

**INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON PERFORMANCE
OF TRANSPORT PARASTATALS IN KENYA.**

ROSEMARY WANJIRU KAMAU

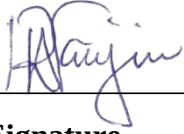
**A THESIS SUBMITTED TO KENYA METHODIST UNIVERSITY FOR THE PARTIAL
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DECLARATION

Declaration by Candidate

This thesis is my original work and has not been presented by anyone else for any award in any institution or other examination body.



Signature

Rosemary Wanjiru Kamau

Bus-3-3232-3/2023

16/10/2025

Date:

Declaration by Supervisors

This thesis has been submitted with our approvals as Supervisors appointed by Kenya Methodist University.

Signature

Dr. Mary Mbithi, Phd

Date

Signature

James Nzili

Date

DEDICATION

This thesis is dedicated with profound love and gratitude to my beloved children: Keneth, Doreen, Ann, Adrian, and Grace Okemwa whose unwavering support, understanding, and inspiration have been my greatest motivation throughout this academic journey.

Your patience, encouragement, and love have given me the strength to persevere and accomplish this milestone. This achievement is as much yours as it is mine.

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ACRONYMS AND ABBREVIATIONS

FRSC	Federal Road Safety Corps
GDP	Gross Domestic Product
GRI	Global Reporting Initiative
HRM	Human Resource Management
IFC	International Finance Corporation
KCAA	Kenya Civil Aviation Authority
KPA	Kenya Ports Authority
KRC	Kenya Railways Corporation
NACOSTI	National Commission for Science, Technology and Innovation
NPA	Nigerian Ports Authority
OAG	Office of the Auditor General
OECD	Organization for Economic Co-operation and Development
PMI	Project Management Institute
PPPs	Public-Private Partnerships
PwC	PricewaterhouseCoopers
SDGs	Sustainable Development Goals
SGR	Standard Gauge Railway
SOEs	State-Owned Enterprises
SPSS	Statistical Package for the Social Sciences
U.S.	United States
UNRA	Uganda National Roads Authority

ABSTRACT

State corporations in Kenya's transport sector continue to grapple with governance deficiencies such as weak board oversight, financial mismanagement, and procurement irregularities, which undermine operational efficiency and erode public confidence. This study examined the influence of corporate governance practices on the performance of transport parastatals in Kenya. The specific objectives were to evaluate how board structure, leadership styles, stakeholder engagement, and resource management affect organizational performance. The study was anchored on Agency Theory, Full Range Leadership Theory, Stakeholder Theory, and the Resource-Based View. A descriptive explanatory research design was adopted, targeting 13 transport parastatals, with 104 departmental general managers purposively selected as respondents. Data were collected through structured questionnaires. Primary data were collected using structured questionnaires and analyzed through both descriptive and inferential statistics. The findings revealed that board structure had a significant positive influence on performance, particularly in enhancing strategic direction and diversity (P value of 0.000). Leadership styles especially transformational and democratic were found to be key drivers of improved organizational outcomes (P value of 0.000). Stakeholder engagement also emerged as a critical determinant of performance, promoting inclusivity and accountability (P value of 0.002). Additionally, effective resource management was shown to substantially enhance operational efficiency and service delivery (P value of 0.018). The study recommends that transport parastatals institutionalize periodic board performance evaluations, strengthen board independence, and mitigate political interference. It further advocates for leadership development initiatives emphasizing participatory and transformational approaches, structured stakeholder engagement frameworks, and integrated resource management systems that promote cross-functional coordination and strategic alignment.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Corporate governance remains a critical determinant of organizational performance, particularly within state corporations in the transport sector. These institutions operate under dual mandates to deliver essential public services while maintaining commercial viability making governance effectiveness central to their success (Organisation for Economic Co-operation and Development [OECD], 2015). Effective governance structures enhance accountability, transparency, and operational alignment with national development goals. By fostering ethical leadership, strategic oversight, and prudent resource utilization, corporate governance enables state corporations to deliver sustainable value to stakeholders and the economy at large (Clarke, 2021).

In recent years, recurrent cases of mismanagement, corruption, and inefficiency among state corporations globally have amplified the demand for governance reforms (Hassan et al., 2016). These challenges highlight the need for robust governance mechanisms centered on sound board structures, effective leadership styles, active stakeholder engagement, and prudent resource management (Tricker, 2019). Strong boards provide strategic direction and oversight, while ethical and participatory leadership fosters trust and accountability. Similarly, structured stakeholder engagement promotes inclusivity and responsiveness, and efficient resource management ensures financial sustainability and service reliability (Aguilera & Cuervo-Cazurra, 2019).

Kenya's transport sector plays a pivotal role in facilitating economic growth and regional integration. It comprises state corporations under the Ministry of Roads and Transport responsible for regulation, infrastructure development, and service delivery across air, road, rail, maritime, and pipeline transport. Regulatory bodies such as the National Transport and Safety Authority (NTSA), Kenya Civil Aviation Authority (KCAA), and Kenya Maritime Authority (KMA) oversee compliance and safety standards, while operational entities including the Kenya Railways Corporation (KRC), Kenya Ports Authority (KPA), Kenya Airways, and Kenya Pipeline Company (KPC) deliver key logistical and transport services. Infrastructure agencies like the Kenya National Highways Authority (KeNHA) and LAPSET Corridor Development Authority drive modernization and connectivity projects (World Bank, 2021). Despite their strategic importance, these parastatals continue to face governance weaknesses such as political interference, inadequate

oversight, and inefficient resource utilization, undermining their performance and public trust (Githu & Minja, 2025). Strengthening governance systems across these dimensions is therefore essential to enhancing transparency, operational efficiency, and long-term sustainability (Claessens & Yurtoglu, 2016).

1.1.1 Global Perspective on corporate governance and performance of transport parastatals.

Globally, effective corporate governance has been shown to significantly enhance the performance of transport parastatals by strengthening board structure, refining leadership style, deepening stakeholder engagement, and improving resource management. In Germany, the two-tier board structure of Deutsche Bahn, comprising supervisory and management boards, promotes transparency and strategic oversight, ensuring a balance between operational efficiency and accountability (Scholz, 2020). Similarly, Japan Post Holdings integrates both public and private sector representation on its board, reinforcing inclusivity and balanced decision-making while safeguarding both public interest and commercial objectives (Yamamoto, 2022).

In the United States, reforms at the U.S. Postal Service have emphasized transformational leadership and participatory governance, strengthening transparency and financial accountability amid economic challenges. Australia Post's adoption of participatory leadership and open communication with stakeholders has enhanced service innovation, efficiency, and customer satisfaction (Zukin & Dineen, 2021; Smith & Trinh, 2021). In the United Kingdom, Network Rail has improved stakeholder collaboration and regulatory compliance through structured reporting frameworks, while Canada Post has optimized resource allocation and cost control to maintain operational sustainability (Wilkinson, 2021; Lewis, 2020). These cases illustrate that aligning leadership and board practices with stakeholder and resource management priorities produces tangible improvements in performance.

Collectively, global evidence confirms that transport parastatals achieve higher efficiency and sustainability when governance reforms embed clear board independence, ethical leadership culture, active stakeholder involvement, and disciplined resource management (Clarke, 2021; OECD, 2020). Conversely, governance initiatives often fail in contexts marked by political interference or weak institutional capacity that undermine board autonomy and accountability (Clarke, 2021; OECD, 2020). These global insights offer valuable lessons for developing

economies seeking to reform their transport parastatals through integrated governance frameworks that promote transparency, responsiveness, and operational excellence.

1.1.2 Regional Perspective on corporate governance and performance of transport parastatals.

Across Africa, governance reforms have played a transformative role in improving the performance and accountability of transport parastatals. Many African governments have recognized that weak governance structures, political interference, and poor resource management undermine service delivery and financial stability. In South Africa, entities such as Transnet and South African Airways have benefited from reforms emphasizing independent boards, transparent oversight, and ethical leadership, leading to improved financial performance and stakeholder confidence (Mwanza, 2017; Moyo, 2020). Similarly, in Zambia, reforms focusing on transparency, board professionalism, and prudent resource utilization have enhanced public trust and operational accountability within the transport sector.

Within East Africa, several transport agencies have demonstrated the positive impact of governance restructuring. The Uganda National Roads Authority (UNRA) and the Tanzania Railways Corporation have improved project delivery, accountability, and stakeholder engagement through governance reforms that promote professionalism and participatory decision-making. These initiatives have strengthened institutional credibility and improved efficiency in project implementation, particularly in infrastructure modernization and maintenance. The regional trend underscores the growing recognition that effective governance frameworks anchored in clear accountability lines and leadership integrity are essential to achieving sustainable performance in public transport entities.

In West Africa, reforms at the Nigerian Ports Authority (NPA) and the Federal Road Safety Corps (FRSC) have similarly enhanced operational efficiency and stakeholder relations through the adoption of independent boards and stronger leadership practices. Collectively, these regional experiences highlight that robust stakeholder engagement, strategic resource management, and institutional autonomy contribute to measurable outcomes such as cost reduction, service reliability, and financial sustainability (Aguilera & Cuervo-Cazurra, 2019; Claessens & Yurtoglu, 2016). However, the success of such reforms largely depends on consistent political commitment,

effective policy enforcement, and the capacity of boards to exercise independence free from external interference.

1.1.2 Local Perspective on corporate governance and performance of transport parastatals.

In Kenya, corporate governance is a key determinant of the performance of transport state corporations, which are central to economic development and regional integration. Entities such as Kenya Airways, Kenya Railways Corporation (KRC), Kenya Ports Authority (KPA), and Kenya Pipeline Company (KPC) facilitate trade, logistics, and infrastructure connectivity. However, their operational performance has been inconsistent due to governance weaknesses such as political interference, limited board autonomy, and weak accountability frameworks (Githu & Minja, 2025). To address these challenges, the Government of Kenya introduced the Mwongozo Code of Governance for State Corporations (2015) to promote professionalism, ethical leadership, and strategic alignment within public entities (State Corporations Advisory Committee [SCAC], 2020).

The implementation of governance reforms has produced varying results across transport parastatals. Kenya Airways has enhanced its governance structure through the inclusion of independent directors and corporate restructuring initiatives that strengthened decision-making and operational efficiency (Gikonyo, 2018). Kenya Railways Corporation has restructured its management systems and introduced performance-based accountability mechanisms to improve project execution and service delivery (Oloo, 2021). Similarly, the Kenya Ports Authority has institutionalized stakeholder engagement frameworks such as port community systems to promote inclusivity and transparency (Munya, 2019). The Kenya Airports Authority (KAA) has also adopted technology-driven resource management systems that enhance efficiency, cost control, and operational reliability (Mwihaki & Wanyoike 2025).

Despite these positive developments, persistent governance challenges continue to undermine sustainable performance. Political patronage in board appointments, corruption in procurement, and weak enforcement of accountability mechanisms have eroded public trust and hindered institutional effectiveness (Chirchir, 2022; Otieno, 2020). Strengthening the governance of transport parastatals therefore requires strict adherence to the Mwongozo Code, enhanced board independence, transparent leadership evaluation, and stronger stakeholder accountability. Sustainable performance will depend on governance systems that promote ethical conduct,

strategic agility, and prudent resource utilization aligned with measurable outcomes such as profitability, service quality, and customer satisfaction (OECD, 2015).

1.2 Statement of the Problem

Kenya's transport sector plays a central role in achieving Kenya Vision 2030 and Sustainable Development Goal 9 (SDG 9), which emphasize the development of resilient infrastructure, sustainable industrialization, and innovation. State corporations such as the Kenya Railways Corporation (KRC), Kenya Ports Authority (KPA), Kenya Civil Aviation Authority (KCAA), and Kenya Airways are mandated to enhance connectivity, facilitate trade, and promote national competitiveness. Ideally, these corporations should operate under sound corporate governance frameworks that ensure effective board oversight, ethical leadership, stakeholder engagement, and prudent resource management (OECD, 2021). When properly governed, such institutions drive operational efficiency, attract investment, and contribute significantly to economic growth and sustainable transport infrastructure (World Bank, 2020).

However, the performance of state corporations in Kenya's transport sector has remained suboptimal due to persistent governance deficiencies. According to the Kenya National Audit Office (OAG, 2020), more than 60% of audited state corporations exhibited weaknesses in governance structures particularly in financial management, accountability, and board oversight which directly undermined their operational efficiency. PwC (2021) similarly noted that transport parastatals such as KRC and KPA face governance irregularities linked to opaque procurement practices, weak internal controls, and politicized appointments. For instance, poor governance has affected major national projects like the Standard Gauge Railway (SGR) and the Mombasa Port Modernization, leading to cost overruns and delays (Deloitte, 2021).

The consequences of these governance shortcomings are significant. Mismanagement and financial opacity have resulted in declining profitability and performance among key parastatals. Kenya Airways, for instance, has continued to post financial losses, eroding public confidence and reducing Kenya's competitiveness in the regional aviation market (KPMG, 2022). Inefficiencies in transport parastatals further translate into delayed infrastructure delivery, loss of public resources, and reduced investor confidence in the sector (World Bank, 2020). Ultimately, poor governance weakens the contribution of the transport sector to national development and impedes progress toward Vision 2030 and SDG 9 targets. Despite numerous governance reforms such as

the introduction of the Mwongozo Code of Governance (2015) and increased regulatory oversight the sustainability of these reforms remains questionable.

Existing studies Gachunga and Ndirangu (2017) have examined governance challenges in other state corporations like KPLC, but there is limited empirical evidence analyzing how specific governance dimensions namely board structure, leadership styles, stakeholder engagement, and resource management influence the performance of transport state corporations. This research therefore addresses this conceptual and contextual gap by examining the influence of corporate governance practices on the performance of state corporations within Kenya's transport sector.

1.3 Objectives of the study

1.3.1 General Objective of the study

To analyze the influence of corporate governance practices on the performance of transport Parastatals in Kenya.

1.3.2 Specific Objectives of the study

The study was guided by the following specific objectives:

- i. To determine the influence of board structure on performance of transport parastatals in Kenya.
- ii. To establish the influence of leadership styles on performance of transport parastatals in Kenya.
- iii. To assess the influence of stakeholder engagement on performance of transport parastatals in Kenya.
- iv. To determine the influence of resource management on performance of transport parastatals in Kenya.

1.4 Research Hypothesis

The research hypothesis of this study were:

H₀₁: Board structure does not statistically significant influence on Performance of Transport Parastatals in Kenya.

H₀₂: Leadership styles does not statistically significant influence on Performance of Transport Parastatals in Kenya.

H₀₃: Stakeholder engagement does not statistically significant influence on Performance of Transport Parastatals in Kenya.

H₀₄: Resource management does not statistically significant influence on Performance of Transport Parastatals in Kenya.

1.5 Justification of the Study

The study on the influence of corporate governance practices on the performance of transport parastatals in Kenya is vital for several reasons. First, transport parastatals play a critical role in Kenya's economic development by facilitating the movement of goods and people, which directly impacts trade, tourism, and overall economic growth. However, challenges such as inefficiency, mismanagement, and corruption have often hindered their optimal performance. By examining corporate governance practices, the study will provide insights into how effective governance can enhance accountability, transparency, and operational efficiency in these entities.

Additionally, this study is essential in the context of increasing scrutiny on the governance of state corporations in Kenya. Recent governance reforms and legislative measures, such as the Mwongozo Code of Governance for State Corporations, emphasize the importance of accountability, transparency, and ethical leadership. This study complements these efforts by providing empirical evidence on how these principles can be operationalized to improve performance.

The research is timely given Kenya's strategic focus on infrastructure development as part of its Vision 2030 agenda. Transport parastatals are key drivers of this vision, and understanding the governance factors that influence their success is crucial for achieving long-term development goals. This study, therefore, provides a foundational analysis that aligns with Kenya's broader economic objectives.

Lastly, this study is justified as it addresses a critical gap in understanding the relationship between corporate governance and organizational performance within Kenya's transport sector. Despite the pivotal role transport parastatals play in the country's economy, limited research has been conducted to explore how governance structures and practices influence their efficiency and effectiveness. By focusing on transport parastatals, this research contributes to the growing need for sector-specific studies that provide actionable insights into improving public sector performance.

1.6 Significance of the Study

The significance of this study lies in its ability to provide valuable insights into how corporate governance practices influence the performance of state corporations in Kenya, particularly within the transport sector. By focusing on key governance elements such as board structure, leadership styles, stakeholder engagement, and resource management, the study aims to uncover the strengths and weaknesses within existing governance frameworks. The findings are expected to benefit: top management of transport parastatals; Policymakers and government officials; Stakeholders, including investors and customers and academic community.

1.6.1 Top Management of transport parastatals.

The top management of transport parastatals will benefit most from this study. By examining key governance elements such as board structure, leadership styles, stakeholder engagement, and resource management, management teams will gain valuable insights into areas of improvement. Understanding the impact of governance on performance will empower leaders to make informed decisions, refine operational strategies, enhance accountability, and ultimately increase efficiency, financial sustainability, and service delivery. These improvements are crucial for the long-term success of organizations like Kenya Airways, Kenya Railways, and Kenya Ports Authority.

1.6.2 Policymakers and Regulators

The study will benefit policymakers and regulators by providing data-driven insights to guide the development and reform of governance frameworks for transport parastatals. By highlighting the link between effective corporate governance practices and improved performance, the findings will support the creation of policies that enhance transparency, accountability, and efficiency. This is vital for aligning governance practices with Kenya's Vision 2030 and Sustainable Development Goals (SDGs), ensuring transport parastatals contribute meaningfully to economic growth and public service delivery.

1.6.3 Investors and Customers.

Investors, will benefit by having more transparent and comprehensive insights into the governance structures of transport parastatals. This will enable better-informed decisions regarding investments, as they will have a clear understanding of the organizations' governance strengths and potential risks. Customers, on the other hand, will indirectly benefit through improved service

delivery and accountability, as more efficient governance leads to enhanced operational performance. Enhanced stakeholder engagement practices will also ensure that the interests of various parties, including the public and private sector investors, are properly addressed.

1.6.4 Academic Community.

The academic community will benefit from this study by adding a practical and local perspective to the global discourse on corporate governance in state-owned enterprises. The research can serve as a reference for future studies on the intersection of governance and organizational performance, especially within the African context. This will contribute to the body of knowledge in public administration and corporate governance, providing a foundation for further inquiry and policy development in the governance of state corporations.

1.7 Limitation of Study

The study may encounter several limitations that could affect data collection. One of the anticipated challenges was the resistance from respondents who might have concerns about the confidentiality of the information they provide. To address this, the researcher reassured all participants that the data they provided will be used strictly for academic purposes and handled with the highest level of confidentiality. This assurance was reinforced by an official letter from the National Commission for Science, Technology and Innovation (NACOSTI) and an introduction letter from Kenya Methodist University, validating the academic nature of the study and ensuring respondents that their information is secure.

Another limitation may arise from the unavailability of respondents due to their busy schedules, which could lead to delays in receiving completed questionnaires. To mitigate this, a specific timeframe of five days were allocated for respondents to complete and return the questionnaires. The researcher also engaged in follow-up communication, maintaining a courteous and professional approach to foster cooperation. This proactive strategy aims to enhance response rates and minimize delays, ensuring timely data collection.

Lastly, there is the potential for incomplete or inaccurate responses, especially if participants do not fully understand the questions or feel hesitant to provide honest feedback. To reduce this risk, the questionnaire was carefully designed to be clear, concise, and free of jargon, with well-explained instructions. The researcher also offered assistance where necessary and ensure

anonymity to encourage open and honest participation. These measures helped ensure the reliability and validity of the data collected.

1.8 Scope of the Study

This study focused on corporate governance practices and their influence on the performance of transport parastatals in Kenya. Geographically, the research was confined to Kenya, with the unit of analysis being the 13 state owned corporations operating within the transport sector, including aviation, rail, road, and maritime sub-sectors. Thematically, the study examined four core dimensions of corporate governance namely board structure, leadership styles, stakeholder engagement, and resource management given their centrality to organizational effectiveness and accountability. To capture governance perspectives, the study purposively targeted General Managers drawn from core departments relevant to governance. Methodologically, the study adopted a descriptive causal design, utilizing structured questionnaires to collect data from a sample of 104 General Managers across the 13 parastatals. Data collection, analysis, and reporting were conducted within a seven month period, from February 2025 to August 2025, supported by a research budget of KSh. 140,000.

1.9 Operational Definitions of Terms

Board Structure: Board structure refers to the composition and organization of a board of directors, including member diversity, independence, and expertise, as well as the establishment of committees to oversee areas like audit and governance. An effective board structure ensures accountability and strategic oversight (International Finance Corporation [IFC], 2021).

Corporate Governance: Corporate governance refers to the set of rules, practices, and processes used to direct and control organizations, ensuring accountability, fairness, and transparency in relationships with stakeholders (OECD, 2015). It provides a framework for achieving organizational objectives while aligning with stakeholders' interests.

Leadership Styles: Leadership styles describe the distinct approaches leaders use to influence and motivate their teams. Common styles, such as transformational, autocratic, and democratic, impact organizational performance by shaping employee morale, productivity, and engagement (Northouse, 2021).

Performance of Transport Parastatals: The performance of transport parastatals is the measure of state-owned transport organizations' ability to deliver their mandated services efficiently and effectively. It includes financial sustainability, operational efficiency, and the achievement of developmental goals aligned with national policies (World Bank, 2020).

Resource Management: Resource management involves planning, allocating, and utilizing an organization's resources, human, financial, and physical, in an efficient manner to achieve strategic goals and ensure sustainability. Effective resource management is critical for improving organizational performance (PMI, 2021).

Stakeholder Engagement: Stakeholder engagement is the process by which organizations actively involve individuals or groups with an interest in their operations to foster collaboration, address concerns, and build mutual trust. It is essential for promoting transparency and achieving long-term success (Global Reporting Initiative [GRI], 2021).

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter plays a critical role in the research process as it addresses key components necessary for a comprehensive understanding of the study's context. It begins with the theoretical framework, which examines and synthesizes relevant theories that align with the research topic and objectives. Following this, the conceptual framework illustrates the relationships between the key variables in the study. The chapter then presents a review of the variables, discussing each in detail and explaining how the independent and dependent variables are interconnected. An empirical review section follows, critically analyzing previous research studies and their findings that are pertinent to the current study. Finally, the chapter concludes by identifying the research gap based on the existing literature.

2.2 Theoretical Review

Theoretical review refers to a critical analysis and synthesis of existing theories and concepts relevant to a particular research topic or study. It involves examining the theoretical frameworks that underpin the research, identifying key concepts, discussing their applications, and evaluating their strengths and weaknesses within the context of the study. According to Fink (2005), theoretical review "provides a summary of relevant theories, constructs, and research findings that are pertinent to the topic under investigation". This process helps researchers establish a theoretical foundation, justify the study's significance, and guide the formulation of hypotheses or research questions. The study will be grounded on Agency Theory, Full range Leadership theory, Stakeholder theory and Resource Based View theory.

2.2.1 Agency theory.

Agency Theory, originally developed by Jensen and Meckling (1976), provides a foundational framework for analyzing relationships where one party (the principal) delegates authority to another (the agent) to perform duties on their behalf. The theory contends that such delegation often results in agency problems, as agents may pursue self-interests that conflict with the objectives of principals. To address these conflicts, Agency Theory emphasizes the establishment of effective governance mechanisms such as performance-based incentives, monitoring systems,

and independent oversight that align managerial actions with the goals of principals, thereby minimizing agency costs and enhancing performance.

As the anchor theory of this study, Agency Theory underpins the relationship between governance practices and performance of transport parastatals in Kenya. It provides the conceptual lens through which the four independent variables board structure, leadership styles, stakeholder engagement, and resource management are examined. The theory postulates that a well-constituted and independent board ensures effective monitoring of management actions, thereby reducing agency conflicts. Leadership styles that promote transparency and accountability further strengthen control systems, while stakeholder engagement broadens accountability beyond shareholders to include public interests. Resource management, on the other hand, ensures that entrusted assets are utilized efficiently in the interest of the principals, thus improving overall organizational performance in public sector entities.

The strengths of Agency Theory lie in its clarity in explaining the mechanisms through which governance structures influence performance. It provides concrete guidelines for designing governance systems that enhance accountability and transparency, particularly through independent board oversight and incentive alignment (Adams & Ferreira, 2020; Shleifer & Vishny, 2017). However, its main weakness lies in its narrow focus on economic and contractual relationships, often overlooking the influence of social, political, and ethical dynamics within organizations. The theory also assumes rational behavior among agents, which may not always hold true in public institutions characterized by bureaucratic constraints and multiple stakeholder interests.

Agency Theory serves as the anchor theory of this study because it offers a robust framework for understanding how governance mechanisms can align managerial actions with organizational and stakeholder interests. By linking board structure, leadership styles, stakeholder engagement, and resource management to performance outcomes, the theory provides a comprehensive basis for examining how effective governance mitigates agency conflicts and enhances performance among transport parastatals in Kenya.

2.2.2 Full range leadership Model

The Full Range Leadership Model (FRLM) was developed by Bernard Bass and Bruce Avolio in the early 1990s. This theory presents a comprehensive model that integrates various leadership behaviors into a spectrum that ranges from passive and ineffective leadership styles to the most dynamic and transformational approaches (Bass & Avolio, 1994). The model incorporates transformational leadership, transactional leadership, and laissez-faire leadership, each representing distinct leadership styles that influence organizational outcomes in different ways.

The transformational leadership aspect of FRLM is the most emphasized, focusing on leaders who inspire and motivate followers to achieve higher levels of performance and engage in self-development. Transformational leaders communicate a compelling vision, foster an environment of trust, and are proactive in addressing the needs of their followers. Transactional leadership, in contrast, emphasizes exchanges between leaders and followers based on rewards for task completion and penalties for failing to meet expectations. Laissez faire leadership represents a passive, non-interfering leadership style where leaders avoid decision-making and fail to provide guidance or feedback (Bass & Avolio, 1994).

The relationship between FRLM and leadership styles is clear: transformational leadership fosters higher employee motivation, commitment, and performance by aligning the organizational goals with individual values and capabilities. In contrast, transactional leadership ensures that routine tasks are completed efficiently through structured systems and clear expectations. Both leadership styles influence organizational performance, especially in settings like transport parastatals, where balancing routine operations with innovation and strategic decision-making is crucial. Laissez-faire leadership, though, has been linked to poor performance outcomes, as it hampers effective decision-making and accountability (Bass & Avolio, 1994). In terms of performance within transport parastatals in Kenya, the use of transformational leadership can drive improvements by inspiring innovation, fostering collaboration, and enhancing organizational morale. Transactional leadership, on the other hand, is essential for maintaining operational efficiency, ensuring compliance, and achieving short-term goals. The integration of both styles can contribute to a balanced approach to leadership, improving both the day-to-day operations and long-term strategic initiatives of parastatals. However, the passive laissez-faire leadership style should be avoided, as

it may contribute to stagnation and a lack of accountability, negatively impacting performance (Carter & Ruggiero, 2021).

One of the main strengths of Full Range Leadership Model is its holistic approach, recognizing the dynamic nature of leadership and the need for flexibility in leadership behaviors. By acknowledging the varying levels of leadership effectiveness, FRLM provides a framework for leaders to adapt their style depending on organizational needs and contexts (Carter & Ruggiero, 2021). The theory's emphasis on transformational leadership is particularly advantageous in enhancing motivation, creativity, and commitment among employees, which can significantly improve organizational performance, particularly in sectors like transport where innovation and strategic vision are essential. However, criticisms of the theory highlight its overemphasis on the leader's role and the assumption that all leaders can exhibit transformational behaviors in every context. Some scholars argue that FRLM fails to adequately address the complexities of organizational dynamics, such as the influence of followers, the organizational culture, and the external environment (Northouse, 2020). Additionally, while transformational leadership can drive long-term performance, an over-reliance on it without transactional elements may lead to neglecting necessary routine operations and stability (Nemanich & Keller, 2020).

Full Range Leadership Model offers a comprehensive framework for understanding leadership styles and their impact on organizational performance. By integrating transformational, transactional, and laissez-faire leadership styles, the theory provides a nuanced perspective on leadership behaviors and their outcomes. For transport parastatals in Kenya, adopting a balanced approach to leadership, combining transformational and transactional behaviors, can improve both short-term efficiency and long-term performance. However, leaders should avoid passive laissez-faire leadership, which could hinder organizational growth and development. Full Range Leadership Theory remains relevant in analyzing leadership effectiveness, especially in dynamic public sector organizations where innovation, efficiency, and accountability are key to success.

2.2.3 Stakeholder theory.

Stakeholder Theory, introduced by R. Edward Freeman in 1984 in his influential book *Strategic Management: A Stakeholder Approach*, presents the idea that organizations should consider the interests of all stakeholders not just shareholders when making strategic decisions. Freeman (1984) defines stakeholders as any group or individual who can affect or be affected by the achievement

of the organization's objectives. This includes employees, customers, suppliers, communities, and shareholders. The core principle of the theory is that organizations should create value for all these stakeholders in order to ensure long-term success, rather than focusing solely on maximizing shareholder value.

In relation to stakeholder engagement, Stakeholder Theory underscores the importance of understanding and addressing the interests of diverse stakeholder groups. Engaging stakeholders effectively is key to organizational success, as it helps build trust and fosters collaboration. By involving stakeholders in decision-making, organizations can improve their reputation, strengthen relationships, and enhance overall performance. This is particularly relevant in the context of transport parastatals in Kenya, where engaging a range of stakeholders, such as government agencies, employees, communities, and customers, can lead to improved service delivery and better governance.

The strength of Stakeholder Theory lies in its holistic approach to business strategy. It moves beyond financial performance to incorporate social and ethical dimensions, promoting long-term sustainability. By focusing on stakeholder engagement, organizations can build a loyal customer base, improve employee satisfaction, and foster stronger community relationships, all of which contribute to improved organizational performance. However, one of the criticisms of the theory is its broad scope, which can make it challenging to prioritize the interests of competing stakeholders effectively (Freeman et al., 2020). Moreover, measuring the success of stakeholder engagement can be complex, as it involves assessing the fulfillment of diverse and sometimes conflicting interests.

Stakeholder Theory therefore offers valuable insights into the importance of engaging various groups in decision-making, which can significantly enhance organizational performance. Its application to stakeholder engagement highlights the need for organizations, including transport parastatals in Kenya, to align their strategies with the interests of key stakeholders. Effective stakeholder engagement can lead to improved governance, service delivery, and long-term organizational success.

2.2.3 Resource based view theory.

The origins of the Resource-Based View (RBV) can be traced to Birger Wernerfelt's 1984 work "A Resource-Based View of the Firm," which laid the foundation for analyzing firms through the

lens of their internal resources. The perspective was later advanced and widely popularized by Jay Barney in 1991, who articulated the conditions under which resources can provide a sustained competitive advantage. The theory posits that valuable, rare, inimitable, and non-substitutable resources enable firms to perform better than their competitors, thereby driving organizational success. According to Barney (1991), these resources can include physical assets, human capital, technological capabilities, and organizational processes. The RBV emphasizes that organizations should focus on cultivating and maintaining unique resources to gain a competitive edge in the market.

The RBV theory directly links to the objective of resource management by highlighting the importance of efficiently utilizing internal resources to enhance organizational performance. Effective resource management ensures that resources are aligned with the organization's goals and objectives, leading to improved operational efficiency and competitive advantage. In the context of transport parastatals in Kenya, applying the RBV theory to resource management emphasizes the need for these organizations to optimize their use of resources such as skilled labor, technological infrastructure, and financial capital. By developing and managing these resources, transport parastatals can improve their performance, reduce operational costs, and enhance service delivery.

The strength of the RBV lies in its ability to provide organizations with a clear framework for leveraging their unique resources to achieve sustained success. By focusing on internal strengths, the RBV encourages firms to create a distinctive competitive advantage that is difficult for competitors to replicate. However, the theory also has its criticisms. One limitation is its reliance on internal resources and capabilities, often overlooking the importance of external factors, such as market conditions and industry trends (Barney, 1991). Additionally, the RBV has been criticized for being vague in its definitions of what constitutes valuable and inimitable resources, making it difficult for organizations to identify and assess these resources effectively.

Resource-Based View theory offers a valuable perspective on resource management, highlighting the importance of leveraging internal resources for organizational performance. In the context of transport parastatals in Kenya, adopting the RBV can enhance the management of resources, leading to improved service delivery and long-term success. However, organizations must also

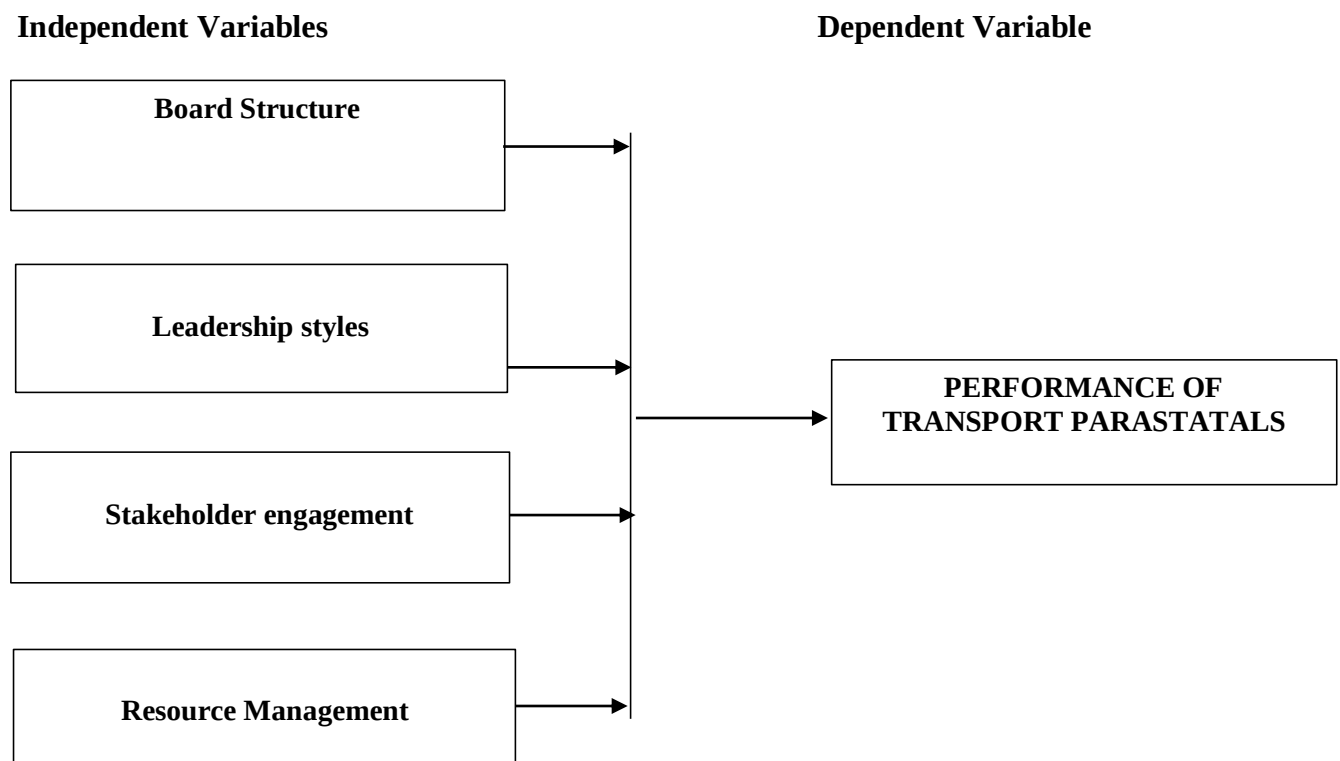
consider external factors and continuously adapt their resources to remain competitive in a dynamic environment.

2.3 Conceptual Framework

According to Mugenda and Mugenda (2019) a conceptual framework is a diagrammatical representation that shows the relationship between independent variable and dependent variables which as depicted by the figure below.

Figure 2. 1

Conceptual Framework



Source: Author (2025).

The structure of a board significantly influences the performance of transport parastatals by shaping decision-making, accountability, and strategic direction. A well-structured board, with the right mix of expertise and independence, enhances governance, reduces conflicts of interest, and fosters transparency, leading to improved operational efficiency and service delivery. Similarly, leadership styles play a crucial role in shaping organizational culture and employee motivation.

Transformational leadership encourages innovation and adaptability, while transactional leadership ensures efficiency through structured rewards and performance monitoring. Effective leadership fosters goal alignment and responsiveness to challenges, ultimately enhancing the overall performance of transport parastatals.

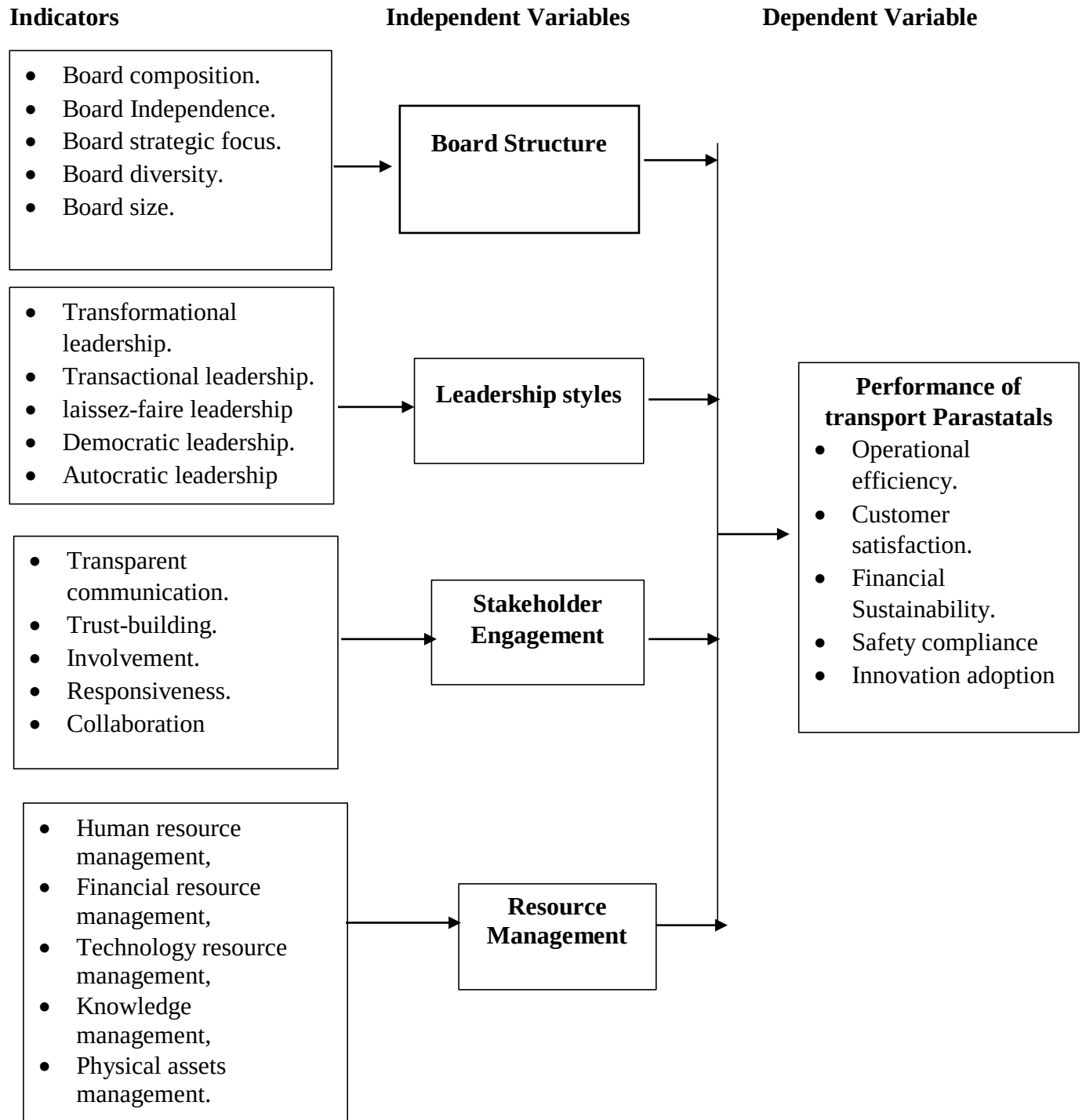
Stakeholder engagement is equally vital in ensuring the success of transport parastatals. Active involvement of government agencies, the public, and private sector partners builds trust, facilitates policy implementation, and improves service quality, leading to operational sustainability. Additionally, resource management is a key determinant of performance, as the efficient allocation of financial, human, and infrastructural resources minimizes waste, optimizes productivity, and enhances cost-effectiveness. When resources are well managed, transport parastatals can achieve financial sustainability and deliver reliable services, strengthening their overall performance and public trust. A deeper understanding is enhanced in the operationalization framework with discussions of each variable with its parameters and how they link with the dependent variable transport performance.

2.4 Operational framework

An operational framework is a structured model that defines key research variables, their indicators and relationships, ensuring clarity in methodology. It transforms abstract concepts into measurable indicators, facilitating empirical investigation and enhancing reliability and validity (Mugenda & Mugenda, 2012). By outlining variables and their operationalization, the framework ensures precision and systematic data collection, interpretation, and analysis (Kothari, 2014). It provides consistency in measurement by specifying indicators, allowing responses to accurately reflect the intended concepts, thereby improving research reliability (Cooper & Schindler, 2014). The framework also strengthens research validity by ensuring that selected indicators accurately measure intended concepts and enhances reliability by making the study replicable (Zikmund et al., 2013).

Figure 2.2

Operational framework.



Source: Author (2025).

2.4.1 Board structure and performance of transport parastatals.

The governance of transport parastatals is crucial in determining their operational efficiency and overall performance. Board structure, which encompasses the composition, independence, strategic focus, diversity, and size of the board, plays a pivotal role in shaping the strategic direction, decision-making processes, and the overall effectiveness of these organizations. Well-structured boards are integral to ensuring that transport parastatals align their goals with national development agendas and maintain high standards of accountability and performance.

Board composition is a key factor in determining how well a transport parastatal can navigate its operational and strategic challenges. The mix of skills, expertise, and experience among board members directly influences decision-making and the quality of governance (Masum et al., 2024), 2018). Boards that include members with diverse backgrounds in transportation, engineering, finance, and public policy are better equipped to provide informed leadership. A diverse skill set enables boards to address complex issues, such as regulatory changes, technological advancements, and market competition, which are particularly pertinent in the transport sector (Ngui & Atheru 2023). Moreover, experience in both public and private sectors enhances the board's ability to strike a balance between operational efficiency and compliance with government regulations, ultimately improving performance (Konyango et al., 2018).

The independence of board members is another critical factor influencing the performance of transport parastatals. Independent boards, characterized by members who do not have ties to management, allow for more objective decision-making and better oversight (Yahy & Anyieni, 2025). Independent directors are less likely to succumb to internal pressures and are more capable of holding management accountable for its actions (Jensen, 2018). The presence of independent members helps to minimize conflicts of interest, ensuring that decisions made are in the best interest of the public and the organization. Studies show that boards with greater independence are linked to improved financial performance and strategic decision-making in state-owned enterprises (Mwihaki & Wanyoike 2025).

A board's strategic focus and engagement with the organization's day-to-day operations are vital in shaping the long-term performance of transport parastatals. Boards that actively engage in setting clear strategic goals, monitoring progress, and guiding the management through challenging situations tend to contribute to improved organizational outcomes (Mumo et al., 2025).

Strategic engagement helps the board understand emerging industry trends and challenges, thereby allowing them to make informed decisions that drive organizational growth. A board that is disconnected from the organization's operations risks making poor decisions, leading to inefficiencies and underperformance (Bett & Wanjiru, 2021). Regular involvement in strategic planning, performance reviews, and innovation discussions strengthens the board's capacity to ensure that the parastatal remains competitive and aligned with national priorities (Kariuki & Mwangi, 2023).

Board diversity, encompassing gender, age, ethnicity, and professional backgrounds, enhances decision-making and the overall performance of transport parastatals. Research has shown that diverse boards are better equipped to understand and respond to the needs of a broader range of stakeholders, which is particularly important in public sector organizations like transport parastatals (Carter et al., 2019). Diversity fosters a variety of perspectives, promoting innovation and reducing the likelihood of groupthink. In the context of transport parastatals, where operations often span urban and rural areas with different needs, diversity in the board helps the organization better address regional and demographic differences (Karanja, 2021). Studies suggest that diverse boards are associated with better organizational performance in state-owned enterprises (Wamwea & Moi, 2023).

The size of the board is another critical element that influences the performance of transport parastatals. While larger boards can bring a wider range of expertise and perspectives, they may also lead to inefficiencies and slower decision-making processes (Davis et al., 2018). Conversely, smaller boards, while more agile, may lack the necessary diversity of skills and expertise (Mwihaki & Wanyoike 2025). The ideal board size for a transport parastatal depends on the complexity of the organization's operations and the specific challenges it faces. Research has shown that a moderate board size, typically between 7 and 15 members, strikes a balance between having enough diversity and maintaining effective decision-making processes (Johnson et al., 2021). A well-sized board enhances the organization's ability to govern effectively and make timely decisions, thereby improving overall performance.

The structure of the board plays a crucial role in determining the success of transport parastatals. Key elements such as board composition, independence, strategic engagement, diversity, and size directly influence the performance of these organizations. By ensuring that the board is well-

composed, independent, strategically focused, diverse, and of an appropriate size, transport parastatals can enhance their operational efficiency, foster innovation, and achieve long-term sustainability.

2.4.2 Leadership Styles and Performance of Transport Parastatals

Leadership styles are critical in shaping the strategic direction, operational efficiency, and overall performance of transport parastatals. Effective leadership enables these organizations to address challenges such as resource constraints, technological changes, and stakeholder expectations. Various leadership styles; transformational, transactional, democratic, laissez-faire, and autocratic have distinct influences on organizational performance, particularly in the context of transport parastatals, where diverse teams, high stakes, and regulatory compliance are key factors.

Transformational leadership involves inspiring and motivating employees to exceed expectations through vision, innovation, and personal development (Bass & Riggio, 2016). Leaders with this style focus on creating a shared vision, encouraging creativity, and fostering a culture of trust and collaboration. In transport parastatals, transformational leaders can drive innovation by promoting the adoption of new technologies, such as digital ticketing systems and green transport solutions, enhancing service delivery and sustainability (Gachugu, 2023). Furthermore, by empowering employees and encouraging professional growth, transformational leaders can improve employee morale, productivity, and commitment, leading to higher organizational performance (Kariuki & Mwangi, 2020).

Transactional leadership emphasizes structured tasks, rewards, and punishments to achieve specific organizational goals (Burns, 1978). This style is particularly effective in transport parastatals where efficiency, regulatory compliance, and timely delivery of services are critical. By setting clear performance targets and monitoring outcomes, transactional leaders ensure accountability and consistency in operations (Mumo et al., 2025). For instance, transport parastatals with leaders who implement incentive-based systems for achieving key performance indicators (KPIs) often experience improved service quality and financial performance. However, the reliance on rewards and penalties may limit creativity and long-term innovation in such organizations (Udinet al., 2025).

Democratic leadership involves participative decision-making, where leaders actively seek input from employees and stakeholders before making decisions (Goleman, 2017). This style fosters

inclusivity, collaboration, and a sense of ownership among employees, which is particularly beneficial in transport parastatals managing diverse and complex operations. For example, democratic leaders may involve employees in route optimization strategies, leading to more innovative and practical solutions (Ngui & Atheru 2023). Additionally, involving stakeholders such as local communities in infrastructure projects enhances public trust and minimizes resistance to organizational initiatives. This participatory approach often leads to better employee engagement and improved customer satisfaction, ultimately boosting organizational performance (Kalu & Rugami, 2021).

Laissez faire leadership is characterized by minimal interference in employee decision-making, granting them autonomy to perform their tasks (Skogstad et al., 2017). While this leadership style can foster creativity and innovation in some contexts, it may lead to inefficiencies and a lack of accountability in transport parastatals. In organizations with complex operations, such as those in the transport sector, the absence of clear guidance can result in delayed decision-making, operational inconsistencies, and reduced performance (Mwihaki & Wanyoike 2025). However, in highly skilled teams, laissez-faire leadership can enable employees to leverage their expertise, driving innovation and efficiency in specific projects (Alam et al., 2024).

Autocratic leadership is characterized by centralized decision-making, where leaders exercise complete control over organizational processes and decisions (Lewin et al., 1939). This style is effective in situations requiring quick decisions, such as crisis management or implementation of urgent regulatory requirements in transport parastatals (Nyamota et al., 2024). For instance, during disruptions caused by pandemics or natural disasters, autocratic leaders can make swift decisions to maintain operational continuity. However, prolonged reliance on autocratic leadership can stifle employee creativity, reduce morale, and create a rigid organizational culture, ultimately affecting long-term performance (Owino & Wanjiku, 2021).

Each leadership style has its strengths and limitations in influencing the performance of transport parastatals. While transformational and democratic leadership styles foster innovation, employee engagement, and long-term growth, transactional and autocratic leadership are effective in ensuring efficiency and compliance in highly regulated environments. Laissez-faire leadership, although fostering autonomy, must be balanced with accountability to achieve desired outcomes. A hybrid approach, incorporating the strengths of multiple styles, can enhance the overall

performance of transport parastatals in navigating their complex operational and strategic challenges.

2.4.3 Stakeholder Engagement and Performance of Transport Parastatals

Stakeholder engagement is essential for the effective functioning and performance of transport parastatals. By involving key stakeholders such as government agencies, employees, customers, local communities, and industry partners, these organizations can achieve better alignment with expectations, enhance trust, and improve operational outcomes. Successful engagement practices such as transparent communication, trust-building, consultation, responsiveness, and collaboration contribute to fostering a positive relationship between the parastatal and its stakeholders, ultimately driving performance.

Transparent communication ensures that stakeholders have access to accurate, timely, and relevant information about the operations and decisions of transport parastatals (Freeman et al., 2018). Open communication fosters accountability and trust, as stakeholders feel informed and valued. For example, parastatals that communicate updates on new infrastructure projects, service disruptions, or safety measures can enhance public trust and avoid misinformation (Konyango et al., 2018). Transparency in financial reporting, procurement processes, and strategic decisions further boosts stakeholder confidence and minimizes resistance, leading to improved performance.

Building trust is a cornerstone of effective stakeholder engagement. Trust is established when stakeholders perceive that the parastatal acts in their best interest, maintains integrity, and fulfills its commitments (Bryson, 2018). In transport parastatals, trust can be built through consistent service delivery, ethical conduct, and responsiveness to stakeholder concerns. For instance, establishing trust with local communities during the implementation of transport projects reduces conflicts and accelerates project completion (Mwende & Njogu, 2023). Trust also encourages long-term collaboration and support from stakeholders, ultimately improving the parastatal's performance.

Consultation and involvement enable stakeholders to participate in decision-making processes, ensuring that their views and concerns are considered (Karanja & Mwangi, 2021). Transport parastatals that engage stakeholders through forums, surveys, or public consultations foster inclusivity and ownership. For example, involving local communities in the planning and implementation of transport infrastructure projects, such as road expansions or public transit

systems, ensures that their needs are addressed and minimizes disruptions (Mumo et al., 2025). This participatory approach improves stakeholder satisfaction and enhances the parastatal's reputation and performance.

Responsiveness involves actively addressing stakeholder needs, grievances, and concerns in a timely and effective manner (Mitchell et al., 1997). Transport parastatals that prioritize customer feedback and promptly resolve issues related to service delivery or safety concerns demonstrate their commitment to stakeholder satisfaction. For instance, establishing dedicated customer service channels to address complaints about delays or ticketing issues can enhance the overall customer experience (Ngui & Atheru 2023). By being responsive, parastatals build stronger relationships with stakeholders, leading to higher levels of trust and improved operational performance.

Collaboration and partnership with key stakeholders, such as private sector players, government agencies, and international organizations, can significantly enhance the performance of transport parastatals. Strategic partnerships provide access to resources, expertise, and technology, enabling parastatals to address operational challenges and improve service delivery (World Bank, 2020). For example, public-private partnerships (PPPs) in infrastructure development, such as the Nairobi Expressway project, have demonstrated how collaboration can enhance efficiency and service quality (Kariuki & Wanjiku, 2021). By working collaboratively with stakeholders, transport parastatals can achieve shared goals and drive sustainable growth.

Effective stakeholder engagement is crucial for improving the performance of transport parastatals. Transparent communication, trust-building, consultation, responsiveness, and collaboration create a strong foundation for positive stakeholder relationships, which in turn drive operational efficiency, customer satisfaction, and long-term sustainability. Transport parastatals that prioritize stakeholder engagement are better positioned to navigate challenges and deliver value to all stakeholders.

2.4.4 Resource Management and Performance of Transport Parastatals.

Efficient resource management is vital for enhancing the performance of transport parastatals. Proper management of resources, including human, financial, technological, knowledge, and physical assets, directly impacts the efficiency, sustainability, and overall service delivery of transport parastatals. Effective resource management enables these entities to achieve strategic goals, maximize resource utilization, and remain competitive in a dynamic sector.

Human resource management (HRM) is central to the performance of transport parastatals as it ensures the recruitment, training, and retention of competent personnel. Transport parastatals with skilled and motivated employees demonstrate higher operational efficiency and customer satisfaction (Udin et al., 2025). For instance, structured training programs for drivers, engineers, and logistics personnel enhance safety and service quality. Additionally, effective HR policies, including fair compensation, performance appraisals, and employee engagement initiatives, reduce turnover and improve morale, contributing to organizational performance (Nderitu, 2022).

Financial resource management involves the prudent allocation, utilization, and monitoring of funds to achieve organizational objectives. Transport parastatals with sound financial practices are better positioned to sustain operations and invest in critical infrastructure (Mwende & Njogu, 2023). Budgeting, cost control, and revenue generation are crucial components of financial management. For example, transport parastatals that leverage revenue streams such as user fees, government subsidies, and public-private partnerships (PPPs) can finance capital-intensive projects and maintain financial stability. Mismanagement of funds, however, leads to inefficiencies, delays, and declining performance.

Technology and infrastructure management are critical for operational efficiency and service delivery in transport parastatals. Adopting advanced technologies, such as automated ticketing systems, real-time tracking, and maintenance monitoring, enhances service quality and reduces operational costs (Ndung'u, 2025). Investment in modern infrastructure, such as rail systems, roads, and terminals, ensures reliable and safe transportation. For instance, the Kenya Railways' implementation of the Standard Gauge Railway (SGR) demonstrates how technological advancements can improve transport efficiency and customer satisfaction (Karanja & Otieno, 2021).

Knowledge management involves capturing, storing, and sharing organizational knowledge to foster innovation and improve decision-making. Transport parastatals that prioritize knowledge management benefit from enhanced problem-solving and continuous improvement (Gachoka & Mutua, 2023). For example, documenting lessons learned from past projects and creating knowledge-sharing platforms among employees ensure better planning and execution of future initiatives. Knowledge management also supports innovation, enabling transport parastatals to adapt to changing industry trends and maintain a competitive edge.

Physical asset management refers to the maintenance, repair, and optimization of tangible resources, such as vehicles, equipment, and facilities, to ensure operational continuity. Proper maintenance schedules, asset tracking, and lifecycle management minimize downtime and extend the lifespan of assets (Yahy & Anyieni, 2025). For instance, the timely repair and servicing of buses and trains in transport parastatals reduce operational disruptions and enhance customer satisfaction. Neglecting asset management, on the other hand, leads to increased costs and poor service delivery, negatively affecting performance.

Resource management is integral to the performance of transport parastatals. Efficient human resource management ensures skilled personnel; sound financial management guarantees fiscal sustainability; advanced technology and infrastructure enhance service delivery; effective knowledge management fosters innovation; and robust physical asset management ensures operational continuity. By optimizing resource management, transport parastatals can improve efficiency, meet stakeholder expectations, and achieve long-term sustainability.

2.4.5 Performance of Transport Parastatals.

The performance of transport parastatals can be measured using various indicators that reflect their effectiveness in meeting stakeholder expectations and achieving organizational goals. Key measures include Operational efficiency, Profitability, Customer satisfaction, Safety compliance and Innovation adoption. These metrics provide insights into the ability of transport parastatals to deliver value, sustain financial viability, and maintain high standards of service and safety.

Operational efficiency in transport parastatals is critical for ensuring seamless service delivery and resource optimization. It involves measuring fleet utilization, turnaround time, and cost-effectiveness in operations (Button, 2017). Efficient transport systems reduce delays, improve connectivity, and enhance overall service reliability (Gwilliam, 2018). In Kenya, transport

agencies such as Kenya Ports Authority and Kenya Railways strive to enhance efficiency through automation and streamlined logistics. Operational efficiency also involves reducing fuel consumption, improving scheduling, and minimizing wastage (Masinde, 2017). Inefficiencies in transport systems often result in congestion, high operational costs, and reduced competitiveness (Ondego & Moturi, 2021). Investment in modern infrastructure and digitalization has significantly improved efficiency across Kenya's transport sector (KIPPRA, 2022). Strategic partnerships between the government and private entities have enhanced efficiency in road and rail transport (Mwende & Njogu, 2023). Thus, continuous monitoring and innovation are crucial for sustaining operational efficiency in transport parastatals (Kamau, 2021).

Customer satisfaction is a fundamental measure of transport service quality and reliability. It reflects the extent to which transport services meet user expectations regarding timeliness, affordability, and convenience. A well-functioning transport system enhances passenger comfort, reduces travel time, and ensures seamless mobility (Mokaya & Muturi, 2020). In Kenya, customer satisfaction in transport parastatals like Kenya Airways and Kenya Airports Authority is influenced by service accessibility, safety, and responsiveness to complaints (Wambua, 2021). Poor customer experiences, such as delays, overcrowding, and poor communication, lead to dissatisfaction and loss of trust in public transport (Kanyi & Ochieng, 2019). Digital transformation, including online booking and real-time tracking, has improved customer experiences in Kenya's transport sector (Konyango et al., 2018). Regular customer feedback surveys help organizations improve service delivery and align with user needs. Investment in infrastructure, such as better roads and modernized terminals, enhances customer satisfaction in transport services (Alam et al., 2024). Therefore, customer-centered approaches are essential for improving the competitiveness and reputation of Kenya's transport parastatals (Gachanja, 2023).

Profitability is a key financial indicator for transport parastatals, reflecting their ability to generate revenue while managing costs. Sustainable transport operations require a balance between revenue generation, operational costs, and government subsidies (Button, 2017). In Kenya, transport parastatals such as Kenya Pipeline Company and Kenya Ports Authority rely on efficient pricing models and cost management strategies to enhance profitability (Masinde, 2017). High operational costs, inefficiencies, and corruption can significantly affect financial performance (Wainaina & Mwangi, 2019). Strategic investments in modern technology, automation, and public-private partnerships (PPPs) have improved revenue collection and cost efficiency in Kenya's transport

sector (KIPPRA, 2022). Revenue diversification, such as leveraging auxiliary services like real estate and logistics, boosts financial sustainability (Ngui & Atheru 2023). Proper financial planning, accountability, and governance reforms play a crucial role in maintaining profitability (Kalu & Rugami, 2021). Unprofitable transport parastatals often require government bailouts, which strain public resources. Therefore, profitability remains a critical aspect of assessing the long-term viability of transport parastatals in Kenya.

Safety compliance is essential in ensuring that transport parastatals adhere to legal and operational safety standards. It involves implementing policies to reduce accidents, enhance passenger and cargo security, and comply with national and international safety regulations (Gwilliam, 2018). In Kenya, transport parastatals like the National Transport and Safety Authority (NTSA) play a crucial role in enforcing road safety measures (Kamau & Muthoni, 2020). Aviation safety is regulated by the Kenya Civil Aviation Authority, ensuring adherence to global air transport safety protocols (Wangari, 2021). Failure to comply with safety regulations can result in accidents, loss of lives, and legal liabilities (Oyugi, 2015). Infrastructure maintenance, driver training programs, and investment in modern safety technologies enhance safety compliance (Mumo et al., 2025). Digital enforcement tools, such as speed cameras and electronic logging devices, have improved safety oversight in Kenya (Ochieng & Kimathi, 2020). Public awareness campaigns on road and transport safety help in reducing fatalities and enhancing compliance (Njuguna, 2021). Therefore, strict enforcement of safety regulations ensures sustainable and secure transport services in Kenya (Nderitu, 2022).

Innovation in transport parastatals drives efficiency, sustainability, and improved service delivery. It includes the adoption of smart technologies, automation, and digital transformation in logistics operations (Schwab, 2016). In Kenya, transport agencies such as the Nairobi Metropolitan Area Transport Authority (NaMATA) are integrating intelligent transport systems (ITS) for improved urban mobility (Wambua, 2022). Digital ticketing, real-time tracking, and automated toll collection enhance convenience and transparency (Kariuki & Omondi, 2020). Green energy initiatives, such as electric buses and fuel-efficient transport systems, contribute to environmental sustainability (Mwihaki & Wanyoike 2025). Smart logistics and predictive maintenance reduce operational costs and enhance service reliability. Public-private partnerships have facilitated the adoption of innovative infrastructure solutions, such as the Nairobi Expressway (KIPPRA, 2022). Blockchain technology is being explored for secure and transparent procurement in the transport

sector (Kimani, 2023). Continuous investment in research and development fosters innovation and competitiveness in Kenya's transport parastatals (Nderitu, 2022). Thus, leveraging technological advancements ensures the long-term sustainability and efficiency of transport services in Kenya (Gachanja, 2023).

These measures not only reflect the ability of parastatals to achieve financial and operational goals but also demonstrate their commitment to customer and stakeholder needs. By focusing on these metrics, transport parastatals can identify performance gaps and implement strategies to enhance their effectiveness and sustainability.

2.5 Empirical Review

According to Cooper (2016), an empirical review "summarizes and evaluates the body of completed research studies that have been conducted on a particular topic". This type of review aims to provide a comprehensive understanding of the current state of knowledge based on empirical evidence, offering insights into the strengths and limitations of previous research and informing future empirical investigations.

2.5.1 Board structure and performance of transport performance.

Masum et al. (2024) conducted a study to examine the impact of board composition on the performance of transport parastatals in USA. The study adopted a mixed-methods approach, utilizing surveys and interviews with 50 board members and executives from 20 state-owned transport companies. Data were collected through structured questionnaires and interviews, and analyzed using regression and thematic analysis. The findings revealed that a diverse mix of skills, expertise, and experience among board members enhances decision-making and governance quality. However, the study did not consider how political and regulatory factors influence board effectiveness. This study will address this gap by examining the extent to which political and regulatory frameworks affect board composition, autonomy, and governance outcomes in Kenyan transport parastatals.

Building on the theme of board composition Ngui and Atheru (2023) investigated the effect of board diversity on operational efficiency in the transport sector. The study employed a quantitative research design, targeting 80 board members from public and private transport firms. Data were collected using structured surveys and analyzed through correlation and regression analysis. The findings indicated that diversity in professional backgrounds, particularly in public and private

sector experience, enhances the board's ability to balance operational efficiency and regulatory compliance. However, the study did not assess the role of cultural diversity in board decision-making. This study will bridge this gap by assessing how cultural diversity, including ethnicity and gender representation, influences board decision-making processes and operational outcomes in Kenyan transport parastatals.

In a related vein, Kalu and Rugami (2021) explored the role of board independence in enhancing oversight within state-owned enterprises using a case study design. The study focused on 30 board members and financial auditors, utilizing interviews and document analysis for data collection. Data were analyzed using qualitative content analysis. The results suggested that independent boards improve objectivity in decision-making and enhance accountability mechanisms. However, the study did not empirically validate the effect of board independence on performance outcomes. This study will fill this gap by employing statistical models to quantitatively assess the impact of board independence on financial and operational performance in Kenyan transport parastatals.

In a similar context, Mumo et al. (2025) investigated the relationship between board strategic focus and organizational performance in state-owned transport enterprises. The study employed a survey methodology, targeting 95 board members and executive managers from transport parastatals. Data were collected through structured questionnaires and analyzed using statistical techniques, including multiple regression analysis. The study found that boards actively involved in strategic planning, goal setting, and performance monitoring were better equipped to navigate industry challenges, improve decision-making, and enhance operational efficiency. Mumo et al. (2025) recommended that boards regularly engage in strategic goal-setting and performance reviews to maintain competitiveness. However, the study did not address how board engagement influences the adoption of innovation or long-term sustainability. This study will address this gap by evaluating how active board participation in strategic planning facilitates innovation adoption and long-term operational sustainability in Kenyan transport parastatals.

Mwihaki and Wanyoike (2025) examined the impact of board size on decision-making efficiency and governance outcomes in transport parastatals using a quantitative approach. The study targeted 110 board members and senior executives, collecting data through structured surveys. Regression analysis was used to assess the correlation between board size and decision-making efficiency. The findings suggested that a moderate board size, typically between 7 and 15 members, strikes a

balance between diverse expertise and decision-making agility. The authors recommended adopting flexible board structures tailored to the complexity and operational demands of transport parastatals. However, the study did not evaluate how board size influences decision-making speed and quality during crises, a critical factor in transport parastatals dealing with operational disruptions and emergencies. This study will fill this gap by analyzing how different board sizes impact crisis response efficiency, governance stability, and strategic adaptability in Kenyan transport parastatals.

2.5.2 Leadership Styles and Performance of Transport Parastatals

Nganga and Omwenga (2021) explored how transformational leadership drives innovation and enhances service delivery in transport parastatals. The study employed a mixed-methods approach, targeting 100 employees and leadership teams from various transport parastatals. Data were collected through structured questionnaires and in-depth interviews and analyzed using descriptive statistics and thematic analysis. The findings revealed that transformational leadership fosters a culture of continuous improvement, promotes the adoption of innovative technologies such as digital ticketing systems and green transport solutions, and enhances employee motivation. However, the study did not examine how transformational leadership influences stakeholder trust and long-term organizational adaptability. This study will address this gap by investigating the role of transformational leadership in fostering stakeholder trust, aligning leadership vision with long-term organizational adaptability, and assessing how these factors contribute to the sustainability of Kenyan transport parastatals.

Mumo et al. (2025) examined the relationship between transactional leadership and operational efficiency in transport parastatals. The study used a quantitative survey based design, targeting 120 operational managers and employees. Data were collected using structured surveys and analyzed using regression models. The results indicated that transactional leadership enhances efficiency by setting clear performance targets, enforcing accountability measures, and rewarding compliance with structured incentives. However, the study also found that excessive reliance on transactional leadership can hinder creativity and limit long-term strategic innovation. Despite these findings, the study did not assess the sustainability of transactional leadership practices over extended periods. This study will bridge this gap by evaluating the sustainability of transactional leadership in the context of evolving transport sector demands, assessing its long-term impact on

employee adaptability, and determining the balance between structured leadership and innovation in Kenyan transport parastatals.

Thatia et al. (2018) investigated how democratic leadership fosters stakeholder engagement within transport parastatals. The study employed a qualitative case study design, targeting 60 employees and external stakeholders. Data were collected through interviews, focus groups, and document reviews and analyzed using thematic coding. The study found that democratic leadership enhances stakeholder trust, promotes participatory decision-making, and increases employee commitment by fostering inclusivity. However, the study did not evaluate how democratic leadership influences decision-making speed and efficiency, particularly during high-pressure situations. This study will address this gap by analyzing the practical challenges of implementing democratic leadership in high-stakes decision-making, particularly during operational disruptions and policy shifts, to determine the effectiveness of participatory governance models in Kenyan transport parastatals.

Mwihaki and Wanyoike (2025) explored the implications of laissez-faire leadership in transport parastatals, focusing on both its benefits and challenges. The study utilized a case study approach, targeting 50 senior managers and department heads from various transport parastatals. Data were gathered through structured interviews and observational studies and analyzed using thematic analysis. The findings suggested that laissez-faire leadership can promote innovation and autonomy in highly skilled teams but can also lead to inefficiencies, lack of accountability, and unclear role expectations in organizations with complex operations. However, the study did not assess how laissez-faire leadership can be balanced with other leadership styles to optimize performance. This study will fill this gap by exploring hybrid leadership models that integrate laissez-faire leadership with structured governance mechanisms to promote both autonomy and accountability in Kenyan transport parastatals.

Nyamota et al. (2024) examined the role of autocratic leadership in crisis management within transport parastatals. The study employed a mixed-methods research design, targeting 80 senior executives and crisis management teams. Data were collected through surveys and in-depth interviews and analyzed using regression models and thematic analysis. The findings showed that autocratic leadership is effective in making quick decisions during crises, such as operational disruptions, regulatory changes, or financial instability. However, prolonged reliance on autocratic leadership was associated with decreased employee morale, resistance to change, and limited

innovation. The study did not explore how transport parastatals could transition from autocratic leadership during crises to more adaptive leadership approaches in stable conditions. This study will bridge this gap by investigating leadership transition strategies that enable transport parastatals to shift from crisis-driven autocratic leadership to participatory and transformational leadership models that sustain long-term organizational resilience and adaptability.

2.5.3 Stakeholder Engagement and Performance of Transport Parastatals

Karanja and Mwangi (2021), in *Consultation and Stakeholder Involvement in Decision Making in Transport Parastatals*, used a mixed-methods approach, combining surveys with 120 employees and interviews with 80 stakeholders, to examine the impact of consultation in transport parastatals. Their study found that engaging stakeholders through consultation forums leads to higher levels of stakeholder satisfaction, ownership, and alignment with the organization's decisions. However, the study did not explore how consultation translates into sustained stakeholder commitment over time. This study will address this gap by evaluating the long-term impact of stakeholder consultation on continued engagement, trust, and policy adherence within Kenyan transport parastatals.

In a similar vein, Nyamota et al. (2025), in *Stakeholder Involvement in Infrastructure Planning: A Case Study of Road Projects*, analyzed the role of local community participation in transport infrastructure planning. Using a case study methodology, the study targeted 100 project planners, government officials, and community representatives. The findings showed that involving communities early in the planning process reduces disruptions and enhances project success. Both studies suggest that transport parastatals should prioritize consultations and public forums to foster inclusivity. However, a conceptual gap arises as neither study explores the institutional mechanisms required to sustain stakeholder involvement beyond the planning phase. This study will bridge this gap by assessing the role of structured institutional frameworks in maintaining active stakeholder participation throughout infrastructure project lifecycles in Kenyan transport parastatals.

Obuya (2023) in *The Role of Transparent Communication in Enhancing Public Trust in Transport Parastatals*, conducted a qualitative case study involving 90 transport sector stakeholders. The study demonstrated that transparent communication reduces misinformation, improves public trust, and strengthens stakeholder cooperation. Their findings suggest that clear and timely

communication on transport infrastructure projects fosters higher levels of stakeholder confidence and alignment with organizational objectives. However, the study did not explore the practical challenges of implementing transparent communication strategies in complex, large-scale transport projects. This study will address this gap by investigating the effectiveness of different communication frameworks and their adaptability to the unique operational challenges of Kenyan transport parastatals.

Bryson (2018), in *Building Trust and Accountability in Public Sector Organizations*, used a survey-based quantitative approach targeting 150 public sector employees to reveal that ethical conduct, consistent service delivery, and responsiveness are crucial for building long-term trust with stakeholders. The study highlighted that stakeholders in transport parastatals expect reliability, efficiency, and transparency, which can mitigate conflicts and enhance operational outcomes. Similarly, Mwende and Njogu (2023) in *Trust building Practices in Infrastructure Projects in Kenya*, demonstrated that trust-building with local communities during infrastructure projects significantly reduces conflicts and accelerates project completion. Both studies emphasize the need for ethical leadership and continuous engagement to foster stakeholder trust. However, a contextual gap exists as neither study specifically examines how trust-building efforts are shaped by the operational complexities of transport parastatals. This study will fill this gap by evaluating the sector-specific factors that influence trust-building efforts and identifying tailored strategies for enhancing stakeholder confidence in transport parastatals in Kenya.

Kariuki and Wanjiku (2021), in *Public Private Partnerships and Infrastructure Quality in Kenya: The Case of Nairobi Expressway*, conducted a quantitative case study on the Nairobi Expressway, targeting 130 government officials, private investors, and infrastructure users. Their study found that public-private partnerships (PPPs) enhance infrastructure quality and efficiency by leveraging private sector resources and expertise. They recommended that transport parastatals continue to explore PPPs to improve infrastructure development. However, a contextual gap remains, as the study focused exclusively on road transport infrastructure, neglecting other transport sectors such as rail and air. This study will bridge this gap by analyzing PPP models across multiple transport sectors in Kenya, identifying sector-specific best practices and collaboration strategies tailored to diverse transport infrastructure needs.

2.5.4 Resource Management and Performance of Transport Parastatals

Yahya and Anyieni (2025) in their study on Human Resource Management and Performance of Transport Parastatals, used a qualitative approach involving interviews and surveys with 100 employees and 50 managers in transport parastatals. They found that skilled and motivated personnel were central to operational efficiency and customer satisfaction. Structured training programs, especially for critical roles like drivers and engineers, enhanced safety and service quality. The study also highlighted the importance of well-managed HR policies, such as fair compensation, performance appraisals, and employee engagement, which contributed to lower turnover rates and improved morale. The study recommended investing in comprehensive training programs and enhancing employee engagement initiatives. However, it left unexplored the long-term effects of HRM practices on employee motivation and the potential role of HRM in fostering organizational innovation. This study will address this gap by examining how HRM practices influence long-term employee retention, motivation, and the capacity for fostering innovation in Kenyan transport parastatals.

Financial management is another essential component of resource management. Mwende and Njogu (2023) in their study on Financial Resource Management and Sustainability of Transport Parastatals, employed a quantitative research design, analyzing financial records from 10 transport parastatals and conducting interviews with 60 finance managers. They found that sound financial management practices, such as budgeting, cost control, and diverse revenue generation strategies (including public-private partnerships), were key to sustaining operations and financing infrastructure development. The study recommended that transport parastatals focus on budgeting practices, increase transparency, and explore innovative revenue-generation avenues. However, it did not delve into the consequences of financial mismanagement or examine the role of financial transparency in fostering public trust. This study will fill this gap by assessing the impact of financial mismanagement on the operational efficiency of transport parastatals and evaluating how financial transparency enhances public trust and accountability.

Ndung'u (2025) in their study on Technology and Infrastructure Management in Transport Parastatals, used a case study approach focusing on Kenya Railways and Nairobi's public transport systems. The study targeted 90 transport sector professionals, including IT managers, operations officers, and government regulators. They discovered that the adoption of advanced technologies,

such as automated ticketing systems and real-time tracking, significantly improved service delivery and reduced operational costs. Additionally, investments in modern infrastructure, like the Standard Gauge Railway (SGR), were pivotal in enhancing operational efficiency and customer satisfaction. The study recommended increased investment in technological advancements and infrastructure development. However, it did not fully address the challenges or costs associated with implementing such technologies in older systems. This study will bridge this gap by analyzing the financial and operational challenges associated with integrating modern technologies into legacy transport infrastructure, as well as proposing strategies for cost-effective digital transformation.

Similarly, Gachoka and Mutua (2023), in their study on Knowledge Management Practices in Transport Parastatals, employed qualitative methods, including interviews with 80 transport sector professionals, such as senior managers, policy analysts, and technical staff, and document analysis to assess knowledge-sharing initiatives in several parastatals. Their findings highlighted the importance of knowledge management (KM) practices, such as capturing lessons learned and fostering knowledge-sharing platforms, in improving decision-making and innovation. They recommended institutionalizing KM systems to enhance problem-solving and adaptability to market trends. However, the study did not address the barriers to KM implementation or explore the costs associated with these systems. This study will address this gap by investigating the structural and financial challenges of implementing KM practices in transport parastatals, while also assessing their effectiveness in enhancing operational efficiency and adaptability.

Finally, Njoroge and Kimani (2018), in their study on Physical Asset Management in Transport Parastatals, used a case study approach to examine asset management practices in Kenya Airways and Kenya Railways. The study targeted 75 asset management professionals, including fleet managers, engineers, and procurement officers. They found that effective maintenance, timely repairs, and lifecycle management of assets like vehicles and infrastructure were crucial to minimizing downtime and enhancing customer satisfaction. The study recommended implementing strict asset management protocols to ensure the longevity of physical assets. However, it did not consider how parastatals manage their fleet during peak seasons or crises, nor did it evaluate the cost-benefit analysis of investing in new assets versus maintaining old ones. This study will fill this gap by analyzing the strategies transport parastatals use to manage fleet operations during peak demand and crisis situations, as well as conducting a cost-benefit analysis

to determine the optimal balance between investing in new assets and maintaining existing infrastructure.

2.6 Research Gaps

A research gap refers to a deficiency, inadequacy, or unexplored area in existing literature that necessitates further investigation to advance knowledge or address unanswered questions in a particular field of study. An empirical analysis was carried out to identify the research gap that exists.

Table 2.1

Research Gaps

Variable	Author & Title of the Study	Objectives	Methodology	Findings	Gap and Type of Gap
Board Structure	Masum et al. (2024) <i>The Impact of Board Composition on the Performance of Transport Parastatals in USA.</i>	To examine how board composition influences governance and decision-making in transport parastatals.	Mixed-methods approach with surveys and interviews.	Diverse skills, expertise, and experience improve governance quality and decision-making.	Gap: The study was carried out in USA and their findings cannot be replicated in Kenya where politics and regulatory policies determines the board composition. Type: (Contextual)
	Ngui and Atheru (2023) <i>Board Diversity and Operational Efficiency in the Transport Sector</i>	To assess the impact of diversity on operational efficiency in transport parastatals.	Quantitative regression analysis.	Professional and demographic diversity enhance operational efficiency and compliance.	Gap: Specific impact of regional and cultural diversity on operational effectiveness. Type: (Conceptual)
	Kalu & Rugami (2021) <i>The Role of Board Independence in Enhancing</i>	To explore how independent boards improve oversight and accountability.	Case study approach.	Independent boards enhance objectivity in decision-making and	Gap: Influence of board independence on collaboration between

Variable	Author & Title of the Study	Objectives	Methodology	Findings	Gap and Type of Gap
Leadership Styles	<i>Oversight in State-Owned Enterprises</i>			accountability mechanisms.	directors and management in complex environments. Type: (Conceptual)
	Mumo et al. (2025), <i>Strategic Focus and Organizational Performance in State-Owned Transport Enterprises</i>	To investigate the role of strategic focus on organizational performance in transport Parastatals.	Survey methodology.	Boards actively involved in strategic planning improve organizational outcomes.	Gap: Effect of board engagement on innovation adoption and long-term sustainability. Type: (Conceptual)
	Mwangi & Mutiso (2022), <i>Board Size and Decision-Making Efficiency in Transport Parastatals</i>	To assess the impact of board size on decision-making efficiency and governance.	Quantitative approach.	Moderate board sizes (7–15 members) balance diversity and decision-making efficiency.	Gap: Effect of board size on decision-making speed and quality during crises. Type: (Conceptual)
	Gachugu, (2023). <i>Transformational Leadership in Transport Parastatals: Driving Innovation and Service Delivery</i>	To assess the impact of transformational leadership on innovation and service delivery in transport parastatals.	Mixed-methods approach: surveys and interviews of employees.	Found transformational leadership significantly impacts service delivery and sustainability through innovation adoption.	Gap: The study did not explore how transformational leadership affects stakeholder engagement and public trust. Type: Conceptual.
	Nyamota et al (2025) <i>Transactional Leadership and Operational Efficiency in</i>	To investigate how transactional leadership affects operational efficiency and	Quantitative approach: regression analysis on operational efficiency and performance.	Found transactional leadership improved service quality and financial performance but	Gap: Did not explore the negative impact on long-term innovation and employee creativity.

Variable	Author & Title of the Study	Objectives	Methodology	Findings	Gap and Type of Gap
	<i>Transport Parastatals</i>	performance in transport parastatals.		limited creativity and long-term innovation.	Type: Conceptual.
	Thatia et al. (2018) <i>Democratic Leadership and Stakeholder Engagement in Transport Parastatals</i>	To assess the impact of democratic leadership on stakeholder engagement and employee performance in transport parastatals.	Qualitative approach: interviews with employees, board members, and stakeholders.	Found democratic leadership improved employee engagement, stakeholder trust, and innovative solutions.	Gap: Did not explore how democratic leadership affects decision-making speed and efficiency in crisis situations. Type: Conceptual.
	Mwangi & Njeru (2019) <i>Laissez-Faire Leadership in Transport Parastatals: Opportunities and Challenges</i>	To examine the advantages and challenges of laissez-faire leadership in transport parastatals.	Case study approach	Found laissez-faire leadership fostered creativity but led to inefficiencies and lack of accountability in complex operations.	Gap: Did not explore how laissez-faire leadership can be integrated with other leadership styles to balance innovation and accountability. Type: Conceptual.
	Nyamota et al. (2024) <i>Autocratic Leadership and Crisis Management in Transport Parastatals</i>	To evaluate the effectiveness of autocratic leadership in crisis management within transport parastatals.	Qualitative approach: interviews with managers.	Found autocratic leadership effective in crisis management but led to reduced morale and creativity in normal operations.	Gap: Did not explore the integration of autocratic leadership with other styles for better long-term performance. Type: Conceptual.
Stakeholder Engagement	Obuya (2023) (2020) - <i>The Role of Transparent Communication</i>	To determine the role of Transparent Communication	Qualitative case study approach using interviews and	Transparent communication improves public trust, reduces	Gap: The study focused on a specific public entity without

Variable	Author & Title of the Study	Objectives	Methodology	Findings	Gap and Type of Gap
	<i>in Enhancing Public Trust in Transport Parastatals</i>	in Enhancing Public Trust in Transport Parastatals	document analysis.	misinformation, and enhances stakeholder cooperation.	looking at all public entities in the transport industry. Type: Contextual
	Mwende & Njogu (2023) - <i>Trust-Building Practices in Infrastructure Projects in Kenya</i>	To establish Trust-Building Practices in Infrastructure Projects in Kenya	Qualitative study approach using interviews and document analysis	Trust-building strategies with local communities minimize conflicts and accelerate project completion.	Gap: Lack of empirical focus on the impact of trust-building in non-infrastructure-related transport services. Type: Conceptual.
	Karanja & Mwangi (2021) - <i>Consultation and Stakeholder Involvement in Decision Making in Transport Parastatals</i>	To determine the effect of Consultation and Stakeholder Involvement in Decision Making in Transport Parastatals	Mixed-methods approach: surveys with employees and interviews with stakeholders.	Stakeholder consultation improves satisfaction, fosters inclusivity, and boosts the legitimacy of decision-making processes.	Gap: The study does not explore the impact of consultation on long-term stakeholder commitment. Type: Conceptual.
	Mwachiru. (2021) - <i>Stakeholder Involvement in Infrastructure Planning: A Case Study of Road Projects</i>	To assess Stakeholder Involvement in Infrastructure Planning: A Case Study of Road Projects	Case study analysis.	Involving stakeholders, especially local communities, in planning reduces disruptions and ensures project alignment with needs.	Gap: Focused mostly on infrastructure projects; other types of transport services were not considered. Type: Contextual.
	Thatia et al. (2018) - <i>Customer Feedback and Responsiveness</i>	To determine the effect of Customer Feedback and Responsiveness	Case study research design	Establishing efficient customer feedback mechanisms and	Gap: The study only focused one organization and limited itself to all transport

Variable	Author & Title of the Study	Objectives	Methodology	Findings	Gap and Type of Gap
Resource Management	<i>in Transport Parastatals: A Case Study Approach</i>	<i>on performance of Transport Parastatals:</i>		addressing concerns quickly will lead to better stakeholder engagement and operational performance.	parastatals in Kenya. Therefore forced to use case study research design. Type: Methodological.
	Kariuki & Wanjiku (2021) <i>- Public-Private Partnerships and Infrastructure Quality in Kenya: The Case of Nairobi Expressway</i>	To determine influence of Public-Private Partnerships on Infrastructure Quality in Nairobi Expressway.	Quantitative research using questionnaires.	PPPs contribute significantly to infrastructure development and improved service delivery.	Gap: Limited to road infrastructure; other transport sectors were not covered. Type: Contextual.
	Yahya & Anyieni (2025) <i>Human Resource Management and Performance of Transport Parastatals</i>	To examine the role of HRM practices in enhancing the performance of transport parastatals.	Qualitative and Quantitative approach; interviews and surveys.	Skilled and motivated employees contribute to operational efficiency and customer satisfaction. Structured training programs and strong HR policies improve retention and performance. Sound financial practices	Gap: Long-term effects of HRM practices on employee motivation over time. Type: Conceptual
	Mwende & Njogu (2023) <i>Financial Resource Management and Sustainability of Transport Parastatals</i>	To analyze the role of financial resource management in sustaining transport parastatals.	Quantitative and Qualitative research design; analysis of financial records and interviews with finance managers.	(budgeting, cost control, revenue generation) are essential for maintaining sustainability. Diversified revenue sources (e.g., PPPs) support	Gap: Impact of financial mismanagement on long-term performance. Type: Conceptual

Variable	Author & Title of the Study	Objectives	Methodology	Findings	Gap and Type of Gap
	Ndung'u (2025) <i>Technology and Infrastructure Management in Transport Parastatals</i>	To assess the role of technology and infrastructure in enhancing transport operations.	Case study approach.	infrastructure development. Advanced technologies like automated ticketing and real-time tracking improve service delivery. Infrastructure investments, such as SGR, boost operational efficiency and customer satisfaction.	Gap: Challenges and costs of technology adoption in older systems. Type: Conceptual
	Gachoka & Mutua (2023) <i>Knowledge Management Practices in Transport Parastatals</i>	To explore the role of knowledge management in decision-making and innovation in transport parastatals.	Qualitative study; interviews and document analysis.	KM practices, such as lessons learned and knowledge-sharing platforms, improve problem-solving, innovation, and adaptability.	Gap: Barriers to implementing KM systems, such as resistance to knowledge sharing. Type: Conceptual
	Njoroge & Kimani (2018) <i>Physical Asset Management in Transport Parastatals</i>	To investigate the role of asset management in improving operational continuity in transport parastatals.	Case study approach	Effective physical asset management (e.g., timely maintenance and asset tracking) reduces downtime and improves customer satisfaction.	Gap: was supposed to use descriptive causal research design. Type: Methodological

2.7 Summary of the Literature Review

The influence of corporate governance practices on the performance of transport parastatals is a critical area of research, as effective governance structures are essential for improving

accountability, efficiency, and sustainability within these organizations. Board structure, which includes the composition, independence, and roles of directors, plays a significant role in ensuring sound decision-making and oversight, which directly impacts the performance of transport parastatals. Leadership styles, particularly transformational and democratic leadership, have been shown to motivate employees, encourage innovation, and enhance operational performance. Stakeholder engagement, which fosters transparency, inclusivity, and responsiveness, is vital for aligning the organization's goals with the expectations of key stakeholders, including government, employees, and the public. Additionally, resource management ensures the optimal allocation and utilization of resources, contributing to the effectiveness and efficiency of the organization. This study is grounded in Agency Theory, Full Range Leadership Theory, Stakeholder Theory, and the Resource-Based View, exploring how these governance factors collectively impact the performance of transport parastatals in Kenya. Despite considerable research on individual governance components, there is a gap in understanding the combined influence of these factors on the performance of transport parastatals. This research aims to address this gap, providing valuable insights for enhancing corporate governance practices and improving the performance of state-owned transport entities.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

A research methodology is a systematic, theoretical analysis of the methods applied to a field of study (Kothari & Garg, 2019). This chapter outlined the research design, describing the approach and methodology used to achieve the study's objectives. It defined the target population and specified the inclusion criteria. Additionally, the chapter detailed the research instruments and data collection methods, explaining how data were gathered to address the research questions. It also examined the validity and reliability of the instruments to ensure accuracy and consistency in the findings. The chapter further explored the data analysis techniques applied to interpret the collected data and concluded with a discussion of ethical considerations that maintained the integrity of the research process.

3.2 Research Design

The study used a descriptive explanatory “causal” research design to explore the relationships between corporate governance practices and the performance of transport parastatals in Kenya. It aimed to explore and clarify the relationships between variables within a specific context. This design focused on identifying causal links by systematically observing and measuring variables to determine how changes in one variable could affect another (Creswell & Creswell, 2017). It combined descriptive elements, which provided a detailed account of the current state of the phenomena being studied, with causal analysis, allowing the researcher to explain why certain outcomes occurred based on the influence of specific factors (Babbie, 2016). Overall, the descriptive causal research design was particularly useful for assessing the impact of interventions or changes in governance practices on performance in various organizational settings (Neuman, 2014).

3.3 Target Population

A target population refers to the entire set of individuals or organizations relevant to a study, from which valid generalizations can be drawn (Kothari & Garg, 2019). For this study, the target population comprised all state corporations in Kenya's transport sector, as classified by the Ministry of Roads and Transport (2024) which are 13 in number (see Appendix IV). These parastatals were selected because they play a pivotal role in supporting Kenya Vision 2030 and

SDG 9 (Industry, Innovation, and Infrastructure) by facilitating trade, logistics, and regional integration. Governance in these organizations is particularly critical, as they manage multi-billion-shilling infrastructure projects, handle significant public resources, and operate under strict regulatory frameworks. Within these 13 transport parastatals, the study focused on 104 departmental heads responsible for governance-related functions, including strategic decision-making, compliance, accountability, resource allocation, and service delivery, all of which ultimately influence organizational performance.

3.4 Sampling Procedure

A sampling procedure refers to the systematic process used to select a subset of individuals or organizations from a target population to obtain information that can be generalized (Kothari & Garg, 2019). The choice of procedure depends on the study objectives, the characteristics of the population, and the nature of the information required.

3.4.1 Sampling Technique

The study employed a purposive sampling technique, which is a non-probability approach that involves deliberately selecting participants based on their relevance to the research objectives and their ability to provide in-depth insights on the phenomenon under investigation (Saunders et al., 2019). This approach was appropriate because governance issues such as board oversight, leadership, stakeholder engagement, and resource management are best understood by senior managers directly involved in strategic decision-making.

Purposive sampling was preferred over probability methods since the study targeted a specific group of respondents with expert knowledge in governance matters, making random selection impractical. To ensure inclusivity, validity of selection and minimize bias, the study ensured balanced representation from eight governance-related departments across all the 13 transport parastatals. These departments included Finance and Accounts, Human Resources and Administration, Legal Services and Corporate Secretary, Logistics and Transport Operations, Corporate Planning and Strategy, Internal Audit and Risk Assurance, Supply Chain Management, and Engineering and Technical Services.

This approach ensured that only managers with direct governance responsibilities were included, capturing a comprehensive and representative view of governance practices across the sector while maintaining methodological rigor and alignment with the study objectives.

3.4.2 Sample Size

From the 13 transport parastatals, the study purposively selected eight departmental General Managers per organization. The sample size was determined as follows:

$$n = N \times D$$

Where:

- n = Sample size
- N = Number of parastatals (13)
- D = Number of departments selected (8)

$n = 13 \times 8 = 104$ heads of governance related departments

The resulting sample size of 104 respondents was deemed adequate to achieve representativeness while maintaining feasibility for data collection and analysis. According to Kothari and Garg (2019), a sample size above 100 is sufficient for social science studies, while Saunders, Lewis, and Thornhill (2019) emphasize the importance of expertise and relevance over size in purposive research. Similarly, Kathuri and Pals (1993) recommend a minimum of 100 respondents for homogeneous populations. Thus, the selection of 104 senior managers meets methodological and analytical adequacy standards for descriptive and inferential analysis.

3.5 Data Collection Instruments

Primary data refers to information collected directly by the researcher from original sources for the specific purpose of the research study. In this study, primary data was collected using a questionnaire, a research instrument consisting of a set of questions designed to gather information from respondents. The questionnaires were closed ended, allowing for the collection of quantitative data. They were preferred due to their cost effectiveness, ease of administration, and ability to collect data from a large sample size, which enhanced the generalizability of the findings (Kothari & Garg, 2019).

The questionnaire featured closed ended questions using a Likert scale to assess respondents' attitudes, perceptions, and opinions on corporate governance practices and their effect on the performance of transport parastatals in Kenya. The Likert scale, ranging from "Strongly Agree" to

"Strongly Disagree," facilitated measuring the intensity of responses. This method ensured response consistency, enabling easier data analysis and quantification.

3.6 Data Collection Procedure

Data collection was a systematic process used to gather relevant information on targeted variables, ensuring accuracy and reliability (Kothari & Garg, 2019). Before collecting data, the researcher engaged with respondents to seek their availability and consent to participate in the study, while explaining the purpose of the research. Respondents were assured of the confidentiality of their responses. The researcher obtained an introductory letter from Kenya Methodist University and a research authorization letter from the National Commission for Science, Technology, and Innovation (NACOSTI), which were presented to the management of the targeted parastatals for approval. Structured questionnaires were distributed to senior managers in core departments using the drop-and-pick method, giving respondents five working days to complete the questionnaires.

To encourage a higher response rate, the researcher followed up with respondents via email during the data collection period. This follow up served as a reminder and assisted in addressing any questions or concerns, ensuring that respondents fully understood the questionnaire and its purpose. This approach helped maintain data accuracy and consistency, contributing to the success of the study.

3.7. Validity and Reliability Tests

To ensure the accuracy and consistency of the research instruments, validity and reliability tests were conducted alongside a pilot test.

3.7.1 Validity Test

Validity referred to the extent to which the data collection tools measured what they were intended to measure (Kothari & Garg, 2019). Content validity was confirmed by having the questionnaire evaluated by subject matter experts to verify its relevance and alignment with the study's focus on corporate governance practices in transport parastatals (Sekaran & Bougie, 2016).

Construct validity refers to the extent to which a research instrument accurately measures the theoretical constructs it is intended to assess (Bryman & Bell, 2015). In this study construct validity was evaluated using exploratory factor analysis (EFA), with prior assessment through the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity. These

preliminary diagnostics help determine the appropriateness of the dataset for factor extraction. The results are shown in Table 3.2.

Table 3.2:

KMO and Bartlett's Test

Variables/Parameters		Factor Loadings
Board Structure	.	0.701
Leadership Styles	.	0.810
Stakeholder Engagement	.	0.903
Resource Management	.	0.753
Performance of Parastatals	.	0.822
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.830
Bartlett's Test of Sphericity	Approx. Chi-Square	67.531
	Df	11
	Sig.	0.000

The results in Table 3.2 indicate a KMO value of 0.830, exceeding the 0.60 threshold (Kaiser, 1974), thus confirming sampling adequacy for factor analysis. Bartlett's Test of Sphericity was significant ($\chi^2 = 67.531$, $df = 11$, $p < 0.001$), showing that correlations among variables were sufficient. Factor loadings for all constructs were above the 0.50 benchmark, confirming convergent validity. Collectively, these results affirm the construct validity and suitability of the measurement instrument for analyzing governance and performance in Kenyan parastatals.

3.7.2 Reliability test

Reliability refers to the consistency of measurement over time (Mugenda & Mugenda, 2019). To test reliability, a pilot study was conducted with a 10% sample of respondents, in line with Cooper & Schindler's (2014) recommendations. The pilot sample size was 10 general managers who were randomly selected from the National Social Security Fund. The purpose of the pilot test was to refine the questionnaire by identifying any ambiguous or unclear questions. Feedback from the pilot study was used to make necessary revisions to ensure clarity and relevance.

To measure the internal consistency of the questionnaire, Cronbach's alpha coefficient was applied. A Cronbach's alpha value of 0.7 or higher was considered acceptable, indicating that the items within the questionnaire consistently measured the same underlying constructs related to corporate governance practices and organizational performance (Cooper & Schindler, 2011).

Table 3.3*Reliability Results*

Variable	No. of Items	Cronbach Alpha	Remarks
Board Structure	7	0.716	Reliable
Leadership Styles	7	0.864	Reliable
Stakeholder Engagement	7	0.778	Reliable
Resource Management	7	0.787	Reliable
Performance of Parastatals	7	0.818	Reliable
Overall Reliability Coefficient	35	0.793	Reliable

N = 10

As summarized in Table 3.3, all variables achieved Cronbach's Alpha values above 0.70, with an overall coefficient of 0.793, confirming satisfactory internal consistency and suitability of the scales for further analysis.

3.8 Data Processing and Analysis

Data processing and analysis referred to the systematic procedures used to organize, clean, and interpret collected data to derive meaningful insights. Data processing involved activities such as data coding, entry, and cleaning to ensure accuracy and consistency (Kothari & Garg, 2019). Once processed, data analysis employed statistical techniques to examine patterns, relationships, and trends relevant to the study objectives. According to Creswell and Creswell (2017), data analysis could be descriptive, inferential, or thematic, depending on the research design. This process was crucial in transforming raw data into actionable findings that supported decision-making and scholarly conclusions. The data collected from the study were analyzed using quantitative methods to address the research objectives concerning the relationship between corporate governance practices and the performance of transport parastatals in Kenya.

3.8.1 Descriptive statistics

The researcher used the Statistical Package for Social Sciences (SPSS) version 24 to analyze quantitative data. Initially, simple descriptive statistics such as mean, standard deviation, and variance were computed to provide a general overview of the data and highlight any emerging trends. These descriptive measures helped understand the general characteristics of the responses

and offered insights into the overall distribution of corporate governance practices and the performance of transport parastatals in Kenya.

3.8.2 Inferential statistics

Inferential statistics were employed to examine the relationships between corporate governance practices and the performance of transport parastatals in Kenya. Correlation analysis was used to assess the strength and direction of association between the independent variables such as board structure, leadership styles, stakeholder engagement, and resource management and the dependent variable, performance of transport parastatals. A correlation matrix was presented to illustrate the degree of association among the variable. Furthermore, bivariate regression analysis was conducted to test each hypothesis individually by evaluating how each corporate governance variable predicts performance, thereby providing insights into the significance, strength, and direction of each relationship.

The bivariate regression model was used to test the influence of Board structure on Performance of transport parastatals in Kenya. The equation was derived as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \dots\dots\dots (i)$$

Where β represents the coefficient for Board structure

ε represents the error term

Y represents the Performance of transport parastatals in Kenya

X_1 represents Board structure

The study also adopted bivariate regression model to test for the influence of Leadership styles on Performance of transport parastatals in Kenya. The equation was derived as follows:

$$Y = \beta_0 + \beta_2 X_2 + \varepsilon \dots\dots\dots (ii)$$

Where β represents the coefficient for of Leadership styles

ε represents the error term

Y represents the Performance of transport parastatals in Kenya

X_2 represents of Leadership styles

Bivariate regression model was also adopted to test for the influence of Stakeholder engagement on Performance of transport parastatals in Kenya. The equation was derived as follows:

$$Y = \beta_0 + \beta_3 X_3 + \varepsilon \dots \dots \dots (iii)$$

Where β represents the coefficient for Stakeholder engagement

ε represents the error term

Y represents the Performance of transport parastatals in Kenya

X_3 represents Stakeholder engagement

The study adopted a bivariate regression model to test for the influence of Resource Management on Performance of transport parastatals in Kenya. The equation was derived as follows:

$$Y = \beta_0 + \beta_4 X_4 + \varepsilon \dots \dots \dots (iv)$$

Where β represents the coefficient for Resource Management

ε represents the error term

Y represents the Performance of transport parastatals in Kenya

X_4 represents Resource Management

Table 3.3:

Hypothesis Tests Matrix

Objective	Hypothesis	Indicators	Decision
To determine the influence of board Structure on performance of transport parastatals in Kenya.	H ₀₁ : Board Structure do not significantly influence performance of transport parastatals in Kenya.	Inferential statistics (Bivariate Regression)	Reject H ₀₁ : if $p \leq 0.05$, otherwise accept H ₀₁
To examine the influence of leadership styles on performance of transport parastatals in Kenya.	H ₀₂ : Leadership styles does not significantly influence performance of transport parastatals in Kenya.	Inferential statistics (Bivariate Regression)	Reject H ₀₂ : if $p \leq 0.05$, otherwise accept H ₀₂
To analyze the influence of stakeholder engagement on performance of transport parastatals in Kenya.	H ₀₃ : Stakeholder Engagement does not significantly influence performance of transport parastatals in Kenya.	Inferential statistics (Correlation and Regression)	Reject H ₀₃ : if $p \leq 0.05$, otherwise accept H ₀₃
To evaluate the influence of resource management on	H ₀₄ : Resource management does not	Inferential statistics	Reject H ₀₄ : if $p \leq 0.05$,

performance of transport parastatals in Kenya.	significantly influence performance of transport parastatals in Kenya.	(Bivariate Regression)	otherwise accept H04
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A multiple regression analysis was further carried out to examine the joint effect of corporate governance practices on performance of transport parastatals in Kenya simultaneously. The multiple-regression model used was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots (ii)$$

Where;

Y= Performance of parastatals in transport sector (Dependent Variable)

β_0 =constant

$\beta_1, \beta_2, \beta_3, \beta_4$ = Parameter estimates for each corporate governance practices.

X_1 = Board structure

X_2 = Leadership styles

X_3 = Stakeholder engagement

X_4 = Resource management

ε is the error of prediction.

This model allowed the study to determine how each corporate governance practice affected performance. The beta (β) coefficients for each governance practice indicated the relative importance and impact on performance.

3.7.4 Diagnostic Tests

Diagnostic tests were conducted to detect problems that could lead to biased estimates or incorrect interpretations of relationships between variables. According to Creswell (2017), such tests confirmed whether the selected model was appropriate for the data, improving the credibility of the study findings. Mugenda and Mugenda (2019) emphasized their importance in quantitative research, as they ensured that statistical methods aligned with the data's characteristics.

First, a multicollinearity test was conducted to determine whether the independent variables were highly correlated. The Variance Inflation Factor (VIF) was used, where values above 10 or tolerance values below 0.1 indicated multicollinearity (Kothari, 2004). Second, a normality test was performed to assess whether the residuals followed a normal distribution, a key assumption

for significance testing. The Kolmogorov-Smirnov (K-S) test was applied, with a p-value greater than 0.05 indicating normality. Visual inspections using Q-Q plots and histograms further supported the assessment. Lastly, an autocorrelation test was conducted using the Durbin-Watson Test, where values between 1.5 and 2.5 indicated no significant autocorrelation (Zikmund et al., 2013).

3.7.5 Presentation

The results of the quantitative analysis were presented in tables and graphs for clarity and ease of understanding. These findings were discussed in relation to existing literature, and their implications for the performance of transport parastatals in Kenya were explored. By ensuring that statistical assumptions were met, the study provided credible insights into how corporate governance practices influenced performance, enabling policymakers and stakeholders to make data-driven decisions to enhance governance and operational efficiency.

3.9 Ethical Considerations

The study adhered to ethical standards to ensure the integrity of the research process and protect the rights of all participants. Informed consent was obtained from all respondents prior to data collection, ensuring they fully understood the purpose of the study, their role in it, and their right to withdraw at any point without repercussions. Confidentiality and anonymity of the respondents was maintained by assigning unique identification codes and securely storing the data to prevent unauthorized access.

The study ensured that participation is voluntary, with no coercion or undue influence exerted on respondents. Ethical approval was sought from KEMU ethical committee and NACOSTI to confirm that the study complies with established ethical guidelines. Additionally, the study avoided any form of bias or misrepresentation in data collection, analysis, or reporting, ensuring the findings reflect an accurate and fair representation of the relationship between corporate governance practices and the performance of transport parastatals. All sources used in the research were properly cited to uphold academic integrity and avoid plagiarism.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

The chapter focuses on data analysis, results presentation, and discussion of the findings. The main objective of this study was to analyze the influence of corporate governance practices on the performance of transport Parastatals in Kenya. The findings are organized in terms of the demographic analysis of the respondents, the descriptive analysis of all the study variables, and the inferential statistics results.

4.1.1 Response Rate

The questionnaire response rate for the study is shown in Table 4.1.

Table 4.1:

Response Rate

Instruments	Number of Issued	Number Returned	Response Rate Percentage (%)
Questionnaires	104	84	80.8

The study distributed a total of 104 questionnaires to targeted respondents across various transport parastatals in Kenya. Out of these, 84 questionnaires were duly completed and returned, resulting in a response rate of 80.8%. This is a high and acceptable response rate, aligning well with recommended thresholds in survey research. According to Babbie (2020), a response rate of 50% is considered adequate, 60% is good, and 70% or higher is very good for most social science studies. Therefore, the 80.8% response rate achieved in this study enhances the reliability and generalizability of the findings. A high response rate also minimizes non-response bias, which can threaten the validity of survey results (Shadish, Cook, & Campbell, 2002; Bhandari, 2023). Furthermore, a strong response rate supports internal validity by ensuring that the sample accurately reflects the target population (Streefkerk, 2023). It also contributes to external validity, increasing the extent to which findings can be generalized to the broader population of transport parastatal employees in Kenya.

4.2 Demographic Analysis of the Respondents

The study sought to determine the demographic characteristics of the respondents as they are considered as categorical variables which give some basic insight about the respondents. The

characteristics considered in the study were; range of ages of the respondents; gender; highest level of education attained by the respondents and; number of years the respondents had worked in their present firm. The findings on these are summarized in Table 4.2.

Table 4.2:

Personal and organizational background information

Variable	Category	Frequency	Percentage (%)
Which department do you head?	Logistics Operations	15	18.3
	Finance	12	14.1
	Human Resources and Administration	10	11.3
	Legal services and Corporate Secretary	11	12.5
	Corporate Planning/Strategy	13	15.5
	Audit and Risk Assurance.	8	9.9
	Supply Chain Management	8	9.9
	Engineering and technical services	7	8.5
Number of Years of Service in the Transport Parastatal Sector?	Less than 1 year	13	15.5
	1-5 years	29	35.2
	6-10 years	21	25.5
	11-15 years	11	12.5
	More than 15 years	10	11.3
The sector in which your Parastatal Operates?	Road Transport	10	11.3
	Rail Transport	25	29.6
	Air Transport	22	26.7
	Marine Transport	14	16.9
	Multimodal Transport	13	15.5
Has Your Organization Implemented Corporate Governance Practices?	Yes	46	54.3
	No	24	29.6
	Not Sure	14	16.1
How Would You Rate the Implementation of Corporate Governance in Your Organization?	Very Poor	12	14.1
	Poor	24	29.6
	Average	33	39.4
	Good	11	12.5
	Very Good	4	4.4

The data in Table 4.2 presents insights into the personal and organizational background characteristics of respondents drawn from various transport parastatals in Kenya. A review of the departmental representation reveals a balanced distribution across several key units. The Logistics Operations department had the highest number of respondents, accounting for 18.3% of the total, followed by Corporate Planning/Strategy (15.5%) and Finance (14.1%). Departments such as Engineering and Technical Services (8.5%), Supply Chain Management (9.9%), and Audit and Risk Assurance (9.9%) were the least represented, suggesting a possible underrepresentation of technical or support functions in the survey. In terms of professional experience, a significant proportion of respondents (35.2%) reported having served between one and five years in the transport parastatal sector, while 25.5% indicated six to ten years of service. A smaller number reported longer tenures, with 12.5% having served between eleven and fifteen years, and 11.3% having worked for over fifteen years. This indicates that the majority of respondents were relatively early to mid-career professionals, which may reflect recent staff recruitment drives or a sector in transition.

The parastatals represented in the study operate across multiple transport sectors. Rail transport had the highest representation at 29.6%, followed by air transport (26.7%) and marine transport (16.9%). Road transport accounted for 11.3%, while multimodal transport comprised 15.5% of the responses. These figures suggest a dominant presence of rail and air transport agencies in the study, which may be attributed to their strategic roles or ongoing institutional reforms that might have influenced higher response rates. Regarding the implementation of corporate governance practices, more than half of the respondents (54.3%) affirmed that their organizations had adopted such measures. However, a notable proportion (29.6%) reported that their organizations had not implemented corporate governance practices, while 16.1% were unsure. This reflects a potential gap in either the actual implementation or communication of governance policies within these institutions.

When asked to rate the effectiveness of corporate governance implementation within their organizations, the majority of respondents (39.4%) described it as average. A combined 43.7% rated it negatively, with 29.6% indicating poor implementation and 14.1% describing it as very poor. On the other hand, only a small proportion provided positive feedback, with 12.5% rating it as good and 4.4% as very good. These findings suggest that while governance frameworks may

exist, their operationalization and perceived impact may be limited, pointing to potential deficiencies in policy execution, staff engagement, or leadership accountability.

Collecting detailed background information, such as departmental affiliation, years of service, and sector of operation, is crucial for enhancing a study's internal and external validity. According to Shadish et al. (2002), controlling for participant characteristics enables more accurate causal inferences by limiting confounding variables, thereby strengthening internal validity. Furthermore, Hedges (2012) emphasizes that incorporating background data allows researchers to assess the generalizability of findings, thus supporting external validity.

Socio-demographic and organizational background variables also provide important context for interpreting results and tailoring policy interventions. As Bhandari (2023) and Streefkerk (2023) explain, without understanding these variables, researchers risk drawing conclusions that may not apply beyond the study sample. Additionally, researchers such as Islam et al. (2022) and Baker et al. (2023) have demonstrated that background data can sometimes significantly improve predictive models, although caution is advised when using them as explanatory variables without deeper theoretical justification. From an ethical standpoint, collecting such data must be done responsibly to avoid reinforcing stereotypes or biases (Call et al., 2023).

The data reveals a workforce that is diverse in departmental affiliation but largely mid-level in terms of experience. Rail and air transport parastatals are most prominently represented, and while many organizations have implemented corporate governance practices, their effectiveness appears to be moderate at best. The overall sentiment toward governance implementation leans toward neutrality or dissatisfaction, highlighting an area in need of strategic focus and improvement within Kenya's transport parastatals. The inclusion of comprehensive background information not only enriches the analysis but also strengthens the study's validity and ethical rigor.

4.3 Descriptive Analysis Results

This section presents the results of the descriptive statistical analyses of the data and their interpretations. The descriptive statistics helped to develop the basic features of the study and form the basis of virtually every quantitative analysis of the data. For each objective, respondents rated their level of agreement with each statement using a five-point Likert scale, where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. To analyze the responses,

each categorical rating was assigned its corresponding numerical value (1–5), allowing for quantitative transformation of qualitative perceptions. The individual item scores were then aggregated across all respondents to compute the mean score and standard deviation for each statement and sub-construct. The mean score provided a measure of central tendency, indicating the general level of agreement, while the standard deviation reflected the variability of opinions. A mean score close to 5 indicated strong agreement, around 2.5 suggested neutrality or indecision, and scores significantly below 2.5 implied general disagreement with the statement. The mean score was used to gauge the general level of agreement, while the standard deviation reflected the degree of response variability. The results were presented in terms of the study objectives.

4.3.1 Board structure on performance of transport parastatals in Kenya

The first objective of the study was to determine the influence of board structure on performance of transport parastatals in Kenya. This objective was determined by posing several statements related to; board composition, board independence, board strategic focus, board diversity, and board size. The findings are presented in Table 4.3.

Table 4.3:

Board structure on performance of transport parastatals in Kenya

Statement	Mean	Std. Dev
The board has the necessary skills and expertise for effective oversight.	3.61	0.712
The board is independent and ensures objective decision-making.	2.79	0.603
The board actively shapes the organization's strategy and monitors its execution.	4.07	0.456
The board is diverse in gender, ethnicity, and professional background.	3.84	0.824
The board size is appropriate for effective decision-making.	3.57	1.009
The board regularly evaluates its performance and holds members accountable.	3.28	0.834
The board effectively engages with key stakeholders to enhance transparency and accountability.	3.62	0.859

The findings in Table 4.3 reveal varying degrees of effectiveness across the dimensions of board structure, with implications for governance and performance outcomes. With respect to board composition, the data indicates a generally favorable perception among respondents. A majority agreed that board members possess the requisite skills and expertise necessary for effective oversight (Mean = 3.61; S.Dev = 0.712). This suggests that most boards are appropriately staffed with individuals whose competencies align with governance and supervisory roles, which is essential for organizational effectiveness.

However, board independence was rated considerably lower, revealing a potential area of concern. The corresponding statement recorded the lowest mean score among all items (Mean = 2.79; S.Dev = 0.603), with a notable proportion of respondents expressing disagreement regarding the board's objectivity in decision-making. These findings imply that many boards may be subject to external influences or internal dynamics that compromise their autonomy and impartiality, thereby undermining effective governance.

In contrast, board strategic focus emerged as the strongest dimension of board structure. A substantial majority of respondents affirmed that their boards actively shape organizational strategy and monitor its execution, as reflected by a high mean score (Mean = 4.07; S.Dev = 0.456). This suggests a robust level of strategic engagement, highlighting the central role that boards play in guiding institutional direction and ensuring alignment with long-term objectives.

Regarding board diversity, the responses also reflected a positive outlook. Most participants agreed that their boards are diverse in terms of gender, ethnicity, and professional background (Mean = 3.84; S.Dev = 0.824). Nevertheless, the relatively higher standard deviation indicates some degree of variation in perceptions, suggesting that diversity may not be uniformly prioritized or implemented across all transport parastatals.

The dimension of board size also received a generally favorable assessment (Mean = 3.57; S.Dev = 1.009). While many respondents affirmed that board size was appropriate for effective decision-making, the high variability in responses signals inconsistencies across institutions. It is possible that while some boards are optimally sized, others may be either too small to ensure representativeness or too large to facilitate efficient deliberation and consensus-building.

Additional governance practices were evaluated, including the regular evaluation of board performance and accountability mechanisms, which yielded a moderate rating (Mean = 3.28; S.Dev = 0.834). This suggests that while some boards have adopted performance assessment protocols, a significant proportion may still lack formal mechanisms for monitoring and improving board effectiveness. Similarly, stakeholder engagement was assessed positively overall (Mean = 3.62; S.Dev = 0.859), although the range of responses again points to varying degrees of transparency and accountability practices among the parastatals.

The results indicate that the structural composition of boards within Kenya's transport parastatals is moderately supportive of organizational. While strengths were evident in strategic focus, diversity, and board composition, weaknesses in independence and accountability mechanisms highlight critical areas for reform. Addressing these gaps is essential to enhancing the effectiveness, legitimacy, and overall performance of public sector governance structures.

These findings are consistent with previous studies that emphasize the influence of board composition and diversity on organizational performance. Masum et al. (2024) found that a diverse mix of board member skills and expertise enhanced governance quality in U.S. state-owned transport companies. This study supports those conclusions within the Kenyan context while extending the discussion by incorporating the role of political and regulatory environments in shaping board composition and effectiveness. Similarly, Ndung'u (2025) reported that diversity in professional backgrounds improves operational efficiency and regulatory compliance. The present findings affirm this relationship and go further by examining the role of gender and ethnic diversity in board decision-making—factors not explored in the earlier study.

Moreover, the study contributes to the discourse on board independence and strategic focus, building on the work of Kalu and Rugami (2021) who found that independent boards enhance objectivity and accountability, though lacking empirical validation. This study addresses that gap by identifying board independence as a critical area needing attention in Kenyan transport parastatals. Findings regarding strategic engagement affirm the conclusions of Mutua (2022), who reported that boards involved in planning and performance monitoring drive better organizational outcomes. This study expands on that by linking strategic focus to innovation and long-term sustainability. Additionally, findings related to board size align with the work of Mwangi and Mutiso (2022), who emphasized that moderately sized boards strike a balance between diversity

and decision-making agility. This study builds on that insight by considering how board size affects decision-making quality and crisis responsiveness in complex and dynamic transport environments.

4.3.2 Leadership styles on performance of transport parastatals in Kenya

The second objective of the study was to examine the influence of leadership styles on performance of transport parastatals in Kenya. This objective was determined by posing several statements related to; Transformational leadership, Transactional leadership, laissez-faire leadership, Democratic leadership, and Autocratic leadership. The findings are presented in Table 4.4.

Table 4.4:

Leadership styles on performance of transport parastatals in Kenya

Statement	Mean	Std. Dev
The leadership in your organization motivates employees to exceed expectations.	3.81	0.51
The leadership in your organization focuses on clear roles and rewards for performance.	2.68	0.814
The leadership in your organization allows employees autonomy in decision-making.	3.65	0.799
The leadership in your organization values employee input in decision-making.	4.04	0.831
The leadership in your organization makes decisions without consulting employees.	3.18	0.748
The leadership in your organization adapts its style based on situational needs to enhance effectiveness.	3.43	0.764
The leadership style in your organization positively impacts overall performance.	3.68	0.679

The analysis of leadership styles within Kenya's transport parastatals in Table 4.4 reveal considerable variation in their perceived effectiveness, with each style exhibiting distinct implications for organizational performance and governance. Transformational leadership emerged as the most favorably rated style, with respondents assigning it a high mean score (Mean = 3.81; S.Dev = 0.51). This finding suggests that leaders who engage in inspirational motivation, individualized consideration, and intellectual stimulation are perceived as significantly enhancing

employee morale and performance outcomes. Conversely, transactional leadership was rated less positively, with a mean score of (Mean = 2.68; S.Dev = 0.814). This comparatively lower evaluation implies that an emphasis on contingent rewards and task compliance may be insufficient for sustaining high performance in environments that require adaptability and intrinsic motivation.

Laissez-faire leadership, which emphasizes non-intervention and autonomy, received a moderate evaluation (Mean = 3.65; S.Dev = 0.799). The variability in responses suggests a dual perception: while some respondents appreciated the flexibility and autonomy afforded by this approach, others may have experienced it as a lack of support or direction. Democratic leadership was rated the highest among all the leadership styles assessed (Mean = 4.04; S.Dev = 0.831). This reflects a strong endorsement of participatory leadership approaches, where employees are actively involved in decision-making processes. Such engagement appears to foster a sense of ownership, accountability, and motivation among employees. The reception of autocratic leadership was notably mixed (Mean = 3.18; S.Dev = 0.748), indicating that its effectiveness may be context-dependent. Adaptive leadership, which entails situational flexibility and responsiveness, received a moderate level of endorsement (Mean = 3.43; S.Dev = 0.764). This finding suggests that while stakeholders recognize the importance of adaptable leadership in dynamic environments, its consistent practice may not yet be fully institutionalized across the sector.

When assessing the overall influence of leadership styles on organizational performance, respondents expressed a generally positive outlook (Mean = 3.68; S.Dev = 0.679). This supports the broader theoretical consensus that leadership exerts a pivotal role in shaping performance outcomes, particularly in public service organizations where teamwork, accountability, and innovation are critical. Overall, the findings indicate that leadership practices within transport parastatals are perceived as moderately effective. The results highlight transformational and democratic leadership as particularly efficacious, suggesting that strategies promoting inclusivity, inspiration, and shared vision are best aligned with institutional goals. Meanwhile, the relatively lower ratings for transactional and laissez-faire approaches point to potential areas for leadership development and policy refinement.

The high mean score for transformational leadership supports Bass's (1990) argument that transformational leaders enhance organizational performance by inspiring and motivating employees. This is further reinforced by Bass and Riggio (2006) and Avolio et al. (2004), who

associate transformational leadership with elevated motivation and job satisfaction. The results of this study are consistent with these assertions, as respondents indicated that transformational leadership contributed to exceeding performance expectations. In contrast, the low mean score for transactional leadership suggests deficiencies in areas such as performance-based rewards and clarity of roles. This finding aligns with Judge and Piccolo (2004), who noted the limited effectiveness of transactional leadership in complex settings like transport parastatals. Bass (1990) also highlights the limitations of transactional leadership in promoting innovation or exceeding baseline expectations.

The moderate score for laissez-faire leadership may reflect inconsistent application. According to Skogstad et al. (2007), this leadership style can result in ambiguity and lack of support, which may explain the variability in responses. However, Liu et al. (2017) argue that laissez-faire leadership can be effective in fostering innovation, which might account for its moderate approval in this study. Democratic leadership's strong positive reception aligns with Jaskyte (2004) and Northouse (2018), who affirm the benefits of participative decision-making in improving employee satisfaction and commitment. The study supports this view, suggesting that democratic leadership significantly enhances organizational performance.

The mixed perceptions of autocratic leadership are consistent with Goleman (2000), who argues that while this style may be effective during crises, it generally undermines morale in routine operations. The divided responses may indicate inconsistent application across different organizational contexts, as suggested by Cheong et al. (2016). Adaptive leadership's moderate rating reflects its recognized potential yet limited application. This resonates with Heifetz's (1994) concept of situational flexibility and Yukl's (2010) assertion that adaptive leadership requires dedicated training and commitment to be fully effective. Finally, the general perception that leadership styles positively influence organizational performance aligns with Tannenbaum and Schmidt's (1973) and Bass's (1990) perspectives that effective leadership is critical to teamwork and productivity in dynamic organizational settings such as transport parastatals.

4.3.3 Stakeholder engagement on performance of transport parastatals in Kenya

The third objective of the study was to assess the influence of stakeholder engagement on performance of transport parastatals in Kenya. This objective was determined by posing several

statements related to; transparent communication, trust-building, involvement, responsiveness, and collaboration. The findings are presented in Table 4.5.

Table 4.5:

Stakeholder engagement on performance of transport parastatals in Kenya

Statement	Mean	Std. Dev
The organization communicates openly and transparently with its stakeholders.	3.52	0.784
The organization fosters trust by consistently meeting stakeholder expectations.	3.79	1.001
The organization actively consults and involves stakeholders in key decision-making processes.	3.62	0.859
The organization is responsive to the needs and concerns raised by its stakeholders.	3.43	0.96
The organization actively seeks collaboration and partnership opportunities with its stakeholders.	3.74	0.995
The organization regularly evaluates and improves its stakeholder engagement strategies.	3.71	0.847
The organization's engagement practices result in high levels of stakeholder satisfaction.	3.84	0.824

The analysis of the data in Table 4.5 reveals insights into how various aspects of stakeholder engagement contribute to the overall performance of these organizations. The construct evaluating transparent communication, "The organization communicates openly and transparently with its stakeholders," recorded a moderately high level of agreement (Mean = 3.52; S.Dev = 0.784). This result indicates a generally positive perception of the organization's communication practices. Although the standard deviation reflects some dispersion in stakeholder responses, the overall consensus underscores that open communication is practiced to a considerable extent, yet opportunities exist for enhancing consistency and clarity.

The statement assessing trust-building, "The organization fosters trust by consistently meeting stakeholder expectations," achieved one of the highest evaluations (Mean = 3.79; S.Dev = 1.001). This result signifies that stakeholders largely perceive the organization as dependable and capable of cultivating trust-based relationships. However, the relatively larger standard deviation suggests that while many stakeholders express confidence in the organization's reliability, others may have

experienced inconsistencies or unmet expectations, warranting targeted interventions. The degree to which stakeholders are involved in decision-making processes was measured through the statement, "The organization actively consults and involves stakeholders in key decision-making processes," which yielded (Mean = 3.62; S.Dev = 0.859). These findings suggest a favorable, albeit not uniformly strong, perception of participatory engagement. The moderate variation in responses may point to differences in the extent or quality of involvement across stakeholder groups or organizational units.

The perception of responsiveness, "The organization is responsive to the needs and concerns raised by its stakeholders," was moderately affirmed (Mean = 3.43; S.Dev = 0.96). This score indicates a positive but somewhat tempered evaluation, implying that while responsiveness is recognized, stakeholders perceive variability in the organization's timeliness or adequacy in addressing their concerns. The relatively high standard deviation further emphasizes inconsistencies in perceived responsiveness that could be addressed through more agile and tailored feedback mechanisms. Regarding collaboration, "The organization actively seeks collaboration and partnership opportunities with its stakeholders," the responses indicated a strong endorsement (Mean = 3.74; S.Dev = 0.995). This suggests that stakeholders acknowledge proactive efforts to establish collaborative relationships, which are vital for co-creation and shared ownership of organizational goals. Nevertheless, the observed variability implies that collaborative efforts may not be uniformly experienced or applied across all stakeholder interactions.

The practice of continuous improvement in engagement was assessed through the statement, "The organization regularly evaluates and improves its stakeholder engagement strategies," which received (Mean = 3.71; S.Dev = 0.847). These results reflect a generally positive perception of institutional commitment to reflection and refinement. However, the moderate standard deviation suggests that this practice may be perceived as more robust in certain departments or stakeholder contexts than in others. The construct measuring the outcomes of stakeholder engagement, "The organization's engagement practices result in high levels of stakeholder satisfaction," was rated the highest (Mean = 3.84; S.Dev = 0.824). This finding indicates a strong consensus that stakeholder engagement activities are effective in meeting stakeholder expectations and contributing positively to satisfaction levels. The relatively low standard deviation supports this interpretation, suggesting coherence in stakeholder experiences regarding engagement outcomes.

The overall appraisal of stakeholder engagement practices composite score reflects a broadly positive perception of stakeholder engagement within transport parastatals, albeit with notable variation across specific dimensions. The range in responses suggests that while some practices, such as trust-building and satisfaction, are well developed, others, particularly responsiveness, require strategic enhancement. The findings indicate that stakeholder engagement plays a pivotal role in shaping the performance of transport parastatals. Constructs such as stakeholder satisfaction (Mean = 3.84; S.Dev = 0.824) and trust-building (Mean = 3.79; S.Dev = 1.001) emerged as critical strengths, reflecting the effectiveness of the organizations' relational strategies. Nonetheless, dimensions such as responsiveness (Mean = 3.43; S.Dev = 0.96) point to areas where improved attentiveness and structured feedback loops could significantly enhance engagement quality. Collectively, these insights suggest that refining stakeholder engagement practices has the potential to elevate both organizational legitimacy and operational performance.

The findings of the current study underscore the critical role of stakeholder engagement in enhancing the performance of transport parastatals in Kenya, with particular emphasis on transparent communication, trust-building, involvement, responsiveness, and collaboration. The study demonstrates that effective communication, active consultation, and trust-building efforts significantly contribute to improved stakeholder satisfaction and alignment with organizational objectives. It highlights the importance of fostering long-term trust and collaboration while maintaining consistent and transparent communication throughout the engagement process. These elements were identified as key drivers of positive performance outcomes in transport parastatals, reinforcing the need for transport agencies to prioritize stakeholder engagement as an integral component of their operational strategies.

These findings are consistent with the work of Karanja and Mwangi (2021), who explored the role of stakeholder consultation in transport parastatals. Their study found that consultation forums foster higher levels of stakeholder satisfaction and ownership, aligning with the current study's emphasis on the value of involving stakeholders in decision-making processes. However, Karanja and Mwangi (2021) highlighted a gap in understanding the long-term effects of consultation on sustained stakeholder commitment, a gap that the current study addresses by examining the continued impact of stakeholder consultation on trust, engagement, and policy adherence within Kenyan transport parastatals. Similarly, Mutua et al. (2022) demonstrated that early community

involvement in transport infrastructure planning significantly reduces disruptions and enhances project success. This supports the current study's conclusion that stakeholder involvement contributes positively to organizational performance. However, Mutua et al. (2022) did not explore the institutional mechanisms required to sustain engagement beyond the planning phase, which the current study aims to address by assessing the role of structured frameworks in maintaining active stakeholder participation throughout the lifecycle of infrastructure projects.

Additionally, the importance of transparent communication and trust-building as foundational elements for organizational success is echoed in the studies by Obuya (2023) and Bryson (2018). Obuya (2023) found that transparent communication reduces misinformation and fosters public trust, which aligns with the current study's findings on the significance of open communication in building stakeholder confidence. Bryson (2018) similarly emphasized that ethical conduct and consistent service delivery are essential for cultivating long-term trust, supporting the current study's identification of trust-building as a key factor in improving performance. However, both studies did not explore the practical challenges associated with implementing transparent communication strategies in large-scale transport projects. This study seeks to fill this gap by investigating the operational complexities and challenges specific to Kenyan transport parastatals, providing valuable insights into the effectiveness of communication frameworks and their adaptability to the unique challenges of the sector.

4.3.4 Resource management on performance of transport parastatals in Kenya

The fourth objective of the study was to determine the influence of resource management on performance of transport parastatals in Kenya. This objective was determined by posing several statements related to; human resource management, financial resource management, technology resource management, knowledge management, and physical assets management. The findings are presented in Table 4.6.

Table 4.6:*Resource management performance of transport parastatals in Kenya*

Statement	Mean	Std. Dev
The organization effectively manages its human resources to enhance operational performance.	3.52	0.784
The organization efficiently manages its financial resources to ensure sustainability and growth.	3.79	1.001
The organization effectively manages its technology and infrastructure to support its operations.	3.62	0.859
The organization effectively manages knowledge and information to improve decision-making and performance.	3.43	0.96
The organization efficiently manages its physical resources (e.g., vehicles, equipment, and facilities) to support operational needs.	3.86	0.714
The organization regularly assesses and optimizes resource allocation to improve efficiency and effectiveness.	4.00	0.621
The organization integrates various resource management practices to achieve its objectives.	3.61	0.712

The findings in Table 4.6 reveal varying degrees of effectiveness across the dimensions of resource management, with implications for governance and performance outcomes. The statement assessing the effectiveness of human resource management received a mean score of (Mean = 3.52; S.Dev = 0.784), reflecting a moderate level of agreement among respondents regarding its influence on operational performance. While the score suggests that human resources are generally perceived to be well-managed, the standard deviation indicates some divergence in perceptions. This variability may point to inconsistencies in the application of HRM practices across different organizational contexts or units, highlighting the need for more standardized and inclusive personnel development frameworks.

Perceptions of financial resource management yielded a mean score of (Mean = 3.79; S.Dev = 1.001), indicating a relatively positive evaluation of financial stewardship within the organizations. However, the relatively large standard deviation suggests a wide dispersion of responses. This divergence may stem from varying experiences with budget implementation, financial accountability mechanisms, or fiscal transparency. The findings underscore the importance of reinforcing coherent financial controls and building capacity in financial planning to ensure a uniform standard of financial efficiency across all departments. The management of technology

and infrastructure was rated with a mean of (Mean = 3.62; S.Dev = 0.859), suggesting a generally favorable perception of how technological resources are utilized to support operations. Nonetheless, the moderate variation in responses indicates potential disparities in technological access, infrastructure adequacy, or user proficiency. This implies that while the integration of technology is appreciated, further investment in equitable access, staff training, and infrastructure modernization is warranted to maximize operational effectiveness.

The effectiveness of knowledge and information management was rated moderately (Mean = 3.43; S.Dev = 0.960), indicating a less robust perception of this sub-construct relative to others. The high standard deviation signals considerable variability in how respondents view the role of knowledge in informing decisions and improving performance. This suggests that efforts to institutionalize knowledge-sharing practices and to build a culture of organizational learning may be unevenly implemented, necessitating more deliberate strategies for capturing, storing, and disseminating critical institutional knowledge. Physical asset management received one of the highest evaluations (Mean = 3.86; S.Dev = 0.714), pointing to a broad consensus on its effectiveness. The relatively low standard deviation suggests a high degree of uniformity in positive perceptions, which may be attributed to consistent practices in the maintenance and utilization of physical resources such as vehicles, equipment, and facilities. This finding positions physical asset management as a key operational strength that significantly contributes to organizational efficiency and service delivery.

The highest mean score across all sub-constructs was reported for resource allocation and optimization (Mean = 4.00; S.Dev = 0.621), indicating a strong perception that these practices are effectively executed. The relatively low variability further reinforces this perception, suggesting consistent satisfaction with how resources are assessed and redistributed to enhance efficiency and effectiveness. This result highlights strategic resource planning as a core competency within the organizations studied. The integration of various resource management practices yielded a mean score of (Mean = 3.61; S.Dev = 0.712), suggesting general agreement that resource coordination efforts are in place. While the relatively low standard deviation indicates moderate consensus, the scores still reflect room for improvement in harmonizing resource management practices to achieve synergistic effects. Improved integration could enhance operational coherence and align departmental objectives with overall institutional goals. The overall mean score across all dimensions of resource management was (Mean = 3.690; S.Dev = 0.807), reflecting a generally

favorable assessment of resource management effectiveness in transport parastatals. However, the moderate standard deviation indicates that while resource management is broadly perceived as beneficial to performance, disparities in implementation and outcomes remain across different constructs and organizational units.

The study provides evidence that resource management practices positively influence the performance of transport parastatals in Kenya, particularly in the domains of physical asset management (Mean = 3.86; S.Dev = 0.714) and resource allocation optimization (Mean = 4.00; S.Dev = 0.621). These areas appear to be the most consistently well-managed and are perceived as contributing substantially to operational effectiveness. In contrast, domains such as human resource management (Mean = 3.52; S.Dev = 0.784), financial management (Mean = 3.79; S.Dev = 1.001), and knowledge management (Mean = 3.43; S.Dev = 0.960) display greater variability in perception, suggesting the need for more targeted improvements in these areas. The findings affirm the critical role of holistic and integrated resource management in enhancing public sector organizational performance.

The study revealed a generally favorable perception of human resource management practices in transport parastatals, with some variability suggesting inconsistencies in implementation. These findings resonate with the work of Yahya and Anyieni (2025) who emphasized that skilled and motivated personnel are foundational to operational efficiency and customer satisfaction. Their study underscored the importance of structured training programs, fair compensation, and effective performance appraisal systems in enhancing employee morale and reducing turnover. The current study's observation of divergent views on HR effectiveness may reflect uneven access to or implementation of such initiatives across different parastatals. While Yahya and Anyieni (2025) acknowledged the strengths of current HR policies, they also noted the need to explore long-term effects on motivation and innovation, a gap mirrored in the current findings, which suggest potential areas for strategic HR development.

Respondents indicated a generally positive but somewhat inconsistent perception of financial resource management. This aligns with Mwendu and Njogu (2023), who identified sound budgeting, cost control, and diversified revenue strategies as essential to the sustainability of transport parastatals. The present findings support their argument that financial practices are central to operational continuity and growth. However, the variability in perceptions may hint at

challenges in aligning financial practices across departments or units, possibly due to a lack of transparency or accountability mechanisms. Mwende and Njogu (2023) study emphasized the value of transparency and innovative financial practices but did not address the repercussions of financial mismanagement, an area that the current findings suggest requires further attention, particularly in building internal trust and fiscal discipline.

The management of technology and infrastructure was also rated positively, though perceptions varied among respondents. This observation complements the findings of Ndung'u (2025) who demonstrated that adopting modern technologies like automated ticketing and real-time tracking significantly enhanced service efficiency in Kenyan transport systems. The current study's insights imply that while technological innovations are valued, their implementation may not be uniform across parastatals, potentially due to infrastructural disparities or capacity gaps. Ndung'u (2025) called for increased technological investments but did not sufficiently consider the operational or financial burdens of integrating new technologies into legacy systems, a challenge that may be contributing to the observed divergence in respondent views.

Knowledge management was perceived with cautious optimism, with notable variability in responses. This is consistent with Gachoka and Mutua (2023), who found that effective knowledge-sharing platforms improved decision-making and innovation in transport parastatals. They recommended institutionalizing KM systems to improve organizational responsiveness. However, the current study's findings suggest that KM practices are still developing, and that barriers such as lack of systematization or low adoption may be limiting their potential impact. Like Gachoka and Mutua, this study underscores the need for structured KM frameworks but also highlights the importance of addressing implementation barriers—especially in organizations where knowledge is often siloed or tacit.

Among the sub-constructs assessed, physical asset management was regarded as one of the strongest areas, with widespread agreement on its effectiveness. This is in line with Yahya and Anyieni (2025) who noted that timely repairs, maintenance, and lifecycle management of assets are essential for operational continuity and customer satisfaction. Their study advocated for stringent asset management protocols, which appear to be relatively well-established according to the present findings. Nonetheless, the current study suggests an opportunity to further explore asset management during critical periods, such as peak operational seasons or emergencies, which

Yahya and Anyieni (2025) did not address. These situational challenges could be important in understanding long-term asset resilience and optimization.

The findings from the literature emphasize the critical role of resource allocation optimization and integration across resource domains in enhancing organizational efficiency. The consistency in positive perception across these dimensions suggests that the integration of management practices is maturing, contributing to holistic performance improvements. Supporting this view, Shigali and Shitseswa (2023) demonstrated the significant positive impact of strategic resource allocation on public service delivery. Their study, which examined Vihiga County Government in Kenya, found that careful planning of physical resource allocation leads to increased efficiency and effectiveness in service provision. By adopting asset-based views and systems theories, the researchers highlighted that well-planned resource allocation contributes directly to enhanced organizational performance. This finding is consistent with the overarching theme in the current study, which underscores that deliberate and strategic resource allocation plays an essential role in improving organizational outcomes.

However, the study by Miombe et al. (2024) contrasts this perspective by illustrating the challenges associated with inadequate resource allocation. In their investigation of water projects in Kisii County, Kenya, they found that insufficient budgeting, particularly in monitoring and evaluation, adversely impacted project performance. Their respondents indicated that the lack of adequate resources, including human resources and infrastructure, hindered the effectiveness of these projects. This contrasting study underscores the critical need for comprehensive and targeted resource allocation, illustrating that without adequate resources, organizational performance is significantly compromised. It also reinforces the idea that while strategic allocation is essential, resource integration and continuous monitoring are necessary to ensure sustained success. Together, these studies suggest that the success of resource allocation strategies is contingent upon not just the allocation itself, but also the integration of resources and the ongoing management of these resources to ensure alignment with organizational goals.

The current study supports and extends existing scholarship on the role of resource management in enhancing the performance of transport parastatals in Kenya. It validates findings from previous studies while also pointing to areas particularly financial transparency, knowledge system implementation, and human resource standardization that require further attention. By linking

perception-based survey data with empirical and case-based insights from the literature, this analysis offers a nuanced understanding of how resource management strategies are perceived and operationalized across the sector.

4.3.5 Performance of transport parastatals in Kenya

Finally, the study sought to establish the performance status of performance of transport parastatals in Kenya. This was the dependent variable and was determined by posing several statements related to; operational efficiency, customer satisfaction, profitability, safety compliance, and innovation adoption. The findings are presented in Table 4.7.

Table 4.7:

Performance of transport parastatals in Kenya

Statement	Mean	Std. Dev
The organization's operations are managed efficiently, ensuring timely service delivery and optimal resource utilization.	3.57	1.009
The organization has maintained financial sustainability, recording at least a 10% annual growth over the past three years.	2.30	0.902
The organization adopts cost-effective strategies to ensure sustainability.	3.62	0.657
The organization consistently delivers high-quality services to its customers enhancing satisfaction.	3.68	0.679
The organization prioritizes safety complies with relevant regulations and standards.	2.71	0.773
The organization fosters a culture of innovation by continuously adopting new technologies and improving services.	3.49	0.925
The organization regularly monitors and evaluates its performance against set benchmarks and targets.	3.43	0.764

The analysis of organizational performance of Kenya's transport parastatals in Table 4.7 reveal considerable variation in their perceived effectiveness. Operational efficiency measured through the statement: *“The organization's operations are managed efficiently, ensuring timely service delivery and optimal resource utilization,”* yielded a mean score of (Mean = 3.57; S.Dev = 1.009), indicating that respondents generally perceived the organizations as moderately efficient in their operations. Although operational efficiency is recognized as a relative strength, the standard

deviation reflects some divergence in views, suggesting that efficiency levels may vary across different institutions. Financial sustainability, assessed using the statement: *“The organization has maintained financial sustainability with at least a 10% annual growth over the past three years,”* yielded a mean score of (Mean = 2.30; S.Dev = 0.902), indicating a generally negative perception of financial sustainability among the surveyed parastatals. This finding suggests that most organizations have faced challenges in sustaining stable financial performance, underscoring the need for stronger strategies to enhance long-term financial resilience and resource optimization.

The implementation of cost-effective strategies for sustainability was evaluated through the statement: *“The organization adopts cost-effective strategies to ensure sustainability.”* The score of (Mean = 3.62; S.Dev = 0.657) indicates a generally favorable perception of organizational efforts toward sustainability. The relatively low standard deviation suggests a strong consensus among respondents, implying that cost-effective and sustainable practices are widely adopted and embedded in operational frameworks

Customer satisfaction was examined using the statement: *“The organization consistently delivers high-quality services to its customers, enhancing satisfaction.”* The corresponding mean score was (Mean = 3.68; S.Dev = 0.679), which indicates a positive evaluation of service quality. This sub-construct emerged as one of the stronger areas, with the low variability in responses suggesting broad agreement on the effectiveness of customer service initiatives. The extent of safety compliance was measured using the statement: *“The organization prioritizes safety and complies with relevant regulations and standards.”* The responses resulted in a mean score of (Mean = 2.71; S.Dev = 0.773), reflecting a relatively low level of agreement and revealing mixed perceptions. The standard deviation indicates notable variability in views, suggesting inconsistencies in safety adherence and implementation across different organizations. This area appears to be a critical concern requiring targeted interventions.

Innovation adoption was assessed through the statement: *“The organization fosters a culture of innovation by continuously adopting new technologies and improving services.”* The mean score of (Mean = 3.49; S.Dev = 0.925) suggests that innovation is moderately embraced. However, the high standard deviation indicates varying levels of adoption, suggesting that while some parastatals are progressive, others lag in integrating innovative practices and technologies. The effectiveness of monitoring practices was gauged using the statement: *“The organization regularly monitors*

and evaluates its performance against set benchmarks and targets.” The responses resulted in a mean score of (Mean = 3.43; S.Dev = 0.764). This indicates a moderate level of performance evaluation practices across the organizations. The data suggest that while some parastatals implement systematic monitoring, this is not uniformly practiced across the sector.

The findings indicate a moderately positive perception of performance among Kenya’s transport parastatals. The findings suggest that while areas such as customer satisfaction, operational efficiency, and cost-effective sustainability strategies are viewed favorably, key challenges persist in profitability, safety compliance, and the consistent adoption of innovation. The overall standard deviation underscores the variation in performance perceptions, potentially reflecting institutional and contextual differences across the sampled parastatals.

While transport parastatals in Kenya generally perform well in areas such as operational efficiency, customer satisfaction, and sustainability, there are notable challenges in profitability and safety compliance. Innovation adoption, though seen positively, still presents opportunities for improvement. These findings suggest that to enhance overall performance, transport parastatals should focus on improving financial management, prioritizing safety compliance, and fostering a more consistent culture of innovation across the sector. Regular monitoring and evaluation of organizational performance against clear benchmarks should also be a priority to ensure continued improvement.

The findings of the current study on the performance of transport parastatals in Kenya closely align with previous studies that emphasize the significance of corporate governance in enhancing operational efficiency and service delivery. For instance, the positive perceptions of operational efficiency and customer satisfaction in this study mirror the governance improvements noted in Kenya Airways and Kenya Railways, where restructuring and enhanced leadership have contributed to better service delivery (Gikonyo, 2018; Oloo, 2021). In particular, the relatively strong performance in areas like sustainability and resource management aligns with Munya’s (2019) findings on the Kenya Ports Authority’s success in stakeholder engagement and efficient resource use. These governance reforms, such as improved decision-making structures and stakeholder involvement, are critical in optimizing operational processes and ensuring better service outcomes, as seen in the positive responses to customer satisfaction and sustainability in the current study.

However, the current study also highlights areas of concern, particularly in financial sustainability and safety compliance, which reflect challenges noted in previous literature. The negative perceptions of financial sustainability and inconsistent safety compliance resonate with governance and management weaknesses identified in entities such as Kenya Airways and Kenya Railways (Otieno, 2020; Chirchir, 2022). The persistent difficulties in sustaining financial stability despite ongoing governance reforms mirror the study's findings on financial inefficiencies and the limited fiscal resilience of transport parastatals. Furthermore, the safety compliance challenges align with observations by the Kenya National Audit Office (2020), which cited weaknesses in internal controls and financial management systems. These findings underscore that while governance reforms are vital, their impact on financial sustainability and operational integrity depends on addressing underlying barriers such as political interference, weak accountability structures, and inadequate institutional capacity.

4.4 Inferential Statistics

The researcher conducted correlation analysis to establish the nature and strength of the relationships between the independent variables and the dependent variable, Performance of Transport Parastatals in Kenya.

4.4.1 Correlation Analysis

The correlation analysis was conducted to determine the strength and direction of relationships between corporate governance practices, namely board structure, leadership styles, stakeholder engagement, and resource management, and the performance of transport parastatals in Kenya. Pearson correlation coefficients were used, and significance levels were interpreted at both the 0.05 and 0.01 thresholds.

Table 4.8:
Correlation Analysis

		Board Structure	Leadership Styles	Stakeholder Engagement	Resource Management	Performance of Transport Parastatals
Board Structure	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	84				
Leadership Styles	Pearson Correlation	.286*	1			
	Sig. (2-tailed)	0.016				
	N	84	84			
Stakeholder Engagement	Pearson Correlation	0.176	0.195	1		
	Sig. (2-tailed)	0.142	0.099			
	N	84	84	84		
Resource Management	Pearson Correlation	-0.204	-0.330**	0.058	1	
	Sig. (2-tailed)	0.089	0.005	0.103		
	N	84	84	84	84	
Performance of Transport Parastatals	Pearson Correlation	.407**	.583**	.396**	.256*	1
	Sig. (2-tailed)	0.001	0.000	0.002	0.001	
	N	84	84	84	84	84

* Correlation is significant at the 0.05 level (2-tailed).

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

The study found a moderate and statistically significant positive correlation between board structure and performance of transport parastatals ($r = .407$; $p < 0.01$), suggesting that a well-constituted board enhances organizational outcomes through strategic oversight and governance. These findings are consistent with those of Masum et al. (2024) who found that a diverse mix of expertise among board members strengthens governance quality and decision-making, thereby improving performance. Masum recommendation that board appointments reflect sector-specific competencies such as finance, engineering, and public policy aligns with the observed influence of board structure on performance in this study. Similarly, Ndung'u (2025) affirmed that diversity in professional backgrounds, especially a balance of public and private sector experience, enhances

operational efficiency and regulatory compliance. This supports the current study's results and reinforces the strategic role of diverse board composition in advancing performance. However, their study raised questions about the unmeasured impact of regional and cultural diversity, which this study did not address either, indicating a persistent contextual gap. Kalu and Rugami (2021) also supports these findings, emphasizing that board independence improves objectivity and accountability. Although board independence was not disaggregated in this study, the positive correlation suggests that board characteristics such as independence and expertise collectively contribute to better performance outcomes in the transport sector.

Leadership styles exhibited the strongest positive correlation with performance ($r = .583$; $p < 0.01$), underscoring the pivotal role of leadership in shaping organizational success. This is echoed by Gachugu (2023) whose study demonstrated that transformational leadership, characterized by innovation and proactive service delivery, enhanced performance in transport parastatals. Their emphasis on technological adoption and sustainability aligns with the strong positive influence captured in this analysis. In agreement, Kariuki and Mwangi (2020) found that transformational leadership significantly improved employee morale and productivity, further validating this study's finding that effective leadership correlates with better performance outcomes. However, like the present study, they did not explore the long-term sustainability of these effects or their influence on organizational culture, signaling an empirical and conceptual area for further research. Mutua and Wanjiru (2019) provided additional insight, showing that transactional leadership, while more rigid, was also effective in improving performance through structured incentives and performance monitoring. Their study complements the current findings by suggesting that different leadership styles may affect performance through distinct mechanisms, but both transformational and transactional leadership play critical roles in organizational success.

Stakeholder engagement was found to have a moderate and statistically significant positive correlation with performance ($r = .396$; $p < 0.01$). This corroborates the findings of Karanja and Mwangi (2021), who showed that stakeholder consultation enhances decision ownership, satisfaction, and alignment with institutional goals. The current study's findings affirm that inclusive engagement with stakeholders is essential to achieving institutional effectiveness. Further, Mutua et al. (2022) demonstrated that involving communities in infrastructure planning reduces disruptions and improves project execution, an operational outcome closely tied to organizational performance. Their findings substantiate the role of stakeholder engagement in

performance, although, like the current study, they leave unexplored the long-term effects of such engagement on stakeholder commitment and trust. Obuya (2023) added a communication dimension, revealing that transparent communication boosts public trust and stakeholder cooperation, critical to organizational performance. Their emphasis on operational transparency aligns with the statistically significant relationship observed in this study, though the practical implementation of such communication remains an area requiring further contextual investigation.

Resource Management had a significant correlation with performance of transport parastatals in Kenya ($r = .256, p < 0.05$). While the relationship is moderate though weaker compared to the other variables, the positive and significant relationship indicates that the efficient allocation and utilization of resources still contributes positively to performance outcomes. This result implies that sound financial and operational management practices, though perhaps not as impactful as leadership or governance, remain essential to overall effectiveness. The correlation result showing a moderate relationship between resource management and the performance of transport parastatals aligns partially with prior research findings while highlighting important nuances. Yahya and Anyieni (2025) emphasized the central role of human resource management in enhancing operational efficiency and service quality through structured training and fair HR policies. This supports the current study's finding by affirming that well-managed human capital contributes positively to performance, even if not as prominently as leadership or governance. Mwende and Njogu (2023) similarly found that financial resource management practices, such as budgeting and cost control, were vital for sustaining operations, a view consistent with this study's indication that efficient resource use matters. However, the moderate correlation suggests that, while important, resource management may not independently drive performance without being complemented by stronger leadership or stakeholder involvement. Ndung'u (2025) Gachoka and Mutua (2023), and Yahya and Anyieni (2025) also point to the importance of operational and knowledge assets, but the current results imply that these may serve a supportive rather than leading role in driving performance outcomes within Kenyan transport parastatals.

The correlation analysis confirms that all four governance and management constructs are positively associated with the performance of transport parastatals in Kenya. Leadership Styles exhibits the strongest relationship, highlighting the importance of investing in transformational leadership capacity. Board Structure and Stakeholder Engagement also show moderately strong correlations, underscoring the value of robust governance frameworks and participatory practices.

While Resource Management demonstrates a weaker correlation, its significance indicates that foundational management competencies cannot be overlooked.

Together, these findings suggest that performance improvements in Kenya's transport parastatals are best achieved through a multi-dimensional approach that emphasizes strategic leadership, inclusive stakeholder involvement, accountable governance, and efficient resource use. These insights offer valuable guidance for policymakers and public sector managers committed to enhancing institutional performance and service delivery. The cited studies support the broader findings while highlighting specific conceptual, contextual, and empirical areas for further inquiry, especially around the operationalization of governance practices and their long-term impact on organizational sustainability.

4.4.2 Diagnostics Tests

To justify the use of the regression model pre-estimation tests were conducted. The pre-estimation tests conducted in this case were the multicollinearity test and Normality test. This was performed to avoid spurious regression results from being obtained.

4.4.2.1 Multicollinearity

The study employed the Variance Inflation Factor (VIF) to assess multicollinearity among the independent variables, a critical step in regression analysis to ensure the reliability of coefficient estimates. Multicollinearity arises when predictor variables are highly correlated, which can distort regression results and inflate standard errors. The findings are in Table 4.9.

Table 4.9:

Collinearity Statistics

Model	Tolerance	VIF
1 (Constant)	.670	1.492
Board Structure	.567	1.764
Leadership Styles	.690	1.449
Stakeholder Engagement	.545	1.834
Resource Management	.574	1.742

a. Dependent Variable: Performance of Transport Parastatals in Kenya.

The results, as presented in Table 4.9, show that all VIF values range between 1.449 and 1.834, well within the acceptable threshold of less than 10. Specifically, the VIF values were 1.764 for

Board Structure, 1.449 for Leadership Styles, 1.834 for Stakeholder Engagement, and 1.742 for Resource Management. Corresponding Tolerance values, all above 0.1, further confirm the absence of multicollinearity. These results suggest that the independent variables are sufficiently distinct and not excessively intercorrelated. Therefore, the regression model is statistically sound and appropriate for analyzing the performance of transport parastatals in Kenya, as it meets the key assumption of low multicollinearity.

4.4.4.2 Normality Test

In regression analysis, the assumption of normality pertains specifically to the distribution of residuals (errors), rather than the dependent variable itself. Nonetheless, examining the distribution of the dependent variable can provide valuable preliminary insights into the overall behavior of the data. Prior to conducting regression analysis, a normality test was carried out on the dependent variable to assess its suitability for parametric procedures. If the assumption of normality is violated—i.e., the data significantly deviate from a normal distribution corrective measures such as data transformation may be required to satisfy model assumptions (D’Agostino, 2017). As suggested by Hair et al. (2012), normality can be assessed using both graphical methods (such as histograms and Q-Q plots) and statistical tests, including the Shapiro-Wilk and Kolmogorov-Smirnov tests. Given the sample size exceeded 50 respondents, the Kolmogorov-Smirnov test was deemed appropriate for this study. The test statistic was computed for each variable, and the decision rule followed the guideline by Field (2009): a p-value greater than 0.05 indicates that the null hypothesis of normality cannot be rejected, suggesting that the data are normally distributed; a p-value less than 0.05, conversely, indicates significant deviation from normality. The normality assumption results for the study are given in Table 4.10.

Table 4.10:*Test for Normality*

Variable	Descriptive Statistics	Statistical Values	Std. Error	Kolmogorov-Smirnov Statistic	Df	Sig.	Comment
Board Structure	Skewness	0.196	0.172	0.171	36	0.147	Normally distributed
	Kurtosis	-0.623	0.342				
Leadership Styles	Skewness	-0.482	0.172	0.200	36	0.101	Normally distributed
	Kurtosis	-0.75	0.342				
Stakeholder Engagement	Skewness	0.287	0.172	0.133	36	0.109	Normally distributed
	Kurtosis	-0.649	0.342				
Resource Management	Skewness	-0.382	0.172	0.089	36	.200*	Normally distributed
	Kurtosis	-0.525	0.342				
Performance of Parastatals	Skewness	-0.595	0.172	0.122	36	0.193	Normally distributed
	Kurtosis	-0.868	0.342				

As shown in Table 4.10, both descriptive and statistical methods were applied to evaluate the normality of these variables. Descriptive indicators included skewness and kurtosis values, while the Kolmogorov-Smirnov (K-S) test provided a formal statistical test of normality. The skewness values for the variables ranged from -0.595 to 0.287 , all of which fall within the acceptable range of ± 1.0 , indicating that the distributions are fairly symmetric (Hair et al., 2020). Similarly, kurtosis values ranged from -0.868 to -0.525 , also within acceptable limits, suggesting no extreme peakedness or flatness in the data (Kline, 2016). These descriptive measures imply that each variable approximates a normal distribution.

The results of the Kolmogorov-Smirnov test further confirmed the assumption of normality. For all variables, the K-S test statistic values were relatively low, and their associated p-values exceeded the 0.05 significance threshold. Specifically, the p-values ranged from 0.101 for leadership styles to 0.200* for resource management, indicating no statistically significant

deviation from a normal distribution. According to Field (2018), a non-significant K-S result ($p > 0.05$) suggests that the variable is normally distributed. Therefore, the null hypothesis of normality was retained for all constructs. In summary, both the descriptive statistics and the K-S test confirm that the study variables are normally distributed. This satisfies one of the key assumptions for conducting parametric analyses such as Pearson correlation and multiple regression, which are applied in subsequent sections of this study.

4.4.2.3 Test for Autocorrelation

To assess the independence of residuals in the regression model, the Durbin-Watson (DW) statistic was employed. This test is essential for detecting the presence of autocorrelation, specifically, first-order serial correlation, among the residuals. The DW statistic ranges from 0 to 4, where a value around 2 suggests that there is no autocorrelation, values below 2 indicate positive autocorrelation, and values above 2 suggest negative autocorrelation. The results are given in Table 4.11.

Table 4.11:

Durbin-Watson Test for Autocorrelation

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson Test
.682a	0.465	0.433	0.317865	2.1096

a Predictors: (Constant), Board Structure, Leadership Styles, Stakeholder Engagement, Resource Management

Table 4.11 shows that the DW statistic was 2.1096, which falls well within the acceptable range (1.5 to 2.5), implying that the residuals are independent and that there is no significant autocorrelation in the regression model. This validates the assumption of error term independence, reinforcing the reliability of the model estimates. The corresponding R value of 0.682 and R^2 of 0.465 further indicate a moderate relationship between the predictors (Board Structure, Leadership Styles, Stakeholder Engagement, and Resource Management) and the performance of transport parastatals in Kenya. Therefore, the regression model is appropriately specified and free from violations related to autocorrelation.

4.4.3 Bivariate Regression Analysis

4.4.3.1 Bivariate Regression Analysis of Board Structure on Organizational Performance

To examine the influence of board structure on the performance of transport parastatals in Kenya, a bivariate linear regression analysis was conducted. The results are summarized in Table 4.12.

Table 4.122:

Bivariate Regression of Board structure on performance of transport parastatals

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
Summary	.407a	0.165274	0.15509	0.49722		
ANOVAa		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	4.014	1	4.014	16.236	.000b
	Residual	20.273	82	0.2472		
	Total	24.287	83			
Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.569	0.321		4.881	0.000
	Board Structure	0.599	0.149	0.407	4.021	0.000

a Dependent Variable: Performance of Transport Parastatals in Kenya

b Predictors: (Constant), Board Structure

The model yielded an R value of 0.407, indicating a moderate positive correlation between board structure and organizational performance. The R-squared value of 0.1653 suggests that approximately 16.53% of the variance in performance can be explained by variations in board structure alone. After adjusting for degrees of freedom, the adjusted R-squared stood at 0.155, confirming the model's modest explanatory power. The ANOVA results ($F(1,82) = 16.236$, $p < .001$) demonstrate that the regression model is statistically significant, indicating that board structure contributes meaningfully to explaining variations in the performance of transport parastatals.

The unstandardized coefficient (B) for board structure was 0.599 with a standard error of 0.149, while the standardized Beta coefficient was 0.407, reinforcing the strength and direction of the positive relationship. The t-value of 4.021 and a p-value of .000 indicate that board structure has a statistically significant effect on organizational performance at the 95% confidence level. The

constant term was also significant ($B = 1.569$, $p < .000$), implying that when board structure is held at zero, a baseline level of performance exists. These findings suggest that improvements in board structure, such as enhanced independence, diversity, and functional oversight, are likely to lead to measurable improvements in the performance of transport parastatals in Kenya. While the explanatory power of the model is moderate, the statistically significant results point to board structure as a key strategic governance variable that organizations should prioritize to drive performance outcomes.

4.4.3.2 Bivariate Regression Analysis of Leadership Styles on Organizational Performance

To assess the influence of leadership styles on the performance of transport parastatals in Kenya, a bivariate linear regression analysis was conducted.

Table 4.133:

Bivariate Regression of Leadership Styles on performance of transport parastatals.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
Summary	.583a	0.340127	0.33208	0.440302		
ANOVAa		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	8.194	1	8.764	45.207	.000b
	Residual	15.897	82	0.193866		
	Total	24.091	83			
Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	0.487	0.455		1.071	0.292
	Leadership Styles	0.854	0.127	0.583	6.724	0.000

a Dependent Variable: Performance of Transport Parastatals in Kenya

b Predictors: (Constant), Leadership Styles

As presented in Table 4.13, the model yielded an R value of 0.583, indicating a strong positive correlation between leadership styles and Performance of Transport Parastatals in Kenya. The R-squared value of 0.3401 reveals that approximately 34.01% of the variance in performance can be attributed to differences in leadership styles. After adjusting for the degrees of freedom, the adjusted R-squared was 0.33208, signifying a good model fit. The ANOVA results show that the regression model is statistically significant, with an F-statistic of 45.207 ($df = 1, 82$) and a p-value

of .000. This confirms that the model provides a better fit than one with no predictors and that leadership styles significantly explain the variance in performance across transport parastatals.

In the coefficients table, the unstandardized regression coefficient (B) for leadership styles was 0.854, with a standard error of 0.127. The standardized Beta coefficient was 0.583, further underscoring the strong positive relationship. The t-statistic of 6.724 and a p-value of .000 indicate that the influence of leadership styles on performance is statistically significant at the 95% confidence level. Notably, the constant term (B = 0.487) was not statistically significant (p = .292), suggesting that performance is not meaningfully predicted in the absence of leadership input. The findings indicate that leadership styles significantly and positively affect the performance of transport parastatals in Kenya. A higher quality or more effective leadership style is associated with improved organizational outcomes. Given the substantial proportion of variance explained by this variable, leadership development and managerial training should be considered strategic priorities for enhancing the effectiveness of public sector transport organizations.

4.4.3.3 Bivariate Regression Analysis of Stakeholder Engagement on Organizational Performance

A bivariate linear regression analysis was conducted to determine the effect of stakeholder engagement on the performance of transport parastatals in Kenya.

Table 4.144:

Bivariate Regression of Stakeholder Engagement on performance of transport parastatals.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
Summary	.396a	0.156855	0.14657	0.396478		
ANOVAa		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	2.398	1	2.398	15.2549	.001b
	Residual	12.89	82	0.157195		
	Total	15.288	83			
Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	(Constant)	3.130	Std. Error	Beta		
					5.537	0.000
	Stakeholder Engagement	0.512	0.131	0.396	3.908	0.002

a Dependent Variable: Performance of Transport Parastatals in Kenya

b Predictors: (Constant), Stakeholder Engagement

The model summary indicates a correlation coefficient (R) of 0.396, suggesting a moderate positive relationship between stakeholder engagement and organizational performance. The R-squared value of 0.1568 implies that 15.68% of the variance in performance can be explained by variations in stakeholder engagement. The adjusted R-squared was slightly lower at 0.1466, indicating that the model maintains reasonable explanatory strength after accounting for degrees of freedom. According to the ANOVA results, the model was statistically significant, with an F-statistic of 15.2549 (df = 1, 82) and a p-value of 0.001, well below the 0.05 threshold. This confirms that stakeholder engagement has a meaningful influence on performance and that the regression model is a better fit than one with no predictor variables.

Regarding the coefficients, the unstandardized regression coefficient (B) for stakeholder engagement was 0.512, with a standard error of 0.131. The standardized Beta coefficient was 0.396, indicating a moderate effect size. The corresponding t-value of 3.908 and p-value of 0.002 demonstrate that stakeholder engagement significantly predicts organizational performance at the 95% confidence level. The constant term was also significant (B = 3.130, $p < 0.000$), indicating a meaningful baseline level of performance even in the absence of stakeholder engagement. The analysis reveals that stakeholder engagement plays a statistically significant and positive role in shaping the performance of transport parastatals in Kenya. While the proportion of explained variance is modest, the significance of the relationship underscores the importance of fostering inclusive communication, transparency, and collaborative decision-making with both internal and external stakeholders. These findings suggest that policy and operational improvements in stakeholder management could contribute to improved organizational outcomes.

4.4.3.4 Bivariate Regression Analysis of Resource Management on Organizational Performance

A bivariate linear regression analysis was performed to assess the influence of resource management on the performance of transport parastatals in Kenya.

Table 4.155:*Bivariate Regression of Resource Management on performance of transport parastatals*

Model Summary	R	R Square	Adjusted R Square	Std. Error of the Estimate		
	.256a	0.065585	0.05419	0.468821		
ANOVAa		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	1.265	1	1.265	5.75542	.002b
	Residual	18.023	82	0.2198		
	Total	19.288	83			
Coefficientsa		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	2.455	0.361		6.8006	0.000
	Resource Management	0.237	0.099	0.256	2.3939	0.018

a Dependent Variable: Performance of Transport Parastatals in Kenya

b Predictors: (Constant), Resource Management

The results, presented in Table 4.15, show a correlation coefficient (R) of 0.256, indicating a weak positive relationship between resource management practices and organizational performance. The R-squared value of 0.066 suggests that only 6.56% of the variance in performance can be explained by differences in resource management. The adjusted R-squared was slightly lower at 0.0542, confirming the limited explanatory power of the model. Despite the modest correlation, the ANOVA test revealed that the regression model is statistically significant, with an F-statistic of 5.75542 (df = 1, 34) and a p-value of 0.002, which is well below the 0.05 significance threshold. This indicates that the model provides a significantly better fit than one without the predictor variable and that resource management contributes meaningfully to performance variation.

The unstandardized coefficient (B) for resource management was 0.237, with a standard error of 0.099, indicating that a one-unit improvement in resource management is associated with a 0.237 increase in the performance index of transport parastatals. The standardized Beta coefficient was 0.256, reflecting a weak effect size. However, the t-statistic of 2.3939 and corresponding p-value of 0.001 indicate that this relationship is statistically significant. The regression constant was also statistically significant (B = 2.455, $p < 0.001$), suggesting that performance remains above baseline levels even without strong resource management practices. Although the relationship between

resource management and organizational performance is statistically significant, the effect size is relatively small. This implies that while effective resource utilization and allocation play a role in enhancing performance, they do so modestly and may need to be complemented by other strategic factors such as leadership, governance, or stakeholder engagement. Nonetheless, the results highlight the value of efficient resource planning, budgeting, and deployment in strengthening the operational effectiveness of transport parastatals in Kenya.

4.4.4 Hypothesis Testing

The study aimed to test the following hypotheses related to the performance of transport parastatals in Kenya:

H₀₁: Board Structure and Performance

The regression coefficient for board structure was found to be 0.407, with a *p*-value of 0.000. Since the *p*-value is less than 0.05, we reject the null hypothesis (H₀₁) and conclude that board structure has a statistically significant influence on the performance of transport parastatals in Kenya. This suggests that the composition and structure of the board play a critical role in enhancing organizational performance. The findings from the regression analysis in the current study indicate that board structure has a statistically significant influence on the performance of transport parastatals in Kenya. This aligns with previous research that emphasizes the critical role of boards in shaping organizational performance. For instance, Mutua (2022) found that boards actively engaged in strategic planning and performance reviews guided organizations through industry challenges. This highlights that an engaged board, which is involved in setting and monitoring strategic goals, contributes significantly to organizational success. The regression result in this study supports this by showing that board structure has a positive effect on performance.

However, unlike Mutua's study, which did not address board engagement's influence on innovation or sustainability, this study's findings imply that an effective board structure is crucial not just for navigating challenges but also for fostering innovation and long-term sustainability, albeit the specific dynamics between board structure and innovation are not fully explored here. Similarly, Mwangi and Mutiso (2022) identified the importance of moderate board size for efficient decision-making, but their study did not delve into decision-making during crises. The current study's finding suggests that while board structure positively influences performance, it does not necessarily guarantee optimal decision-making during disruptive times, as indicated by

the lack of consideration for crisis management in board activities in this study. Moreover, Kariuki and Mwangi (2023) found that active board engagement in strategic planning contributed to organizational competitiveness. This finding is echoed by this study's regression result, suggesting that an engaged and well-structured board contributes positively to the performance of transport parastatals. However, the current study does not address the broader influence of board engagement on stakeholder trust and collaboration, as explored by Kariuki and Mwangi. Future studies could explore these aspects in greater detail, particularly in the context of transport parastatals, where stakeholder relationships are key to long-term success.

H₀₂: Leadership Styles and Performance

The regression coefficient for leadership styles was 0.583, with a *p*-value of 0.000. Given that the *p*-value is well below the 0.05 threshold, we reject the null hypothesis (H₀₂) and conclude that leadership styles have a statistically significant influence on the performance of transport parastatals in Kenya. This indicates that the leadership approach adopted within the organization, especially transformational leadership, significantly impacts its performance outcomes. The regression results for leadership styles indicate a statistically significant positive influence on the performance of transport parastatals in Kenya, with a significant coefficient for leadership styles. This result supports findings from Mwangi and Njeru (2019), who suggested that laissez-faire leadership could promote innovation in specialized teams but could also lead to inefficiencies and accountability challenges in more complex organizations. The positive relationship between leadership styles and performance found in this study may reflect a broader application of leadership strategies, including transformational leadership, which encourages both innovation and accountability.

Further supporting the findings, Alam et al. (2024) pointed out that laissez-faire leadership promotes innovation in specialized teams but can be detrimental in larger or more complex organizations. The positive effect of leadership styles in the current study may indicate that effective leadership, including the right balance of laissez-faire and other leadership styles, can enhance the performance of transport parastatals. However, like Alam et al. (2024), this study does not delve into how laissez-faire leadership could be integrated with other leadership styles, such as transformational or autocratic leadership, to create a more holistic and adaptable leadership approach. Additionally, Nyamota et al. (2024) and Owino and Wanjiku (2021) found that

autocratic leadership was highly effective in crisis management but could hinder creativity and employee morale over the long term. The study's regression results suggest that while leadership styles significantly influence performance, leadership effectiveness may vary depending on the situational context, which is an area that could be further explored in future research. This research gap could be addressed by examining the interplay of leadership styles in different operational contexts, such as routine versus crisis management, in transport parastatals.

H₀₃: Stakeholder Engagement and Performance

For stakeholder engagement, the regression coefficient was 0.396, and the *p*-value was 0.002. As the *p*-value is below 0.05, we reject the null hypothesis (H₀₃) and conclude that stakeholder engagement has a statistically significant influence on the performance of transport parastatals in Kenya. This finding underscores the importance of engaging stakeholders, such as employees, customers, and the public, in decision-making processes to enhance performance. The positive relationship found between stakeholder engagement and performance in this is consistent with the findings of Bryson (2018), who emphasized the importance of trust-building and accountability in public sector organizations. In transport parastatals, where stakeholders such as passengers, employees, and government agencies have high expectations for transparency and reliability, the ability to engage stakeholders effectively is crucial for organizational success. Mwende and Njogu (2023) also highlight the importance of trust-building practices in infrastructure projects, finding that effective stakeholder engagement leads to smoother project execution and fewer conflicts.

In contrast to the broad focus of Bryson and Mwende and Njogu (2023), the current study specifically highlights how stakeholder engagement can enhance the performance of transport parastatals, suggesting that transparent and inclusive decision-making processes improve both organizational efficiency and stakeholder satisfaction. However, a gap in both the current study and Bryson's work lies in the exploration of sector-specific challenges in stakeholder engagement. While Bryson focuses on the public sector in general, future studies could address the unique dynamics of stakeholder engagement in transport parastatals, where operational disruptions or policy changes can have immediate and far-reaching consequences. Moreover, Kariuki and Wanjiku (2021) discussed the role of public-private partnerships (PPPs) in enhancing infrastructure quality and efficiency. This aligns with the study's findings that stakeholder engagement, including collaboration with external partners, can contribute to better performance.

However, the gap in the current study is the lack of focus on how PPPs might affect other transport sectors beyond road infrastructure, such as rail or air transport, where stakeholder engagement could vary significantly.

H₀₄: Resource Management and Performance

The regression analysis yielded a beta coefficient of 0.256 and an unstandardized B value of 0.237 for resource management. The corresponding t-value of 2.3939 and a p-value of 0.018 indicate that the relationship between resource management and the performance of transport parastatals in Kenya is statistically significant at the 5% level. Although this relationship was not as strong compared to the other constructs examined in the study, the findings warrant the rejection of the null hypothesis (H₀₄). This confirms that resource management has a measurable and direct influence on organizational performance within the sector. Despite its relatively modest effect size, resource management remains a critical determinant of institutional effectiveness. The results suggest that the strategic allocation and utilization of financial, human, and material resources contribute meaningfully to performance outcomes. However, the association may reflect gaps in how these resources are currently managed or integrated across functions. This finding aligns with Ndung'u (2025) who highlight the growing significance of technological innovation and infrastructure investment in driving efficiency and service quality in transport parastatals. The results suggest the need for a more nuanced analysis of resource management practices, particularly concerning the adoption of digital technologies, maintenance protocols, and human capital development. Strengthening these areas could enhance the sector's responsiveness and overall performance, underscoring the strategic importance of evolving beyond basic resource allocation toward more dynamic and integrated management approaches.

Similarly, Gachoka and Mutua (2023) found that knowledge management practices, including knowledge-sharing platforms, enhance decision-making and innovation. While the study highlights the role of knowledge management, it does not specifically address how resource management, as a broader concept, affects overall performance in the context of resource allocation and asset management in transport parastatals. The current study suggests that while resource management practices may contribute to operational efficiency, they do have a weak and statistically significant impact on performance in the way leadership styles and stakeholder engagement do. Finally, Yahya and Anyieni (2025) emphasized the importance of effective asset

management, such as fleet maintenance and lifecycle management, in enhancing customer satisfaction and minimizing downtime. The lack of significance in resource management in this study might point to the fact that while physical asset management is crucial, other factors, such as leadership and stakeholder engagement, may play a more direct role in influencing overall performance in the transport sector. Further research could explore how resource management practices interact with other governance factors to affect long-term performance outcomes.

The findings indicate that board structure, leadership styles, and stakeholder engagement are significant predictors of the performance of transport parastatals in Kenya, highlighting their crucial role in enhancing organizational effectiveness. However, resource management a weak statistical significant influence, suggesting that other factors may be at play in determining the success of transport parastatals in Kenya. These insights contribute to the understanding of corporate governance in the transport sector and suggest areas for further research and development.

4.4.5 Multiple Regression Analysis

Multivariate regression analysis was used to determine the multiple regression model postulated in chapter three held and actually represented what was happening on the ground. The regression model sought to examine the combined influence of corporate governance practices, specifically board structure, leadership styles, stakeholder engagement, and resource management, on the performance of transport parastatals in Kenya. The results are summarized as follows.

Table 4.166:

Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
.742a	0.5499	0.5271	0.27119
a Predictors: (Constant), Board Structure, Leadership Styles, Stakeholder Engagement, Resource Management			

The results in Table 4.16 show a multiple correlation coefficient of $R = .742$, indicating a strong positive relationship between the set of independent variables namely board structure, leadership styles, stakeholder engagement, and resource management and the dependent variable, organizational performance of transport parastatals. The R Square (R^2) value of 0.5506 implies that approximately 54.99% of the variation in organizational performance can be collectively

explained by these corporate governance practices. This finding demonstrates that governance mechanisms play a substantial role in determining performance outcomes within Kenya's transport parastatals.

The Adjusted R Square value of 0.5271 refines this explanation by accounting for the number of predictors in the model, thereby adjusting for potential overestimation. This means that 52.71% of the variance in performance is explained by the four predictors after controlling for model complexity. This adjustment enhances the credibility and generalizability of the model, confirming that the relationship between corporate governance and performance is both statistically significant and meaningful, even after correcting for possible over fitting.

The Standard Error of the Estimate (0.27119) represents the average deviation of the observed performance scores from the predicted regression line. In practical terms, the relatively small value indicates that the model's predictions are close to the actual data points, signifying a good model fit and high predictive accuracy. The low error value suggests that corporate governance variables are reliable predictors of organizational performance among transport parastatals.

However, given that approximately 45% of the variance remains unexplained, it is likely that other contextual factors such as political interference, regulatory environment, institutional culture, and economic conditions also influence performance outcomes. Future research should therefore consider incorporating such external and organizational-level variables to build a more comprehensive predictive framework.

The Analysis of Variance (ANOVA) test further confirmed the statistical significance of the overall regression model, as shown in Table 4.17.

Table 4.177:

Summary of ANOVA

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	7.099	4	1.77475	24.1317	.000b
Residual	5.810	79	0.07354		
Total	12.909	83			

a Dependent Variable: Performance of Transport Parastatals in Kenya

b Predictors: (Constant), Board Structure, Leadership Styles, Stakeholder Engagement, Resource Management

The F-statistic was 24.1317, with a corresponding p-value less than 0.000, indicating that the combined governance practices have a statistically significant effect on the performance of transport parastatals ($F(4, 79) = 24.1317$; $p < 0.001$). This implies that the model significantly improves the prediction of performance compared to using the mean alone. These results suggest that governance-related factors such as board structure, leadership approaches, stakeholder participation, and effective resource utilization play a pivotal role in determining the performance of transport parastatals in Kenya. The strength and statistical significance of the model affirm the relevance of integrating sound governance frameworks in public transport agencies. In order to establish the individual contributions of the independent variables to the model, the beta values of the corresponding variables were examined and the results summarized in Table 4.18.

Table 4.188:

Summary of Regression Model Coefficients

	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
(Constant)	1.171	0.718		1.631	0.003
Board Structure	0.193	0.086	0.215	2.237	0.029
Leadership Styles	0.415	0.115	0.385	3.627	0.001
Stakeholder Engagement	0.302	0.11	0.285	2.744	0.008
Resource Management	0.164	0.109	0.159	1.504	0.039

a Dependent Variable: Performance of Transport Parastatals in Kenya

Table 4.18 presents the coefficients of the regression model, outlining the relative contribution of each corporate governance construct to the performance of transport parastatals in Kenya. The unstandardized coefficients (B) indicate the expected change in performance for a one-unit change in each predictor, while the standardized beta (β) values reveal their comparative influence when other factors are held constant.

Board Structure had a positive and significant effect on performance ($B = 0.193$, $\beta = 0.215$, $t = 2.237$, $p = 0.029$). This highlights the importance of a well-composed and competent board in ensuring effective oversight, strategic direction, and accountability within transport parastatals.

Diverse boards bring varied expertise and perspectives, improving decision-making and governance quality.

The positive influence of board structure can be attributed to its role in strengthening monitoring mechanisms and aligning management actions with institutional objectives. Boards with balanced representation, independence, and professional capacity enhance transparency and reduce managerial inefficiencies. These findings are consistent with Masum et al. (2015) and Ndung'u (2025) who noted that effective board composition significantly contributes to improved organizational performance in public enterprises.

Leadership Styles emerged as the strongest and most significant predictor of performance ($B = 0.415$, $\beta = 0.385$, $t = 3.627$, $p = 0.001$). This underscores the central role of leadership in shaping strategic direction, motivation, and organizational culture within transport parastatals. Effective leadership drives accountability, innovation, and employee empowerment, which collectively enhance service delivery and operational efficiency.

The strong effect of leadership compared to other governance factors can be attributed to its direct influence on human behavior and institutional adaptability. Transformational and participatory leaders foster collaboration, innovation, and commitment to organizational goals, enabling parastatals to respond effectively to regulatory, technological, and political challenges. These findings support Gachugu (2023) and Kariuki and Mwangi (2020), who emphasize that leadership acts as the catalyst that translates governance frameworks into improved organizational performance and sustainability.

Stakeholder Engagement was also significant ($B = 0.302$, $\beta = 0.285$, $t = 2.744$, $p = 0.008$). This finding indicates that engaging stakeholders through open communication and inclusive decision-making enhances trust, alignment, and overall performance. Active stakeholder participation ensures that parastatals address diverse interests and promote shared accountability.

The positive relationship between stakeholder engagement and performance can be attributed to the ability of inclusive governance to strengthen legitimacy, transparency, and responsiveness. By involving stakeholders in planning and feedback processes, parastatals improve coordination and reduce resistance to change. These results are consistent with Karanja and Mwangi (2021) and

Obuya (2023) who observed that stakeholder-centric governance improves institutional credibility and performance outcomes.

Resource Management had a positive but modest relationship with performance ($B = 0.164$, $\beta = 0.159$, $t = 1.504$, $p = 0.039$). This suggests that efficient allocation, utilization, and monitoring of resources contribute to organizational success, though the effect is relatively weaker compared to other variables. Proper resource management enhances cost efficiency and operational reliability, which are critical for sustainability in transport parastatals.

The modest effect may reflect inconsistencies in resource allocation or external constraints such as budgetary limitations, procurement delays, or political interference. Nonetheless, prudent financial management and human capital utilization remain vital drivers of performance. These results agree with Yahya and Anyieni (2025) and Mwende and Njogu (2023) who emphasized that sound resource management supports long-term institutional effectiveness.

The constant term ($B = 1.171$, $t = 1.631$, $p = 0.003$) indicates a baseline level of performance in the absence of the four governance factors. However, the explanatory variables collectively account for a significant proportion of the observed performance variance, with leadership styles exerting the greatest impact, followed by stakeholder engagement, board structure, and resource management. This highlights the need for governance reforms focusing on leadership development, participatory management, effective board oversight, and prudent resource stewardship to enhance the performance and sustainability of Kenya's transport parastatals.

CHAPTER FIVE

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the key findings, conclusions drawn from the analysis, and practical recommendations based on the study's objectives. The study sought to examine the influence of board structure, leadership styles, stakeholder engagement, and resource management on the performance of transport parastatals in Kenya. Using both descriptive and inferential analyses, the research explored how these governance and managerial constructs contribute to operational efficiency and institutional effectiveness. The chapter synthesizes insights from the data and aligns them with existing literature, offering an integrated perspective on how internal governance mechanisms can be optimized to drive performance. It concludes by proposing actionable strategies to inform policy, practice, and future research.

5.2 Summary

5.2.1 Board structure and performance of transport parastatals in Kenya

The study found that board structure exerts a moderate yet statistically significant positive influence on the performance of transport parastatals. The most prominent strengths were the active involvement in strategy (the strategic focus dimension) and the acknowledged diversity of board composition, with members possessing relevant skills. However, this effectiveness is critically undermined by the prevailing deficiency in board independence. The widespread concern about compromised objectivity points to a crucial need for structural reforms that insulate the board from undue external influence. Furthermore, while board size was moderately approved, its optimal configuration for efficiency remains inconsistent, as does the application of core governance practices like performance reviews and proactive stakeholder engagement. Ultimately, strengthening independence and institutionalizing consistent accountability are essential prerequisites for reinforcing the board's strategic contribution and overall legitimacy.

5.2.2 Leadership styles and performance of transport parastatals in Kenya

The study established that leadership styles as the most influential predictor of performance among all variables tested, demonstrating a strong and highly significant positive impact. Parastatals thrive under Transformational and Democratic leadership, which are highly successful in boosting

employee morale, fostering a sense of ownership, and driving innovation. This suggests that inspirational motivation and participatory decision-making align best with institutional goals in this sector. Conversely, the less enthusiastic reception for strictly transactional leadership indicates that models emphasizing only reward and task compliance may limit high performance in complex operational environments. The findings strongly affirm that cultivating leaders skilled in empowerment and responsiveness is critical for achieving sustainable institutional effectiveness in Kenya's transport parastatals.

5.2.3 Stakeholder engagement and performance of transport parastatals in Kenya

The study established statistically significant positive relationship between effective stakeholder engagement and organizational performance, noting that involvement enhances legitimacy, planning, and responsiveness. Parastatals demonstrated key competencies in building trust and ensuring transparent communication, foundational elements for public service delivery. Collaboration and direct involvement in decision-making were also viewed positively, affirming a general institutional commitment to engagement. However, the study highlighted a significant area for enhancement in responsiveness to stakeholder concerns. The lack of uniformity and timely feedback mechanisms suggests that while structures for listening exist, the processes for translating stakeholder feedback into prompt and effective organizational action need significant strengthening to ensure inclusive and agile governance.

5.2.4 Resource management and performance of transport parastatals in Kenya

The study found out that resource management had a significant influences on performance outcomes, with strategic allocation and utilization contributing meaningfully to operational success. Parastatals showed particular strength in the management of physical assets, marked by consistent maintenance and effective utilization, alongside high approval for resource allocation and optimization planning. Nevertheless, effectiveness was unevenly distributed. Human and financial resource management were rated as only moderately effective, plagued by inconsistencies in the application of personnel development and fiscal accountability across different units. Most critically, knowledge management was identified as an underutilized resource, suggesting a failure to institutionalize organizational learning and leverage internal expertise for decision-making. Sustaining and elevating performance thus requires a more

integrated governance model that addresses these internal disparities while building upon existing strategic resource strengths.

5.3 Conclusions

The study draws the following conclusions based on the results above;

The study concludes that board structure has a positive and significant influence on the performance of transport parastatals in Kenya. The observed strengths in strategic focus, diversity, and board composition effectively enhance oversight and strategic alignment, which contributes to improved governance outcomes. This result reinforces the relevance of Agency Theory, which posits that independent and well-composed boards are essential for reducing agency conflicts and improving accountability. However, the persistence of weaknesses in board independence and irregular performance evaluations continues to undermine the quality of governance, signifying that strengthening accountability mechanisms is critical for continued effectiveness.

Furthermore, leadership style also exerts a positive and significant influence on the performance of transport parastatals. The analysis showed that Transformational and Democratic leadership approaches enhance innovation, staff motivation, and inclusivity factors vital for improving organizational adaptability and service delivery. Conversely, autocratic and laissez-faire styles limited participation and accountability, proving to be less effective. This outcome strongly reinforces the Full Range Leadership Theory (FRLT), which advocates for a balanced model that combines the visionary and participatory strengths of the preferred styles with the structured discipline of transactional leadership, a necessity for the dynamic and resource-constrained public transport sector.

The research also concludes that stakeholder engagement has a significant influence on organizational performance. Practices such as transparent communication, inclusive participation, and trust-building are shown to enhance institutional responsiveness, public legitimacy, and service delivery. These findings affirm the applicability of Stakeholder Theory, which highlights the value of participatory governance and relational legitimacy. Nonetheless, observed implementation gaps, particularly inconsistent responsiveness and limited inclusion of marginalized groups, indicate that embedding structured, inclusive engagement processes remains crucial for sustained trust and performance.

Finally, resource management demonstrates a significant, though comparatively moderate, influence on performance in transport parastatals. The study identified the effective utilization of physical assets and strategic resource allocation as key strengths. This supports the relevance of the Resource-Based View (RBV), which asserts that superior performance is achieved by strategically leveraging valuable resources. However, persistent gaps in human capital development, financial controls, and knowledge management signal that strengthening integrated resource planning and aligning capabilities with institutional goals are essential for enhancing efficiency, adaptability, and long-term sustainability.

5.4 Recommendations

5.4.1 Recommendations for practice

Strengthening Internal Governance Practices

To enhance institutional effectiveness, transport parastatals should cultivate a culture of continuous governance improvement by institutionalizing routine board performance evaluations. These evaluations must be guided by objective, transparent, and standardized criteria to ensure fairness and accountability. Additionally, organizations should establish internal governance protocols that promote strategic focus, diverse board composition, and rigorous performance monitoring. These mechanisms will support effective oversight and reduce governance risks. To reinforce board competence, targeted training programs should be introduced, especially in areas such as risk oversight, regulatory compliance, and strategic alignment relevant to the public transport sector.

Building Robust and Inclusive Leadership development Programs

Transport parastatals should focus on establishing leadership development programs that identify, support, and grow talented individuals from within the organization. This can be achieved through structured mentorship, hands-on learning opportunities, and performance-based coaching, which help employees gain leadership experience and confidence. The development approach should be rooted in transformational and democratic leadership principles, encouraging vision, inclusivity, and responsiveness. These values should be incorporated into training courses and employee evaluation systems to build strong, future-ready leaders. Promoting inclusive and collaborative leadership practices will further strengthen team performance and adaptability.

Institutionalizing Structured Stakeholder Engagement

Transport parastatals should develop and implement structured stakeholder engagement frameworks to standardize how departments interact with diverse internal and external stakeholders. This includes conducting regular stakeholder mapping and analysis, coupled with systematic feedback mechanisms to ensure services remain aligned with changing needs and expectations. Engagement should be inclusive, capturing the voices of all relevant groups including marginalized and underrepresented communities. Additionally, organizations should embed participatory decision-making platforms such as public forums, digital consultations, and social audits into their planning and evaluation cycles. These measures will enhance transparency, accountability, and stakeholder trust.

Adopting Integrated and Strategic Resource Management

To achieve operational efficiency and long-term sustainability, transport parastatals must embrace an integrated resource management approach that aligns human, financial, technological, and knowledge resources under a unified operational strategy. Key priorities should include investing in internal knowledge-sharing platforms, enhancing human capital development, and fostering a culture of continuous learning and innovation. Furthermore, operational performance can be significantly improved by standardizing procurement procedures, inventory systems, and financial controls to eliminate waste, reduce redundancies, and streamline resource utilization. These reforms will improve institutional responsiveness, accountability, and resource optimization across all levels.

5.4.2 Recommendations for policy

Enforcing Merit-Based Board Appointments and Public Accountability

To strengthen governance in transport parastatals, Kenya must address persistent political interference in board appointments. Although the Mwongozo Code of Governance (2015) promotes merit-based selection and board evaluations, it lacks legal enforceability, leading to politically driven appointments and undisclosed performance reviews. A binding policy should mandate board selection based on professional qualifications and relevant sector experience. Additionally, legislation must require sector-specific governance frameworks that emphasize board independence, diversity, and accountability, alongside mandatory public disclosure of board evaluation outcomes to promote transparency and public trust.

Standardizing Leadership Competencies and Capacity Building

Leadership capacity remains a critical weakness in many parastatals, as current policies like the Leadership and Integrity Act (2012) provide only general ethical standards without defining specific leadership competencies or mechanisms for training. To close this gap, a national leadership competency framework should be adopted, highlighting transformational and participative leadership suitable for public service. This should be supported by a centralized Public Sector Leadership Academy tasked with standardized training across parastatals. Dedicated budgetary allocations must also be secured to ensure continuous and consistent leadership development.

Institutionalizing Inclusive Stakeholder Engagement

Stakeholder engagement across transport parastatals is inconsistent, poorly structured, and rarely inclusive. Despite constitutional provisions and the pending Public Participation Bill (2019), no binding operational policy outlines engagement frequency, methods, or integration into institutional reporting. A national policy should institutionalize structured stakeholder engagement processes, with guidelines on documentation and accountability. Moreover, legislation should enforce minimum inclusivity standards to ensure marginalized groups such as women, persons with disabilities, and rural populations are adequately represented in transport-related decisions.

Developing a National Integrated Resource Management Policy

Kenya lacks a unified framework guiding integrated resource management in public institutions, resulting in fragmented planning, inefficient resource use, and limited innovation. Existing laws like the Public Finance Management Act (2012) focus narrowly on financial controls and overlook strategic alignment across human, financial, technological, and knowledge resources. A national policy should be developed to guide integrated resource planning, utilization, and periodic audits in transport parastatals. It should also introduce innovation incentives, particularly for digital transformation and knowledge management systems that improve service delivery and operational efficiency.

5.4.3 Recommendations for Future Research

A valuable direction for further research is to replicate this integrated governance model in a different sector of the Kenyan economy to test the generalizability of the findings. Since the current study focused specifically on transport parastatals, future research should apply the same

methodology examining the combined influence of board structure, leadership styles, stakeholder engagement, and resource management to a contrasting sector, such as the energy sector (e.g., KPLC) or the health sector (e.g., KEMSA). This comparative analysis would determine if the strong predictive power of leadership styles and the specific weakness of board independence are systemic issues across all Kenyan parastatals or unique to the transport environment, ultimately providing policymakers with evidence to develop more nuanced, sector-specific governance frameworks.

5.5 Contribution to body of knowledge

This study contributes to the body of knowledge by providing new empirical evidence on the combined influence of board structure, leadership styles, stakeholder engagement, and resource management on the performance of transport parastatals in Kenya a gap that has been largely underexplored in both local and regional research. Unlike earlier studies that examined these governance dimensions in isolation or in different sectors, this research integrates them into a unified framework, offering a holistic understanding of how governance practices shape operational, financial, and service delivery outcomes in public transport institutions. It therefore addresses both conceptual and contextual gaps in the literature on corporation governance practices on performance of transport parastatals in Kenya.

The research also strengthens several core management theories through nuanced empirical validation. It reinforces the Resource-Based View (RBV) by confirming that the effective deployment of non-financial resources, especially human and technological assets, significantly contributes to performance in public enterprises. Simultaneously, it validates Full Range Leadership Theory by empirically confirming that transformational and democratic styles are the strongest predictors of organizational success in this environment. Conceptually, the study adds a crucial new insight by empirically identifying board independence as a specific, verifiable governance failure point, highlighting that despite strengths in board composition and strategy, this lack of objectivity critically compromises overall board effectiveness.

Finally, the study provides a tested and replicable model for practical application. It moves beyond theoretical discussion to offer transport sector managers and policymaker's actionable insights for designing governance frameworks that are highly responsive, participatory, and resource-efficient. For the academic community, the study provides a tested conceptual model for analyzing

integrated corporate governance in the public sector, which can be adapted for comparative research across other sectors or emerging economies, thus enhancing the understanding and application of governance principles in public infrastructure institutions globally.

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LIST OF APPENDICES

APPENDIX I: LETTER TO RESPONDENT

Dear Respondent,

RE: INVITATION TO PARTICIPATE IN A MASTER'S RESEARCH STUDY

I am a postgraduate student pursuing a Master's degree in Business Administration at Kenya Methodist University. As part of the requirements for the completion of my studies, I am conducting a research study titled:

“The Influence of Corporate Governance Practices on the Performance of Transport Parastatals in Kenya.”

You have been identified as a key respondent whose knowledge and experience will be valuable in providing insights relevant to the study. The research is purely for academic purposes and aims to contribute to the understanding and improvement of governance structures within Kenya's transport state corporations.

Please be assured that all the information you provide will be handled with strict confidentiality. Your identity will not be revealed, and no individual responses will be disclosed in any report or publication arising from the study.

I kindly encourage you to respond openly and honestly. Your participation is voluntary, and you may choose to withdraw at any stage of the research without any negative consequences.

Thank you very much for your time, cooperation, and valuable contribution to this academic endeavor.

Yours sincerely,

Rosemary Wanjiru Kamau

APPEDIX II: CONSENT FOR PARTICIPATION

Title of Study: *Influence Of Corporate Governance Practices On Performance Of Transport Parastatals In Kenya.*

Principal Investigator: Rosemary's Wanjiru Kamau

Institution: Kenya Methodist University

P.O. Box 45240 – 00100, Nairobi, Kenya

Introduction

You are invited to participate in a research study examining the influence of corporate governance practices on performance of state corporations in Kenya's transport sector. This study is conducted as part of my academic research at Kenya Methodist University. Please read this form carefully before deciding whether to participate. If you have any questions, feel free to ask before signing the form.

Purpose of the Research

This study aims to determine how corporate governance practices including board structure, leadership styles, stakeholder engagement, and resource management influence the performance of state corporations in Kenya's transport sector. The findings will provide insights for enhancing governance frameworks, improving operational efficiency, and informing policy reforms.

Participation Procedures

If you agree to participate in this study, you will be required to:

1. **Complete a structured questionnaire** on corporate governance practices in state corporations.
2. **Provide honest responses** to ensure accurate findings.
3. **Time commitment:** The questionnaire will take approximately twenty minutes to complete, and you will have up to five working days to submit your responses.

Your participation is completely voluntary, and you may withdraw at any time without any consequences.

Potential Risks and Mitigation Strategies

The participants may likely fear the following however it will be mitigated in the following ways:

Potential Risk	Mitigation Strategy
Confidentiality Risks – Participants may fear data exposure.	Responses will be anonymized, and data securely stored with restricted access.
Response Bias – Participants may give socially desirable answers.	Assurances will be given that responses are for academic purposes only, with no consequences.
Time Constraints – Work demands may limit time for participation.	Flexible scheduling and ample time will be provided for responses.

These measures ensure that risks are minimized while maintaining data integrity and participant comfort.

Potential Benefits

Your participation in this study may offer the following benefits:

1. **For Top Management of Transport Parastatals** – Insights into governance elements such as board structure and resource management to enhance decision-making and efficiency.
2. **For Policymakers & Regulators** – Data-driven recommendations to refine governance frameworks and align them with national development goals.
3. **For Investors & Customers** – Increased transparency and accountability in state corporations, leading to better service delivery.
4. **For Scholars & Researchers** – Contribution to the body of knowledge on corporate governance in state-owned enterprises within Kenya.

Confidentiality

Your privacy is a priority. All responses will be kept strictly confidential and used only for academic purposes. No personal identifiers will be included in the final report. Data will be securely stored, and only the research team will have access. If required, authorized institutions may review the research records while maintaining participant confidentiality.

Compensation

Participation in this research is voluntary, and there will be no financial compensation. However, your contribution is highly valued in shaping meaningful research insights.

Staying in the Research

Your participation is voluntary. If you choose to continue, we kindly ask that you follow the outlined research procedures. You may withdraw at any time without penalty. If new information arises that may impact your decision to continue, we will inform you promptly.

Alternatives to Participation

You may choose not to participate in this study without any effect on your professional standing or services received. You are free to continue with your usual activities without any obligation.

Leaving the Research

You are free to withdraw at any time without penalty. If you choose to leave, you do not need to provide a reason. However, feedback is welcome if you wish to share your concerns. The researcher may also discontinue your participation if necessary for the study's integrity.

If You Have a Problem or Have Other Questions

For any concerns, questions, or issues, please contact:

Principal Investigator: Rosemary's Wanjiru Kamau.

Institution: Kenya Methodist University

Email: rkamau3232@stu.kemu.ac.ke

Your Rights as a Participant

As a participant, you have the right to:

- **Voluntary Participation:** You may withdraw at any time without consequences.
- **Informed Decision:** You will receive clear information before participation.
- **Confidentiality & Privacy:** Your identity and data will remain confidential.
- **Access to Findings:** You may request a summary of the research findings.
- **Protection from Harm:** Every effort will be made to ensure your well-being.

VOLUNTEER AGREEMENT

I have read and understood the information provided in this consent form. I voluntarily agree to participate in this study.

Participant's Name: _____

Participant's Signature: _____

Date: _____

Witness (if applicable): _____

Researcher's Signature: _____

APPENDIX III: QUESTIONNAIRE

You are invited to participate in this research study examining the *influence of corporate governance practices on the performance of transport parastatals in Kenya*. This study is being conducted for academic purposes only. All information you provide will remain confidential, and your identity will not be linked to any of the findings or responses. I encourage you to share your views openly and honestly. Thank you for your valuable participation and cooperation.

Instructions

Please do not write your name on the questionnaire. Kindly answer all questions and indicate your view by ticking (✓) as appropriate.

Section A: Personal and Organizational background Information

1. Which department do you head?

- ☐ Logistics and Transport Operations
- ☐ Finance and Accounts
- ☐ Human Resources and Administration
- ☐ Legal services and Corporate Secretary.
- ☐ Corporate Planning and Strategy
- ☐ Audit and Risk Assurance.
- ☐ Supply Chain Management
- ☐ Engineering and technical services

2. Number of Years of Service in the Transport Parastatal Sector?

- ☐ Less than 1 year
- ☐ 1-5 years
- ☐ 6-10 years
- ☐ 11-15 years
- ☐ More than 15 years

3. The sector in which your Parastatal Operates?

- ☐ Road Transport
- ☐ Rail Transport
- ☐ Air Transport
- ☐ Marine Transport

☐ Multimodal Transport

4. Has Your Organization Implemented Corporate Governance Practices?

☐ Yes

☐ No

☐ Not Sure

5. How Would You Rate the Implementation of Corporate Governance in Your Organization?

☐ Very Poor

☐ Poor

☐ Average

☐ Good

☐ Very Good

SECTION B: BOARD STRUCTURE.

To assess the influence of Board Structure on the performance of Transport Parastatals in Kenya, please indicate your level of agreement with the following statements. Use the scale provided:

| 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree |

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
6	The board has the necessary skills and expertise for effective oversight.	☐	☐	☐	☐	☐
7	The board is independent and ensures objective decision-making.	☐	☐	☐	☐	☐
8	The board actively shapes the organization's strategy and monitors its execution.	☐	☐	☐	☐	☐
9	The board is diverse in gender, ethnicity, and professional background.	☐	☐	☐	☐	☐
10	The board size is appropriate for effective decision-making.	☐	☐	☐	☐	☐
11	The board regularly evaluates its performance and holds members accountable.	☐	☐	☐	☐	☐

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
12	The board effectively engages with key stakeholders to enhance transparency and accountability.	()	()	()	()	()

SECTION C: LEADERSHIP STYLES.

To assess the influence of Leadership Styles on the Performance of Transport Parastatals in Kenya, please indicate your level of agreement with the following statements. Use the scale provided:

| 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree |

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
13	The leadership in your organization motivates employees to exceed expectations.	()	()	()	()	()
14	The leadership in your organization focuses on clear roles and rewards for performance.	()	()	()	()	()
15	The leadership in your organization allows employees autonomy in decision-making.	()	()	()	()	()
16	The leadership in your organization values employee input in decision-making.	()	()	()	()	()
17	The leadership in your organization makes decisions without consulting employees.	()	()	()	()	()
18	The leadership in your organization adapts its style based on situational needs to enhance effectiveness.	()	()	()	()	()
19	The leadership style in your organization positively impacts overall performance.	()	()	()	()	()

SECTION D: STAKEHOLDER ENGAGEMENT.

To assess the influence of Stakeholder Engagement on the Performance of Transport Parastatals in Kenya, please indicate your level of agreement with the following statements. Use the scale provided:

| 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree |

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
20	The organization communicates openly and transparently with its stakeholders.	()	()	()	()	()
21	The organization fosters trust by consistently meeting stakeholder expectations.	()	()	()	()	()
22	The organization actively consults and involves stakeholders in key decision-making processes.	()	()	()	()	()
23	The organization is responsive to the needs and concerns raised by its stakeholders.	()	()	()	()	()
24	The organization actively seeks collaboration and partnership opportunities with its stakeholders.	()	()	()	()	()
25	The organization regularly evaluates and improves its stakeholder engagement strategies.	()	()	()	()	()
26	The organization's engagement practices result in high levels of stakeholder satisfaction.	()	()	()	()	()

SECTION E: RESOURCE MANAGEMENT.

To assess the influence of Resource Management on the Performance of Transport Parastatals in Kenya, please indicate your level of agreement with the following statements. Use the scale provided:

| 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree |

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
27	The organization effectively manages its human resources to enhance operational performance.	()	()	()	()	()
28	The organization efficiently manages its financial resources to ensure sustainability and growth.	()	()	()	()	()
29	The organization effectively manages its technology and infrastructure to support its operations.	()	()	()	()	()
30	The organization effectively manages knowledge and information to improve decision-making and performance.	()	()	()	()	()
31	The organization efficiently manages its physical resources (e.g., vehicles, equipment, and facilities) to support operational needs.	()	()	()	()	()
32	The organization regularly assesses and optimizes resource allocation to improve efficiency and effectiveness.	()	()	()	()	()
33	The organization integrates various resource management practices to achieve its objectives.	()	()	()	()	()

SECTION F: PERFORMANCE OF TRANSPORT PARASTATALS IN KENYA

To assess the performance of Transport Parastatals in Kenya based on your corporate governance practices implemented in your organization, please indicate your level of agreement with the following statements. Use the scale provided:

| 1 = Strongly Disagree | 2 = Disagree | 3 = Neutral | 4 = Agree | 5 = Strongly Agree |

No.	Question	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
34	The organization's operations are managed efficiently, ensuring timely service delivery and optimal resource utilization.	()	()	()	()	()
35	The organization has maintained financial sustainability, recording at least a 10% annual growth over the past three years.	()	()	()	()	()
36	The organization adopts cost-effective strategies to ensure sustainability.	()	()	()	()	()
37	The organization consistently delivers high-quality services to its customers enhancing satisfaction.	()	()	()	()	()
38	The organization prioritizes safety complies with relevant regulations and standards.	()	()	()	()	()
39	The organization fosters a culture of innovation by continuously adopting new technologies and improving services.	()	()	()	()	()
40	The organization regularly monitors and evaluates its performance against set benchmarks and targets.	()	()	()	()	()

APPENDIX IV: LIST OF TRANSPORT PARASTATALS IN KENYA

1. Kenya Airways
2. Kenya Ports Authority
3. Kenya Railways Corporation
4. Kenya Civil Aviation Authority
5. Kenya Maritime Authority
6. Kenya Pipeline Company
7. Nairobi Metropolitan Area Transport Authority
8. Kenya Airports Authority
9. National Transport and Safety Authority
10. Kenya National Highways Authority
11. Kenya Urban Roads Authority
12. Kenya Rural Roads Authority
13. Lapset Corridor development Authority

Source: Ministry of Roads and Transport (2025).

APPENDIX V: ETHICAL CLEARANCE



KENYA METHODIST UNIVERSITY

P. O. Box 267 Meru - 60200, Kenya

Fax: 254-64-30162

Tel: 254-064-30301/31229/30367/31171

Email: deanrd@kemu.ac.ke

DIRECTORATE OF POSTGRADUATE STUDIES

Our Ref: KEMU/NACOSTI/BUS/35/2025

May 12, 2025

Commission Secretary

National Commission for Science, Technology and Innovations

P.O. Box 30623-00100

NAIROBI

Dear Sir/Madam,

RE: ROSEMARY WANJIRU KAMAU-BUS-3-3232-3/2023

This is to confirm that the above named is a bona fide student of Kenya Methodist University, in the Department of Business Administration, undertaking a Master's degree in Business Administration. She is conducting research on: *"Influence of Corporate Governance Practices on Performance of Transport Parastatals in Kenya"*. We confirm that her research proposal has been defended and approved by the University.

In this regard, we are requesting your office to issue a research license to enable her collect data.

Any assistance accorded to her will be highly appreciated.

Yours sincerely,

Dr. Nancy Rantari (PhD)

Director, Board of Postgraduate Studies

Cc: Dean, School of Business

CoD, Business Administration

Postgraduate Coordinator - BA

Supervisors



KENYA METHODIST UNIVERSITY

P. O. BOX 267 MERU - 60200, KENYA
TEL: 254-064-30301/31229/30367/31171

FAX: 254-64-30162
EMAIL: info@kemu.ac.ke

Our Ref: KeMU/ISERC/BUS/35/2025

May 12, 2025

ROSEMARY WANJIRU KAMAU
BUS-3-3232-3/2023

Dear Rosemary,

**SUBJECT: INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON
PERFORMANCE OF TRANSPORT PARASTATALS IN KENYA**

This is to inform you that Kenya Methodist University Institutional Scientific Ethics and Review Committee has reviewed and approved your research proposal. Your application approval number is KeMU/ISERC/BUS/35/2025. The approval period is 12th May, 2025 – 12th May, 2026.

This approval is subject to compliance with the following requirements:-

- I. Only approved documents including (informed consents, study instruments, MTA) will be used.
- II. All changes including (amendments, deviations, and violations) are submitted for review and approval by Kenya Methodist University Institutional Scientific Ethics and Review Committee.
- III. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to KeMU ISERC within 72 hours of notification.
- IV. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to KeMU ISERC within 72 hours.
- V. Clearance for export of biological specimens must be obtained from relevant institutions.

- VI. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- VII. Submission of an executive summary report within 90 days upon completion of the study to KeMU ISERC.

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

Yours sincerely,



APPENDIX VI: NACOSTI LETTER

 REPUBLIC OF KENYA NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Ref No: 678100 RESEARCH LICENSE  This is to Certify that Mrs. Rosemary Wanjiru Kamau of Kenya Methodist University, has been licensed to conduct research as per the provision of the Science, Technology and Innovation Act, 2013 (Rev.2014) in Nairobi on the topic: INFLUENCE OF CORPORATE GOVERNANCE PRACTICES ON PERFORMANCE OF TRANSPORT PARASTATALS IN KENYA. for the period ending : 3/June/2026. License No: NACOSTI/P/25/4175772 678100 Applicant Identification Number Deputy Director Innovation NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Verification QR Code  NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application. See overleaf for conditions	NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Date of Issue: 3/June/2025 Deputy Director Innovation NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION Verification QR Code 
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The National Commission for Science, Technology and Innovation, hereafter referred to as the Commission, was established under the Science, Technology and Innovation Act 2013 (Revised 2014) herein after referred to as the Act. The objective of the Commission shall be to regulate and assure quality in the science, technology and innovation sector and advise the Government in matters related thereto.

CONDITIONS OF THE RESEARCH LICENSE

1. The License is granted subject to provisions of the Constitution of Kenya, the Science, Technology and Innovation Act, and other relevant laws, policies and regulations. Accordingly, the licensee shall adhere to such procedures, standards, code of ethics and guidelines as may be prescribed by regulations made under the Act, or prescribed by provisions of International treaties of which Kenya is a signatory to.
2. The research and its related activities as well as outcomes shall be beneficial to the country and shall not in any way:
 - i. Endanger national security
 - ii. Adversely affect the lives of Kenyans
 - iii. Be in contravention of Kenya's international obligations including Biological Weapons Convention (BWC), Comprehensive Nuclear-Test-Ban Treaty Organization (CTBTO), Chemical, Biological, Radiological and Nuclear (CBRN).
 - iv. Result in exploitation of intellectual property rights of communities in Kenya
 - v. Adversely affect the environment
 - vi. Adversely affect the rights of communities
 - vii. Endanger public safety and national cohesion
 - viii. Plagiarize someone else's work
3. The License is valid for the proposed research, location and specified period.
4. Neither the license nor any rights thereunder are transferable.
5. The Commission reserves the right to cancel the research at any time during the research period if in the opinion of the Commission the research is not implemented in conformity with the provisions of the Act or any other written law.
6. The Licensee shall inform the relevant County Director of Education, County Commissioner and County Governor before commencement of the research.
7. Excavation, filming, movement, and collection of specimens are subject to further necessary clearance from relevant Government Agencies.
8. The License does not give authority to transfer research materials.
9. The Commission may monitor and evaluate the licensed research project for the purpose of assessing and evaluating compliance with the conditions of the License.
10. The Licensee shall submit one hard copy, and upload a soft copy of their final report (thesis) onto a platform designated by the Commission within one year of completion of the research.
11. The Commission reserves the right to modify the conditions of the License including cancellation without prior notice.
12. Research, findings and information regarding research systems shall be stored or disseminated, utilized or applied in such a manner as may be prescribed by the Commission from time to time.
13. The Licensee shall disclose to the Commission, the relevant Institutional Scientific and Ethical Review Committee, and the relevant national agencies any inventions and discoveries that are of National strategic importance.
14. The Commission shall have powers to acquire from any person the right in, or to, any scientific innovation, invention or patent of strategic importance to the country.
15. Relevant Institutional Scientific and Ethical Review Committee shall monitor and evaluate the research periodically, and make a report of its findings to the Commission for necessary action.

National Commission for Science, Technology and
Innovation(NACOSTI),
Off Waiyaki Way, Upper Kabete,
P. O. Box 30623 - 00100 Nairobi, KENYA
Telephone: 020 4007000, 0713788787, 0735404245
E-mail: dg@nacosti.go.ke
Website: www.nacosti.go.ke