.6: Reliability Analysis of County Performance

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
There is good inter-departmental working relations within the organization	65.9000	61.433	-.120	.733
There is proper decision making within the organization	66.0000	51.111	.467	.679
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy	65.8000	52.622	.763	.670
Good corporate governance helps tin solving problems arising between shareholders and managers	66.0000	53.556	.317	.697
Good corporate governance enhances efficient skills within the management	66.0000	52.000	.412	.686
There is clear separation of duties within the organization	65.6000	53.600	.422	.687
Our department maintains an open-door policy	66.2000	55.289	.247	.704
We share relevant information with our stakeholders very freely	66.0000	56.444	.148	.715
Our financial dealings are above board	66.0000	56.000	.174	.713
All managers know that they are answerable to the public	66.5000	60.500	-.090	.749
We value public participation	66.1000	48.544	.507	.671
Our managers are well qualified	66.3000	52.011	.442	.683
The national government is happy with our performance	65.7000	57.567	.346	.701
The governor is happy with our performance	65.7000	53.122	.461	.684
Our staffs are happy working with our department.	66.0000	52.444	.384	.689
We always strive to meet the expectations of all those we deal with	65.7000	60.233	.006	.717
Compared with other counties, our county is doing well.	67.9000	56.100	.427	.694

Other counties come to benchmark with us.	68.3000	56.011	.331	.697
		County performance section score		**0.711**

4.4.4 Summary of Reliability Analysis

Table 4.7 gives a summary of the Cronbach's Alpha for corporate governance principles, diversity management and County performance.

Table 4.7: Summary of Reliability Analysis

Variable	**Number of items**	**Cronbach's Alpha**	**Conclusion**	**Source**
Corporate Governance Practices	17	0.718	Reliable	Table 4.4
Diversity Management	8	0.774	Reliable	Table 4.5
County Performance	18	0.711	Reliable	Table 4.6
Overall	43	0.837	Reliable	Appendix

Source: Field Data (2019)

4.5 Discussion of the Variables

Section 4.5 describes the responses of the questionnaire items with regard to corporate governance principles, diversity management and County performance. The questionnaire was structured in Likert scale format whereby 1 represented strongly disagree, 2 represented disagree, 3 represented neutral, 4 represented agree and 5 represented strongly agree.

4.5.1 Corporate Governance Practices

Table 4.8: Descriptive Data for Corporate Governance Practices

Questions		1	2	3	4	5	Mean
Good corporate governance approach aims at performing the main function of separating the firm's principals and agents	F	3	4	1	34	27	4.13
	%	4.3	5.8	1.4	49.3	39.1	
Corporate governance themes in our organization separates management from the board	F	3	4	0	34	28	4.16
	%	4.3	5.8	0.0	49.3	40.6	
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy	F	4	5	1	28	31	4.12
	%	5.8	7.2	1.4	40.6	44.9	
Good corporate governance helps in solving problems arising between shareholders and managers	F	1	5	2	29	32	4.42
	%	1.4	7.2	2.9	42.0	46.4	
Good corporate governance enhances efficient skills within the management	F	2	7	1	32	27	4.09
	%	2.9	10.1	1.4	46.4	39.1	
There is clear separation of duties within the organization	F	2	4	1	26	36	4.30
	%	2.9	5.8	1.4	37.7	52.2	
Our department maintains an open-door policy	F	3	4	1	30	31	4.19
	%	4.3	5.8	1.4	43.5	44.9	
We share relevant information with our stakeholders very freely	F	2	7	0	19	41	4.30
	%	2.9	10.1	0.0	27.5	59.4	
Our financial dealings are above board	F	1	6	0	34	28	4.19
	%	1.4	8.7	0.0	49.3	40.6	
All managers know that they are answerable to the public	F	0	4	2	35	28	4.26
	%	0.0	5.8	2.9	50.7	40.6	
We value public participation	F	0	3	4	25	37	4.39
	%	0.0	4.3	5.8	36.2	53.6	
Our managers are well qualified	F	0	6	2	31	30	4.23
	%	0.0	8.7	2.9	44.9	43.5	
All our staff have clear job descriptions	F	0	3	4	30	32	4.32
	%	0.0	4.3	5.8	43.5	46.4	
The reporting relationships are clear	F	2	4	1	31	31	4.23
	%	2.9	5.8	1.4	44.9	44.9	
We operate within the law	F	3	3	0	27	36	4.16
	%	4.3	4.3	0.0	53.6	37.7	
We have clear policies to guide our operations	F	1	3	0	30	35	4.38
	%	1.4	4.3	0.0	43.5	50.7	
We offer services without any discriminations	F	4	8	0	34	23	3.93
	%	5.8	11.6	0.0	49.3	33.3	
Average (%)		**2.6**	**6.8**	**1.7**	**44.2**	**44.6**	**4.22**
Summary (%)		**11.1** (disagreement)			**88.8** (Agreement)		

The findings in Table 4.8 show the results on corporate governance practice. Overall, majority of the respondents, 88.8 percent viewed that counties practiced corporate governance while 11.1 percent did not agree to these assertions. There was separation between firm's principals and the agents observed at a mean Likert scale of 4.13 out of five, which represents strong agreement. This means that management of counties operated separately from the board with a mean Likert scale of 4.16 hence showing strong agreement. The county had good corporate governance systems that helped in solving disputes arising between shareholders and management observed at a mean Likert scale of 4.42, which shows high agreement. The county maintained an open-door policy (mean Likert scale of 4.19) which ensured that information flowed freely among stakeholders (mean Likert scale of 4.30) hence depicting how the county valued public participation (mean Likert scale of 4.39).

Observations in Table 4.8 further shows that managers and staff alike had good training in their respective duties and their job description was clear (mean Likert scales above 4). This was facilitated by having clear policies in place to guide county operations and having clear reporting structures. All managers had fiducial responsibility to the public and this way, the financial dealings in the county was reported to be above board at a mean Likert scale of 4.19 showing strong agreement. Finally, the counties operated within the law and did not offer services discriminately reported at mean Likert scales of 4.16 and 3.93 respectively.

4.5.2 Diversity Management

Table 4.9: Descriptive Data for Diversity Management

Questions		1	2	3	4	5	Mean
We do not discriminate employees on gender basis.	F	1	7	0	34	27	4.14
	%	1.4	10.1	0.0	49.3	39.1	
We have an initiative of hiring and recruiting women, youth, minorities and disabled in the workforce.	F	0	3	2	35	29	4.30
	%	0.0	4.3	2.9	50.7	42.0	
Through diversity management we are able to solve problem	F	3	6	1	30	29	4.10
	%	4.3	8.7	1.4	43.5	42.0	
Through diversity management we are able to acquire resources	F	2	2	0	28	37	4.39
	%	2.9	2.9	0.0	40.6	53.6	
Diversity management promote corporate image	F	2	9	2	28	28	4.03
	%	2.9	13.0	2.9	40.6	40.6	
Managing work place diversity attract a variety of skills	F	2	2	1	36	28	4.25
	%	2.9	2.9	1.4	52.2	40.6	
Managing work place diversity attract a variety of innovation	F	5	3	1	28	32	4.14
	%	7.2	4.3	1.4	40.6	46.4	
Everyone has an equal opportunity to join the organization.	F	0	6	1	28	34	4.30
	%	0.0	8.7	1.4	40.6	49.3	
Average (%)		**2.7**	**6.9**	**1.4**	**44.8**	**44.2**	**4.21**
Summary	**11.0**	(disagreement)			**89.0** (Agreement)		

Table 4.9 shows responses to questions on diversity management presented in frequencies (F) and percentages (%). In overall, respondents by large (89.0%) agreed to the assertions that there was diversity management in the counties with a paltry 11 percent disagreeing. Observations show that counties did not discriminate on gender basis with mean score of 4.14 on the Likert scale. The county ensured that women, youth, minorities and disabled were included in the work force (mean Likert scale of 4.30). The following benefits accrued due to diversity management: acquisition of resources (4.39), problem solving (4.10), promotion of corporate image (4.03), attraction of diverse skills (4.25) and innovation (4.14). Therefore, diversity management was at large a success in the counties with the counties providing equal opportunities to everyone to join them (mean Likert scale of 4.30).

4.5.3 County Performance

Table 4.10: Descriptive Data for County Performance

Questions		1	2	3	4	5	Mean
There is good inter-departmental working relations within the organization	F	2	4	2	30	31	4.22
	%	2.9	5.8	2.9	43.5	44.9	
There is proper decision making within the organization	F	3	6	0	33	27	4.09
	%	4.3	8.7	0.0	47.8	39.1	
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy	F	0	2	1	33	33	4.41
	%	0.0	2.9	1.4	47.8	47.8	
Good corporate governance helps in solving problems arising between shareholders and managers	F	1	9	0	33	26	4.07
	%	1.4	13.0	0.0	47.8	37.7	
Good corporate governance enhances efficient skills within the management	F	4	4	2	26	33	4.16
	%	5.8	5.8	2.9	37.7	47.8	
There is clear separation of duties within the organization	F	2	3	0	26	38	4.38
	%	2.9	4.3	0.0	37.7	55.1	
Our department maintains an open-door policy	F	2	8	1	25	33	4.14
	%	2.9	11.6	1.4	36.2	47.8	
We share relevant information with our stakeholders very freely	F	1	6	1	28	33	4.25
	%	1.4	8.7	1.4	40.6	47.8	
Our financial dealings are above board	F	0	7	0	28	34	4.29
	%	0.0	10.1	0.0	40.6	49.3	
All managers know that they are answerable to the public	F	4	6	0	34	25	4.01
	%	5.8	8.7	0.0	49.3	36.2	
We value public participation	F	1	3	0	34	31	4.32
	%	1.4	4.3	0.0	49.3	44.9	
Our managers are well qualified	F	4	2	9	30	24	3.99
	%	5.8	2.9	13.0	43.5	34.8	
The national government is happy with our performance	F	9	5	0	31	24	3.81
	%	13	7.2	0.0	44.9	34.8	
The governor is happy with our performance	F	1	8	1	33	26	4.09
	%	1.4	11.6	1.4	47.8	37.7	
Our staffs are happy working with our department.	F	2	12	1	26	28	3.96
	%	2.9	17.4	1.4	37.7	40.6	
We always strive to meet the expectations of all those we deal with	F	1	4	1	34	29	4.25
	%	1.4	5.8	1.4	49.3	42.0	
Compared with other counties, our county is doing well.	F	10	38	13	8	0	2.28
	%	14.5	55.1	18.8	11.6	0.0	
Other counties come to benchmark with us.	F	21	26	11	11	0	2.17
	%	30.4	37.7	15.9	15.9	0.0	
Average (%)		**5.5**	**12.3**	**3.4**	**40.5**	**38.2**	**3.94**
Summary		**21.2** (disagreement)			**78.8** (Agreement)		

Findings in Table 4.10 show responses on the performance of counties. In overall, county performance had a mean Likert scale of 3.94 out of five that showed general agreement albeit not in a strong way. The summary percentages show 78.8 percent agreement on county performance while 21.1 percent disagreed. Aspects of county performance such as benchmarking with other counties (2.17), staff happiness (3.96), contentment of national government (3.81) and comparison with other counties (2.28) did not receive many positive responses hence bringing the aggregate observations down. However, respondents agreed to the assertions that there were good inter-departmental working relationships (4.22), appropriateness of decisions (4.09) and good financial appropriation (4.29).

In comparison of aggregate responses, there is a better correlation between county performance and diversity management than between county performance and corporate governance practices. This is because both county performance and diversity had lower reported agreement as opposed to corporate governance practices, which reported higher levels of agreement. Based on this observation, this study envisages a more meaningful relationship between county performance and diversity management from the inferential results. Nevertheless, the departure of the level of agreement between county performance and corporate governance practices was not very high based on their respective overall Likert and percentage scores. Therefore, a linear relationship is expected between the latter two variables from the correlation analysis.

4.6 Linear Regression Diagnostics

In order to justify the use of linear regression for predicting County performance, the study tested the following underlying assumptions: absence of outliers; normality of regression residuals; absence of collinearity between predictors; homogeneity of variance; inherent linearity between predictors and criterion variable; and lack of serial (auto) correlation.

4.6.1 Outliers

The study calculated three distances in SPSS through running an initial regression between the County performance and the predictors inclusive of the moderator (corporate governance principles and diversity management). The three generated distance are Mahalanobis distance, Centered Leverage distance and Cook's Distance statistics. Cutoff distances were computed for each of the distances in order to determine outlying values. The cutoff for Mahalanobis statistics was read in the chi-square distribution tables, χ (5%, 3 variables) = 7.815; cut-off for Leverage distance values was 2*k/ n where 'k' was number of independent and moderating variables and n was 69 cases, 2*2/69 = 0.058; cut off value for Cooks distance value was 4/(n-k-1) = 4/(69-2-1) = 0.06

Table 4.11: Filtering Outliers

		Frequency	Percent
Valid	Selected	61	88.41
	Not selected	8	11.59

MAH_1 < 7.815 & COO_1 < 0.06 & LEV_1 < 0.058 (FILTER)

Eight outliers were identified and did not feature in subsequent tests. According to Osborne (2013), outliers can contribute to non-normality of data and can indicate lack of data cleaning. Table 4.11 shows that 61 cases were selected as they were within the boundaries of the computed cutoff points of Mahalanobis distance, Centered Leverage distance and Cook's distance.

4.6.2 Normality

Osborne (2013) posit that it is critical to examine the distribution of the regression residuals in order to prove validity of the prediction model. Normality of residuals reduse biasness of the regression coefficients. Therefore, regression residuals should follow normal Gaussian distribution with skewness and kurtosis that fall within tolerance. Kolmogorov-Smirnov and Shapiro-Wilk statistics was used to infer normality of regression residuals in this study (Loy, Follet, & Hoffman, 2014; Osborne , 2013). The findings of these tests were corroborated with normal Q-Q plot, normal P-P plot and histogram of standardised residuals.

Table 4.12: Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	p-value	Statistic	df	p-value
Unstandardized Residual	.068	61	0.200*	.969	61	0.119

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Both Kolmogorov-Smirnov and Shapiro-Wilk statistics test the null hypothesis that the unstandardized residuals are normally distributed (Loy, et al, 2014). In this study, a significance level of 5 percent was the probability of making type one error. The results in Table 4.14 shows that both tests Kolmogorov-Smirnov and Shapiro-Wilk tests had p-values of 0.200 and 0.119 respectively, which were both more than 0.05 (5 percent) hence confirming normality of the residuals. Therefore, the normal distribution meant that the confidence intervals of the regression coefficients were trustworthy and consequently the corresponding p-values were accurate for inference purposes (Osborne , 2013).

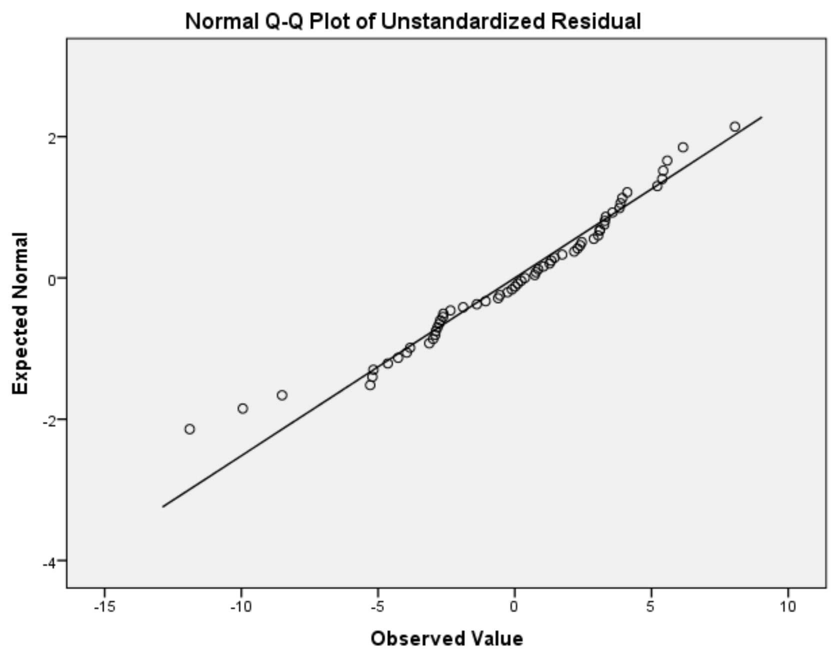


Figure 4.1: Normal Q-Q Plot of Unstandardized Residuals

A Q-Q plot is a scatterplot created by plotting one set of a standard normal quantile against one another observed quartile (Loy, Follet, & Hoffman, 2014). To support the results of the Shapiro Wilk test, a quantile-quantile (Q-Q) plot must be produced as the latter test may not show the characteristics of the distribution that are not normal. Stine (2017) indicates that ordinary QQ information plots should include bands indicating whether diagonal deviations are sufficiently big to imply a substantial deviation from normality. If both quartiles come from the same normal distribution, the points should be approximately straight. Figure 4.1 shows that the values in the unstandardized residuals were distributed along the expected normal curve.

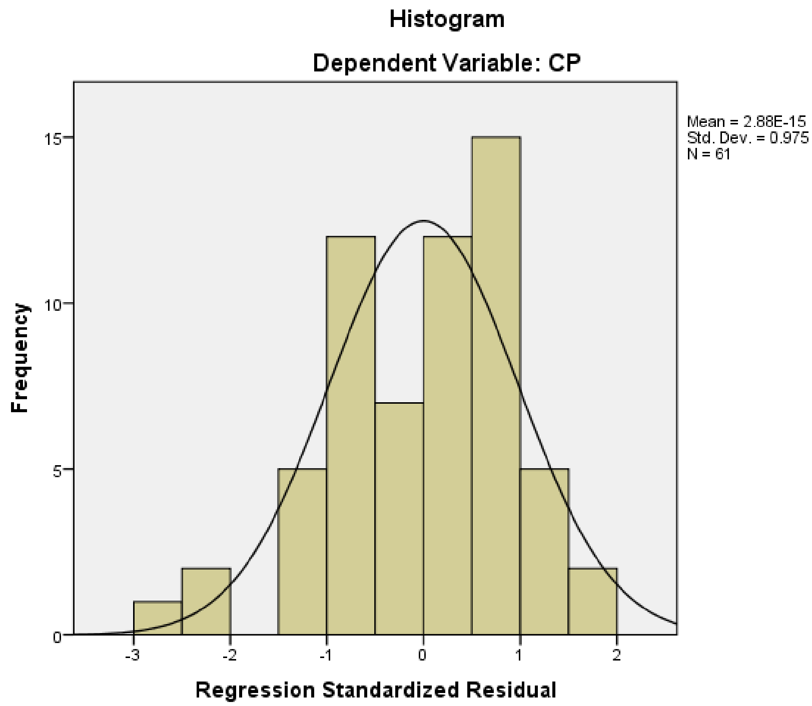


Figure 4.2: Histogram of Regression Standardized Residuals

Table 4.12 showed that the unstandardized residuals were statistically normal based on the Kolmogorov-Smirnov and Shapiro-Wilk statistics. Figure 4.2 further confirms these findings by plotting the histogram of these residuals and fitting a normal Gaussian curve. The residuals appeared to spread normally and with a symmetrical curve about the zero residual mark. Visual inspection of the normal curve in Figure 4.2 further reveals that there was no visible outright skewness or skewness in the data.

Table 4.13: Skewness and Kurtosis of Residuals

	Score
Skewness	-0.624
Kurtosis	-0.553

The skewness and kurtosis was -0.624 and -0.553 respectively was not significantly different from Gaussian distribution by most measures (Osborne , 2013).

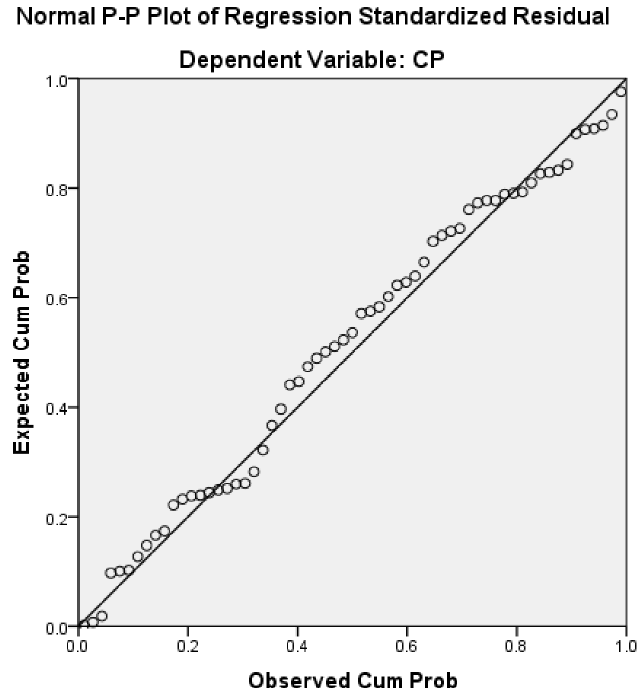


Figure 4.3: Normal P-P Plot of Standardized Residuals

The normal p-p plot in Figure 4.3 shows a plot of expected cumulative probability against observed cumulative probability. It shows that the observed cumulative probability values were closely following the expected cumulative probability of a standard normal curve. This is evidence of a normal distribution of the standardized residuals.

4.6.3 Multicollinearity

Table 4.14 illustrates the coefficient of correlation between corporate governance principles (CGP), diversity management (DM) and their product (CGP*DM).

It is ideal that there should be low correlation amongst the aforementioned predictor variables to avoid increasing the standard error and to avoid making the independent variables redundant.

Table 4.14: Correlational Matrix

		CGP	DM	CGP*DM
CGP	Pearson Correlation	1	0.204	0.030

	p-value (two-tailed)		0.093	0.809
	N	69	69	69
DM	Pearson Correlation	0.204	1	-0.108
	p-value (two-tailed)	0.093		0.377
	N	69	69	69
CGP*DM	Pearson Correlation	0.030	-0.108	1
	p-value (two-tailed)	0.809	0.377	
	N	69	69	69

According to the results in Table 4.14, corporate governance principles and diversity management had weak correlation with a Pearson's coefficient of 0.204, hence indicating absence of multicollinearity between them. Both corporate governance principle and diversity management were mean centered. This means that their values were subtracted from their respective means before computing their product (that is, CGP*DM). This way, it reduced the chances of multicollinearity between the interaction variable and the other variables (CGP and DM). Before mean centering, the correlation between CGP*DM correlated with CGP and DM at coefficients of 0.682 and 0.854 respectively which were significant at 5 percent. After mean centering, CGP*DM correlates with CGP and DM at coefficients of 0.03 and -0.108 respectively which were not significant at 5 percent.

Table 4.15: Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	CGP	1.000	1.000
2	(Constant)		
	CGP	0.969	1.032
	DM	0.969	1.032
3	(Constant)		
	CGP	0.926	1.080
	DM	0.966	1.035
	CGP*DM	0.948	1.054

a. Dependent Variable: CP

Table 4.15 shows the variance inflation factors (VIF) for the three hierarchical regressions for testing moderation. From visual observation, none of the variables possessed a VIF of more than 2 and highest being 1.080 of corporate governance principle. According to Ombaka (2014), a VIF of less than five signifies absence of multicollinearity amongst the predictor variables.

4.6.4 Linearity

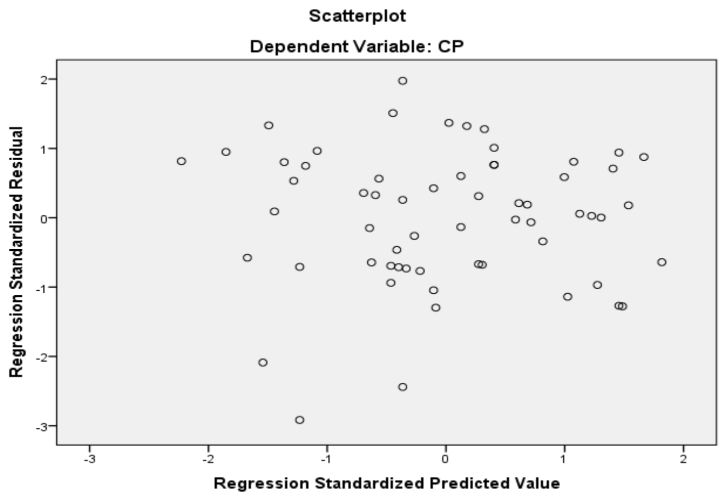


Figure 4.4: Scatter Plot of Regression Standardized Residuals against Regression Predicted Values

Figure 4.4 shows the plot of regression-standardized residuals against regression-standardized predicted Values. It shows even distribution of unstandardized regression residuals spread evenly about the zero-horizontal margin on the y-axis. The values lied close to the central region in a random pattern without any indication of extreme values. This shows that the actual values hovered evenly about the predicting trend line hence indicating linearity.

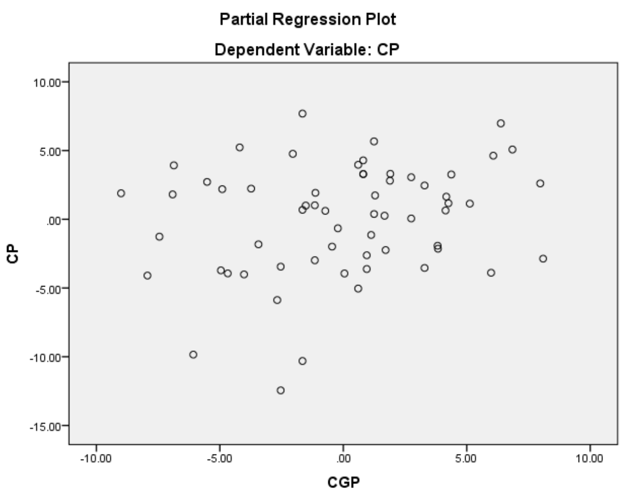


Figure 4.5: Scatter Plot of County Performance against Corporate Governance Practices

Figure 4.5 shows positive linear trend between corporate governance practices and county performance. The scatter points are moving upwards on the left-hand side hence indicating linearity between these two latter variables in the study. The Pearson's correlation coefficient between corporate governance practices and county performance in Table 4.17 was 0.252 that showed positive albeit moderate relationship.

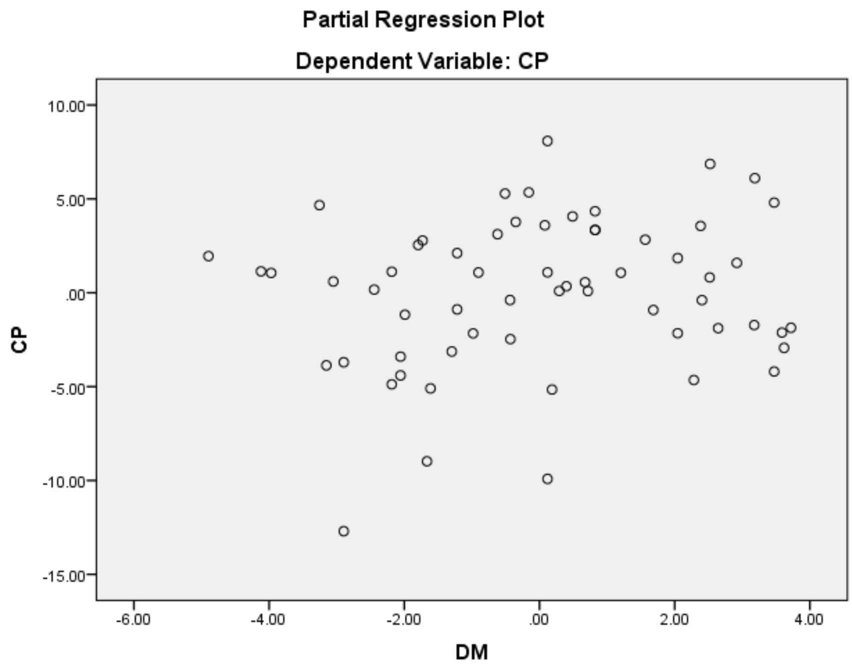


Figure 4.6: Scatter Plot of County Performance against Diversity Management

Figure 4.6 also shows positive trend between diversity management and corporate governance practices. Therefore, the inherent linearity between diversity management and corporate governance validates to addition of diversity management to increase prediction of county performance.

4.6.5 Homogeneity of Variance

Table 4.16 shows the test for homogeneity of variance using Breusch-Pagan (BP) and Koenker tests. Both tests investigate the null hypothesis that heteroscedasticity is not present in the data (homogeneity of variance) and the alternate hypothesis that there is heteroscedasticity in the data.

Breusch-Pagan test assumes the regression residuals to be normally distributed which has already been established in section 4.6.2 for normality assumption.

Table 4.16: Breusch-Pagan (BP) and Koenker Test

Inferential Statistical Test	LM – Statistic	P- Value
BP	4.009	0.260
Koenker	3.325	0.344

Results in Table 4.16 show that the p-values of Breusch-Pagan (BP) and Koenker Test were 0.260 and 0.344 respectively both being less than 0.05 hence indicating homoscedasticity (constant variance) in the data. This conclusion can also be drawn by looking at the plot of regression-standardized residuals against regression standardized predicted values in Figure 4.4 which shows random and even spread of residual plots around regression predicted values thereby indicating that there was no pattern in the residuals.

4.6.6 Autocorrelation

The Durbin Watson statistics (d) tests the null hypothesis that the residuals from ordinary least squares are not auto correlated against the alternate that the residuals follow an ARI process. It has values ranging from zero to four whereby a value near two indicates non-autocorrelation. When $d < 2$ and tending towards zero, it shows positive serial correlation. When $d > 2$, and tending towards four, it indicates negative serial correlation. The observed Durbin Watson statistic of 2.223 in Table 4.17 shows that there was no critical negative serial correlation because this value was closer to two.

4.7 Hierarchical Tests for Moderation Effects of Diversity Management on the Relationship between Corporate Governance Practices and County Performance

This chapter provides the tests needed to determine the moderating impact on the relationship between corporate governance practices and county performance of diversity management. Moderation or interaction between diversity management and corporate governance principles as predictors of county performance is assessed by including the product of diversity management and corporate governance principles as additional predictor in the regression model. The absence of the interaction term can lead to incorrect specification of the regression model because main effects of the independent variables per se do not explain how the independent variables interact (moderate) each other (Hsu, Wang, & Hsu, 2012; Baron & Kenny, 1986). It is only an empirical determination of insignificance in interaction that can justify ignoring of the product term thereby concluding the absence of interaction (moderation).

Moderation analysis in this study follows hierarchical tests procedure that essentially implies the following regression equations:

Model 1:

$CP= \beta_0+ \beta_1 CGP+ e$ ………………………………………………………… (i)

Model 2:

$CP= \beta_0++ \beta_1 CGP + \beta_2 DM + e$ ………………………………………………. (ii)

Model 3:

$CP= \beta_0+ \beta_1 CGP+\beta_2 DM+\beta_3 CGM*DM + e$ ………………………………… (iii)

Where;

CP – County performance

CGP – Corporate governance principles

DM – Diversity Management

CGM*DM - interaction of corporate governance principles and Diversity Management

β_1 – Regression coefficient for corporate governance principles

β_2 – Regression coefficient for diversity Management

β_3 – Regression coefficient for interaction of corporate governance principles and Diversity Management

Before running the hierarchical regression models, eight outliers were removed as described in section 4.6.1 to improve normality of the regression residuals. The remaining 61 cases for corporate governance practices and diversity management were mean centered as described in section 4.6.3 before computing the interaction variable (CGP*DM) in order to remove multicollinearity among the predictors. Finally, the predictors were entered in SPSS in stepwise format, that is, CGP in the first model, CGP and DM in the second model, followed by CGP, DM and CGP*DM in the final model. The results are presented in Table 4.17, Table 4.18 and table 4.19 which represent model summary, analysis of variance and regression coefficients of county performance against corporate governance practices and diversity management.

Table 4.17: Model Summary Table for County Performance against Corporate Governance Practices, Diversity Management and their interaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	P-value. F Change	
1	0.252[a]	0.064	0.048	4.05595	0.064	4.010	1	59	0.050	
2	0.294[b]	0.086	0.055	4.04094	0.023	1.439	1	58	0.235	
3	0.294[c]	0.086	0.038	4.07623	0.000	0.000	1	57	0.997	2.233

a. Predictors: (Constant), CGP
b. Predictors: (Constant), CGP, DM
c. Predictors: (Constant), CGP, DM, CGP*DM
d. Dependent Variable: CP

Table 4.17 shows that the R Square (coefficient of determination) for the first model was 6.4 percent (0.064) with a p-value of 0.05 representing the significance of F change. This is the first regression model and therefore, 0.05 is the p-value of the first model rather than a change from a previous model. The p-value of F statistics in this first regression model is just at the critical significance value of 0.05 and therefore deemed significant. The second R Square was 8.6 percent (0.086) which shows an increase of 2.3 percent (0.023) also shown in the R Square change column in Table 4.17, the second row. The corresponding p-value of the R Square change was 0.235, which was less than the critical significance level of 0.05 hence deeming the change statistically insignificant.

It is worth noting that the increase in R-Square due to the addition of diversity management (DM) in the regression model shows its contribution towards the prediction of county performance albeit statistically insignificant in its effect. This second model (equation (ii)) only contains “main effects” of the two predictors (corporate governance practices and diversity management) and therefore, the increase in R Square due to the addition of diversity management does not infer moderation effect. It only means that diversity management increases county efficiency while maintaining steady corporate governance procedures. Similarly, the practice of corporate governance increases county efficiency while maintaining steady diversity management.

The third row in Table 4.17 shows the R Square change after addition of the interaction effect (product of corporate governance practices and diversity management, with both variables mean centered). The R Square of the third model maintained is 8.6 percent hence signifying no change from the “main effects” only model. The R square change column also confirms this by showing a change of 0.000 in the third row that corresponds to the addition of the interaction term to the other two predictors (corporate governance practices and diversity management). The corresponding p-value of F Change is 0.997 almost near unity hence corroborating that there was hardly any interaction impact of corporate governance and diversity management on county performance.

Table 4.18: ANOVA Table for County Performance against Corporate Governance Practices, Diversity Management and their interaction

Model		Sum of Squares	df	Mean Square	F	p-value
1	Regression	65.963	1	65.963	4.010	0.050[b]
	Residual	970.595	59	16.451		
	Total	1036.557	60			
2	Regression	89.466	2	44.733	2.739	0.073[c]
	Residual	947.091	58	16.329		
	Total	1036.557	60			
3	Regression	89.466	3	29.822	1.795	0.158[d]
	Residual	947.091	57	16.616		
	Total	1036.557	60			

a. Dependent Variable: CP
b. Predictors: (Constant), CGP
c. Predictors: (Constant), CGP, DM
d. Predictors: (Constant), CGP, DM, CGP*DM

The results in Table 4.18 tests the null hypothesis that Corporate Governance Practices, Diversity Management and their interaction are not linear to County Performance at 5% significant level. Alternatively, the F-test of overall significant from the ANOVA table tests the null hypothesis that predictions using the mean of the dependent variable are better than accounting for variability of independent variables. For the first model in Table 4.18, analysis of variance tests whether including corporate governance practices improves prediction of County performance over using its mean. The observed p-value corresponding to model 1 was 0.05, which is just at the critical significance value of 5 percent. Therefore, there is statistically significant prediction of County performance with inclusion of Corporate Governance Practices.

The second analysis of variance model represented the addition of diversity management in the first regression model so that there are two independent variables (two main effects), corporate governance practices and diversity management. Continuing from model one, the analysis of variance for model two tested the null hypothesis that the inclusion of diversity management significantly improved the prediction of county performance at a statistical significance of 5 percent alpha. The observed p-value was 0.073 which was slightly more than 0.05 (the critical significance level. Therefore, the statistical inference is that there was insignificant improvement in predicting county performance due to addition of diversity management in model two.

However, since the observed p value of 0.073 was not significantly larger than the critical significance of 0.05, then it is prudent to recognise the influence of diversity management in augmenting county performance. This corroborates the R square change of 2.3 percent in Table 4.17 albeit insignificant.

The third analysis of variance represented the third regression model in the hierarchical series. It included the addition of the interaction between corporate governance practices and diversity management in addition to their respective main effects. Therefore, the interaction variable become a third independent variable. Continuing from model 2, the null hypothesis of the third analysis of variance model tests that the inclusion of the interaction variable does not improve the prediction of county performance at a statistical significance of 5 percent alpha beyond the second nor the first model. The observed p-value corresponding to the inclusion of the interaction effect was 0.158, which was larger than the critical significance of 0.05. Therefore, the interaction effect does little to augment the prediction of county performance. This concludes that there is no substantial moderation of diversity management and CGP.

Table 4.19 shows regression coefficients for three models in the hierarchical series. The first model contains corporate governance practices as the only independent variable (one main effects). The second model contains corporate governance practices and diversity management as the two independent models (two main effects). The third regression model contains corporate governance practices, diversity management and their interaction term. The p-values observed in Table 4.19 correspond to the computed t-statistics, which will form the basis of testing the hypotheses of the study.

Table 4.19: Regression coefficients for County Performance against Corporate Governance Practices, Diversity Management and their interaction

Model		Unstandardized Coefficients		Standardized Coefficients	t	p-value	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	53.690	8.856		6.062	0.000	35.969	71.411
	CGP	0.246	0.123	0.252	2.002	0.050	0.000	0.492
2	(Constant)	46.031	10.891		4.227	0.000	24.231	67.831
	CGP	0.220	.124	0.225	1.766	0.083	-0.029	0.469

	DM	0.280	.234	0.153	1.200	0.235	-0.187	0.748
3	(Constant)	46.038	11.212		4.106	0.000	23.587	68.490
	CGP	0.220	0.128	0.225	1.711	0.092	-0.037	0.477
	DM	0.280	0.236	0.153	1.188	0.240	-0.192	0.753
	CGP*DM	0.000	0.063	0.000	0.003	0.997	-0.125	0.126

a. Dependent Variable: CP

The first regression model in Table 4.19 shows that a unit increase in CGP was associated to an increase of 0.246 in county performance while holding other factors constant. This was significant at 5 percent significant level because the corresponding p-value was 0.05, just at the critical value. The second regression model had two main effects of CGP and DM in controlling of each other. A unit increase in CGP was associated to 0.220 increase in county performance while holding DM constant (that is, controlling for DM). This effect on county performance had a p-value of 0.083, which was more than 5 percent critical significance hence deemed insignificant. However, the departure from 0.05 was not large enough to ignore the association of corporate governance practices on county performance.

The other observation in the second model is that a marginal increment in diversity management is associated to 0.220 increase in county performance while controlling for the influence of corporate governance practices. The corresponding p-value was 0.235, which was more than 0.05 deeming this association insignificant. However, Table 4.17 showed that the addition of the main effect of diversity management in the second model led to an increase in R-Square by 2.3 percent. The overall F-statistic for the second model had p-value of 0.073, which is slightly larger than 0.05 in numerical terms. Therefore, it is worth noting than the main effects of diversity management albeit insignificant, improves prediction of county performance. Another observation is that the main effect of corporate governance practices diminished in the presence of diversity management given that the regression coefficient changed from 0.246 in model one to 0.220 in model two.

The third regression model in Table 4.19 shows that increase in the interaction between corporate governance practices and diversity management hardly had any association to county performance given the regression coefficient of 0.000 of the interaction variable. The corresponding p-value was 0.997, which shows a near complete departure from any form of significant relationship between the interaction term and county performance. The R square change in Table 4.17 also confirms this inference by showing no change from the variance explained by the main effects model. Therefore, there is no statistical moderation effect of diversity management and corporate governance practices in predicting county performance.

To visualize the moderation impact of the interaction between corporate governance and diversity management, the 16^{th}, 50^{th} and 84^{th} percentiles of CGP and DM was determined generated in SPSS Table 4.20 together with the means of the respective variables (CGP and DM) in the original data cases without outliers.

Table 4.20: Percentiles for Plotting Moderation Effect

Percentiles	**CGP**	**DM**
16th	66.9200	32.0000
50th	72.0000	34.0000
84th	76.0800	37.0000

CGP mean = 71.623188
DM mean = 33.666667

With the percentiles for CGP and DM as given in Table 4.20, their respective mean centered values are derived by subtracting from their respective means. The interaction term CGP*DM in Table 4.21 denotes the product of the centered values of CGP and DM. The predicted values of CP in Table 4.21 are computed using the regression model 3 in Table 4.19, which is:

$$CP = 46.038 + 0.220(CGP) + 0.28(DM) + 0.000(CGP*DM)$$

Since the regression coefficient for the interaction term was 0.000, the resulting equation collapsed to the one for model two in Table 4.19:

CP = 46.038 + 0.220(CGP) + 0.28(DM)

Table 4.21: Moderation Plot Data

CGP	DM	CGP_C	DM_C	CGP*DM	CP (PREDICTED)
66.92	32.0	-4.70	-1.67	7.84	69.720
66.92	34.0	-4.70	0.33	-1.57	70.280
66.92	37.0	-4.70	3.33	-15.68	71.120
72.0	32.0	0.38	-1.67	-0.63	70.838
72.0	34.0	0.38	0.33	0.13	71.398
72.0	37.0	0.38	3.33	1.26	72.238
76.08	32.0	4.46	-1.67	-7.43	71.736
76.08	34.0	4.46	0.33	1.49	72.296
76.08	37.0	4.46	3.33	14.86	73.136

CGP_C: mean centered values of CGP
DM_C: mean centered values of DM

Figure 4.7 shows the plots of county performance for increasing values of corporate governance practices at low, moderate and high diversity management. It is noticeable that there is a linear relationship between corporate governance practices and county performance at either low, moderate or high levels of diversity management.

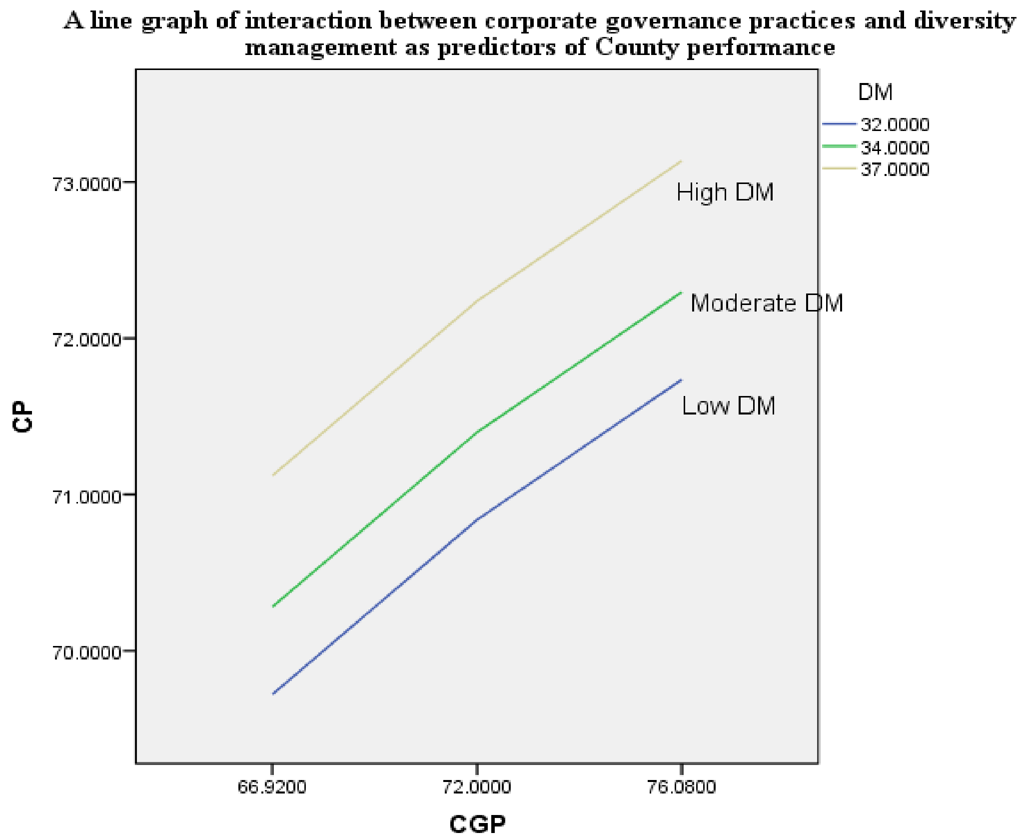


Figure 4.7: Interaction between Corporate Governance Practices and Diversity Management as predictors of County Performance

In regards to whether, there is a moderation effect due to interaction of Corporate Governance Practices and Diversity Management, the slope of the three lines are observed. There is visibly no difference in the slopes (gradient) of the plot of CP against CGP either at low, moderate or high levels of DM. This concludes that there is no visible interaction effect of Corporate Governance Practices and Diversity Management on the performance of counties. However, Figure 4.7 shows that there are visible main effects of diversity management. This is because the elevation of the plot of CP at moderate DM is above the plot of CP at low DM for the same values of CGP. Similarly, the plot of CP at high DM is above that of moderate DM for the same values of CGP.

4.8 Discussion of the Findings

After testing all the three regression in the hierarchical series for moderation analysis, results show that the main effect of corporate governance practices when regressed alone is significant in predicting county performance. Addition of diversity management as a second independent variable (hence, two main effects) diminishes the initial effect of corporate governance practices. However, the combined main effects of corporate governance practices and diversity management increased the amount of variation predicted in county performance albeit insignificantly.

Finally, results have established no moderation effect of diversity management and corporate governance practices. The interaction term in the third model had no meaningful influence on the performance of county. The regression coefficient of the interaction term was literally zero at three decimal places. Therefore, this study recommends removing of the interaction term in the final equation thereby remaining with only the main effects of corporate governance practices and diversity management. The main effects only explain the contribution of the independent variables severally in controlling of each other and holding other factors constant. Main effects model has nothing to do with moderation because of the absence of the interaction term.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes the results on the moderating effect of diversity management on the relationship between corporate governance practices and county performance. The results discussed in chapter four included descriptive data on the questionnaire items for each variable presented as percentages and frequencies. Inferential data determined validity of the assumptions of linear regressions as well as testing the various hypotheses of the study. Conclusion on moderation effect was based the significance of F-change with the addition of the interaction effect of corporate governance practices and diversity management. In the third regression model, the importance of the interaction term also determined whether there was any moderation impact between corporate governance and diversity management procedures.

5.2 Objectives of the Study

The research modeled three interactions using linear regression in a hierarchical way to determine whether there was indeed moderation between corporate governance practices and diversity leadership. The first model of regression was between county performance (dependent variable) and corporate governance (autonomous variable) practices so that one primary impact occurs. The second regression model involved adding diversity management as a second independent variable in order to have two main effects. The third regression model in the hierarchical series involved addition of the interaction term (product of corporate governance practices and diversity management) as the third independent variable. Assessment of moderation involved observing the behavior of the interaction of corporate governance practices and diversity management rather than their main effects.

5.2.1 County Performance against Corporate Governance Practices

The first objective was to determine the effect of corporate governance practices on county performance. Corporate governance practices had moderate Pearson's correlation of 25.2 percent with a corresponding coefficient of determination of 6.3 percent in Table 4.17 of the model summary. This means that 6.3 percent of the variations in county performance was associated with variations in corporate governance practices. Based on the F change and ANOVA statistics, this accountability had a significance of 0.05, which was just at the critical significance level of 5 percent set for the study. It is therefore inferred that corporate governance practices had a statistically meaningful association to County performance. Table 4.19 also shows that the main effects of corporate governance practices in the first regression model was significant at the observed p-value of 0.05 with 0.246 as the regression coefficient. Therefore, a marginal increase in corporate governance practices is associated to 0.246 units increase county performance holding other factors constant.

This result does not imply causality and it does not mean that corporate governance principles directly augments county performances. It only shows that significant instances of good corporate governance practices were observed at the time when counties performed well. This results support the findings in Table 4.8 and Table 4.10 respectively in the descriptive stats of corporate governance procedures and district performance. Both factors had reduced concordance rates reported at one stage in time by the same participants. This cross-sectional observation reveals the correlation between methods of corporate governance and county performance.

5.2.2 County Performance against Corporate Governance Practices and Diversity Management

The second objective of the study was to determine the main effects of corporate governance practices and diversity management on county performance. The study found that the Pearson's correlation was only 29.4 percent with coefficient of determination of 8.6 percent observed in Table 4.17 of the model summary. This means that the main effects of corporate governance practices and diversity management associated to 8.6% of the change in performance of counties. The coefficient of determination (R Square) of 8.6 percent represents 2.3 percent increase (R Square change) in prediction from 6.3 percent when regression model had the main effect of corporate governance. However, the significance of the F-change corresponding to this increment was not significant with a p-value of 0.235, which is more than 5 percent. This second regression model is a main effects model and the increase in prediction does not infer any moderation yet.

In regards to the individual main effects of corporate governance practices and diversity management, Table 4.19 shows that they had regression coefficients of 0.220 and 0.280 respectively. Both coefficients were not statistically significant because they had p-values of 0.083 and 0.235 respectively. These p-values were both more than 5 percent hence they were severally statistically insignificant in affecting county performance. However, it worth noting that when their coefficients are combined, the overall prediction of the second model increased hence the increase in R Square by 2.3 percent as observed in Table 4.17 of the model summary. The fact that prediction increased means that diversity management per se had an inherent linear relationship to county performance. This coincides with the level of agreement of diversity management in Table 4.9 compared to the level of agreement of county performance in Table 4.10. There was a slightly more agreement on diversity management compared to county performance, hence the lower association compared to the relationship between county performance and corporate governance principal.

5.2.3 Moderation Effect of Corporate Governance Paractices and Diversity Management

The third objective of the study was to determine the effects of corporate governance practices, diversity management, and their interaction on county performance. Addition of the interaction between corporate governance practices and diversity management formed the basis of assessing moderation effect. Moderation is statistically inferred only when the interaction term has significant effect on county performance. The statistical significance of moderation is also determined by the significance of the F-Change when moving from a main effects model (model 2) to the interaction effects model (model 3). A significant F-Change denotes meaningful moderation effect.

The study found that the Pearson's correlation for these three predictors (interaction tern included) remained at 29.4 percent with a coefficient of determination of 8.6 percent. This represents no increment or increase in prediction from model two (main effects model). There was no visible R Square change in Table 4.17 and neither was the regression coefficient of the interaction significant in Table 4.19 with a p-value of 0.997, almost near unity hence showing no probable association of the interaction term and county performance. The third regression model in the hierarchical sequence therefore demonstrates no moderation impact on the connection between corporate governance practices and county performance by diversity management.

5.3 Conclusion

The research aimed to determine the moderating impact on the relationship between corporate governance practices and county results of diversity management. Based on objective one, the study concluded that there was a significant linear connection between corporate governance and county performance. Further, from the second objective, the study concluded that diversity management improved the prediction of county performance although in a statistically insignificant way.

In addition, objective three aimed to test for moderation, the research added as a third variable in the regression model the relationship between corporate governance procedures and diversity management. The interaction had no significant impact in enhancing the predictive authority of corporate governance and diversity management's primary effects model. Therefore, the research concludes that the connection between corporate governance procedures and county results was not moderated by diversity leadership. It is empirically justifiable to remove the interaction term from the third regression model to remain with the main effects model as predictors of county performance.

5.4 Recommendations

Based on results in the first objective, the study recommends that counties should continue practicing corporate governance. They should separate management body from boards for proper oversight. The counties should formulate policies in line with promoting career development and inclusiveness of the public opinions for transparency. Such practices of corporate governance will possibility augment the performance of counties because these two variables were significantly associated.

In the second objective, the study recommends the management of diversity observed in the counties because its combined main effect with corporate governance practices had more association to county performance than when considering corporate governance independently.

From the third objective, the study recommends the removal of diversity management as a moderating variable since it was found to be insignificant. Instead, the study should remain with the main effects model as predictors of county performance.

5.5 Areas for Further Research

The results of this study do not infer any causal relationship between the autonomous factors (corporate governance and diversity management practices) and the dependent variable (district performance). This research proposes an experimental assessment of the primary impacts on county performance of corporate governance procedures and diversity management to ensure that the variation in county performance is immediately caused by differences in the latter primary impacts.

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Appendix I: Cover letter

To whom it may concern,

Dear Sir/Madam,

Request for Data Collection

I am a student of MBA at Kenya Methodist University. I am conducting a study on the topic "Moderating Effect of Diversity Management on the Relationship between Corporate Governance Practices and Performance of County Government (Survey of Isiolo, Marsabit and Samburu)". I have identified you as a resourceful person in this study.

Kindly fill up the attached questionnaire by ticking on the spaces provided and return to me. Any information obtained for this purpose will be kept strictly confidential and will only be used for academic purpose. Your cooperation will be highly appreciated in this regard.

Thanks for your cooperation.

Orge Bajji

Appendix II: Questionnaire

This questionnaire seeks to establish the moderating effect of diversity management on the relationship between corporate governance practices and performance of selected counties in Northern Kenya (Isiolo, Marsabit and Samburu). Please answer the questions honestly and diligently following the instructions given. The answers you give will be treated with utmost confidentiality.

Section A: Demographic Information

1. What is your Gender?

a). Male [ ]

b). Female [ ]

2. How old are you? (Years)

a). Less than 30: [ ]

b). 31-40: [ ]

c). 41-50: [ ]

d). Above 50: [ ]

3. What is your level of education?

a). College [ ]

b). Graduate [ ]

c). Post Graduate [ ]

Section B: Corporate Governance Practices

This section is concerned with assessing the effect of corporate governance practices on performance of county governments of Isiolo, Marsabit and Samburu. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
Good corporate governance approach aims at performing the main function of separating the firm's principals and agents.					
Corporate governance themes in our organization separates management from the board					
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy					
Good corporate governance helps tin solving problems arising between shareholders and managers					
Good corporate governance enhances efficient skills within the management					
There is clear separation of duties within the organization					
Our department maintains an open-door policy					
We share relevant information with our stakeholders very freely					
Our financial dealings are above board					
All managers know that they are answerable to the public					
We value public participation					
Our managers are well qualified					

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
All our staff have clear job descriptions					
The reporting relationships are clear					
We operate within the law					
We have clear policies to guide our operations					
We offer services without any discriminations					

Section C: Diversity Management

This section is concerned with assessing the effect of diversity management on performance of county governments of Isiolo, Marsabit and Samburu. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
We do not discriminate employees on gender basis.					
We have an initiative of hiring and recruiting women, youth, minorities and disabled in the workforce.					
Through diversity management we are able to solve problem					
Through diversity management we are able to acquire resources					

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
Diversity management promote corporate image					
Managing work place diversity attract a variety of skills					
Managing work place diversity attract a variety of innovation					
Everyone has an equal opportunity to join the organization.					

Section D: County Performance

This section is concerned with assessing performance of county governments of Isiolo, Marsabit and Samburu. Please mark (x) in the box which best describes your agreement or disagreement on each of the following statements.

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
There is good inter-departmental working relations within the organization					
There is proper decision making within the organization					
There is proper allocation of resource by the county government					
There is working relations between the county government and the public through public participation					
There is effective communication within the organization					
There is transparency and accountability within the organization					
We offer quality services					
The people we serve are happy with our services					
Our projects are completed on time					
Our projects are completed within the budget					
Our county government has a good public image					
Our stakeholder are happy in dealing with us					
The national government is happy with					

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
	1	2	3	4	5
our performance					
The governor is happy with our performance					
Our staffs are happy working with our department.					
We always strive to meet the expectations of all those we deal with					
Compared with other counties, our county is doing well.					
Other counties come to benchmark with us.					

Appendix III: Research Permit

THIS IS TO CERTIFY THAT:
MS. ORGE GUYO BAJJI
of KENYA METHODIST UNIVERSITY,
0-60500 Marsabit,has been permitted to
conduct research in *Marsabit County*

on the topic: *MODERATING EFFECT OF DIVERSITY MANAGEMENT ON THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE PRACTICES AND PERFORMANCE OF SELECTED COUNTIES IN NORTHERN KENYA*

for the period ending:
17th August,2019

....
Applicant's Signature

Permit No : NACOSTI/P/18/76391/24660
Date Of Issue : 18th August,2018
Fee Recieved :Ksh 1000

....
Director General
National Commission for Science, Technology & Innovation

CONDITIONS

1. The License is valid for the proposed research, research site specified period.
2. Both the Licence and any rights thereunder are non-transferable.
3. Upon request of the Commission, the Licensee shall submit a progress report.
4. The Licensee shall report to the County Director of Education and County Governor in the area of research before commencement of the research.
5. Excavation, filming and collection of specimens are subject to further permissions from relevant Government agencies.
6. This Licence does not give authority to transfer research materials.
7. The Licensee shall submit two (2) hard copies and upload a soft copy of their final report.
8. The Commission reserves the right to modify the conditions of this Licence including its cancellation without prior notice.

REPUBLIC OF KENYA

NACOSTI

National Commission for Science, Technology and Innovation

RESEARCH CLEARANCE PERMIT

Serial No.A 20210

CONDITIONS: see back page

NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone:+254-20-2213471,
2241349,3310571,2219420
Fax:+254-20-318245,318249
Email: dg@nacosti.go.ke
Website : www.nacosti.go.ke
When replying please quote

NACOSTI, Upper Kabete
Off Waiyaki Way
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No. **NACOSTI/P/18/76391/24660**

Date: **18th August, 2018**

Orge Guyo Bajji
Kenya Methodist University
P.O. Box 267- 60200
MERU.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on ***"Moderating effect of diversity management on the relationship between corporate governance practices and performance of selected counties in Northern Kenya,"*** I am pleased to inform you that you have been authorized to undertake research in **Marsabit County** for the period ending **17th August, 2019.**

You are advised to report to **the County Commissioner and the County Director of Education, Marsabit County** before embarking on the research project.

Kindly note that, as an applicant who has been licensed under the Science, Technology and Innovation Act, 2013 to conduct research in Kenya, you shall deposit **a copy** of the final research report to the Commission within **one year** of completion. The soft copy of the same should be submitted through the Online Research Information System.

BONIFACE WANYAMA
FOR: DIRECTOR-GENERAL/CEO

Copy to:

The County Commissioner
Marsabit County.

The County Director of Education
Marsabit County.

Appendix IV: Overall Reliability

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Good corporate governance approach aims at performing the main function of separating the firm's principals and agents.	174.2000	186.622	0.145	0.836
Corporate governance themes in our organization separates management from the board	174.3000	186.233	0.187	0.836
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy	174.3000	185.122	0.272	0.834
Good corporate governance helps tin solving problems arising between shareholders and managers	173.9000	184.989	0.282	0.834
Good corporate governance enhances efficient skills within the management	174.1000	178.767	0.702	0.828
There is clear separation of duties within the organization	174.0000	179.556	0.658	0.829
Our department maintains an open door policy	174.2000	192.178	-0.245	0.842
We share relevant information with our stakeholders very freely	174.1000	178.322	0.734	0.827
Our financial dealings are above board	174.5000	185.611	0.374	0.834
All managers know that they are answerable to the public	174.3000	179.789	0.480	0.830
We value public participation	173.8000	193.733	-0.424	0.843
Our managers are well qualified	174.1000	193.878	-0.356	0.843
All our staff have clear job descriptions	174.0000	193.778	-0.356	0.843
The reporting relationships are clear	174.3000	189.789	-0.067	0.843
We operate within the law	174.3000	186.900	0.136	0.836
We have clear policies to guide our operations	174.2000	186.400	0.161	0.836

We offer services without any discriminations	174.4000	184.489	0.373	0.834
We do not discriminate employees on gender basis.	174.9000	160.767	0.684	0.818
We have an initiative of hiring and recruiting women, youth, minorities and disabled in the workforce.	174.3000	171.344	0.672	0.823
Through diversity management we are able to solve problem	174.4000	174.489	0.560	0.826
Through diversity management we are able to acquire resources	173.9000	177.433	0.876	0.826
Diversity management promote corporate image	174.3000	176.900	0.441	0.829
Managing work place diversity attract a variety of skills	174.7000	175.789	0.251	0.838
Managing work place diversity attract a variety of innovation	174.7000	173.122	0.504	0.827
Everyone has an equal opportunity to join the organization.	174.3000	169.567	0.747	0.821
There is good inter-departmental working relations within the organization	174.4000	195.378	-0.284	0.848
There is proper decision making within the organization	174.5000	166.722	0.672	0.821
Corporate governance systems are mechanisms for establishing the nature of ownership and control of organizations within an economy	174.3000	174.456	0.786	0.824
Good corporate governance helps tin solving problems arising between shareholders and managers	174.5000	175.167	0.389	0.831
Good corporate governance enhances efficient skills within the management	174.5000	185.611	0.058	0.842
There is clear separation of duties within the organization	174.1000	182.322	0.216	0.836
Our department maintains an open door policy	174.7000	179.122	0.292	0.834
We share relevant information with our stakeholders very freely	174.5000	184.944	0.078	0.841
Our financial dealings are above board	174.5000	174.500	0.411	0.830

All managers know that they are answerable to the public	175.0000	181.111	0.150	0.841
We value public participation	174.6000	162.489	0.678	0.819
Our managers are well qualified	174.8000	185.733	0.062	0.841
The national government is happy with our performance	174.2000	184.400	0.304	0.834
The governor is happy with our performance	174.2000	184.400	0.137	0.838
Our staffs are happy working with our department.	174.5000	164.944	0.733	0.819
We always strive to meet the expectations of all those we deal with	174.2000	190.178	-0.106	0.840
Compared with other counties, our county is doing well.	176.4000	182.267	0.367	0.832
Other counties come to benchmark with us.	176.8000	181.511	0.320	0.833
			Overall reliability	0.837