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Enhancing Public Confidence in Financial Reporting: The Role of Corporate Governance

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ABSTRACT

This study is set out to investigate the role of corporate governance in enhancing public confidence in financial reporting. Relevant data were collected from the Central Bank of Nigeria, using a well-structured questionnaire. The statistical technique for data analysis and test of hypothetical proposition was Pearson product coefficient of correlation(r.) . The result of the findings revealed that there is significant relationship between the board structure, role /responsibilities and credibility of financial reports. Audit committee plays a significant role in monitoring and promoting the credibility of financial reports. Also, ownership structure of the firm has significant impact on the credibility of financial reports. The study concluded that Corporate Governance is necessary to the proper functioning of banks and that Corporate Governance can only prevent bank distress only if it is well implemented. Finally the study recommends: that corporate governance should be used as a tool to help stem the tide of distress, as it entails conformity with prudential guidelines of the government; the Central Bank and NDIC should enforce the need for all banks to have approved policies in all their operation areas and strong inspection division to enforce these policies; that government owes the country a patriotic duty to establish and sustain macroeconomic stability in order for the banking system to perform at its optimum capacity , economic and political stability can help prevent bank distress and more importantly, is the need for qualified staff in the banking system as this will enable the utilization of expertise, skill and care in the performance of duties by staff, this will lead to better performance.

Key words: *P*ublic confidence, financial reporting, corporate governance

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1.0 INTRODUCTION

1.1 Background to the Study

Corporate governance involves a system by which governing institutions and all other organizations relate to their communities and stakeholders to improve their quality of life (Ato, 2002). In this regard, corporate governance is not only concerned with corporate efficiency, it relates to a much wider range of company strategies and lifecycle development (Mayer, 2007). It is also concerned with the ways parties (stake holders) interested in the wellbeing of firms ensure that managers and other insiders adopt mechanism to safeguard the interest of the shareholders (Ahmaduand & Tukur, 2005). Corporate governance is based on the level of corporate responsibility a company exhibits with regard to accountability, transparency and ethical values. Thus, a governance system that will promote ethical value, professionalism and transparent application of best practices is desirable.

The management has multiple objective functions to optimize which might conflict with those of the shareholders. In the search for a set of socially legitimate objective functions that would resolve these conflicts, management may focus on short term outcomes and loses sight of ethical issues such as efficient corporate management, professionalism, transparency, accountability, compliance with regulatory requirements and adequate supervision.

Inadequate consideration for ethical values and good governance hinders banks' performance as experienced in the failures of; All States Trust Bank Plc, Lead Bank Plc, Assurance Bank Nigeria Limited, Trade Bank Plc, Metropolitan Bank Limited, City Express Bank Limited, Hallmark Bank Plc., Societe Generale Bank of Nigeria Plc., African Express Bank Plc. and Gulf Bank of Nigeria Plc etc. Their licenses were revoked by the Central Bank of Nigeria (CBN) in 2006. Additionally, the recent failure of Oceanic Bank Ltd and Bank PHB in 2011 is a case in point.

The impact of good governance on a firms' reputation cannot be over emphasized. Good corporate governance promotes goodwill and confidence in the financial system. Recent studies from academic researches shows that good corporate governance lead to increased valuation, higher profit, higher sales growth and lower capital expenditure (Wolfgang, 2003). This view was supported by Gompers *et al.* (2003), Klapper and Love (2004).

The turmoil in the Nigerian banking system has required the Government to set up some policies in form of corporate governance to stem the tide of bank failures and distress in Nigeria. Therefore the CBN in conjunction with other supervisory institutions has decided to place emphasis on the monitoring of credit risk and provide incentives on prudent management of banks to aid transparency in the banking system, so that the Nigerian economy can forge ahead.

Corporate Governance in the banking system has assumed heightened importance and has become an issue of global concern because it is required to lead to enhanced services and deepening of financial intermediation on the part of the banks and enables proper management of the operations of banks. To ensure this, both the board and management have key roles to play to ensure the institution of corporate governance. Governance and performance should be mutually reinforcing in bringing about the best corporate governance. Transparency and disclosure of information are key attributes of good corporate governance which banks must cultivate with new zeal so as to provide stakeholders with the necessary information to judge whether interest are being taken care of.

Sound corporate governance, therefore, enhances corporate performance, value as well as providing meaningful and reliable financial report on firms operations. Given this background, this study examines the efficacy of corporate governance with a view to determine its impact on firms' performance and provides measures to enhance corporate financial performance and sound business practices.

1.2 Statement of the Problem

The consistent bank failures and financial crisis during the last two decades has raised questions on the consistency of the Corporate Governance practices in the banking system. In the Nigerian financial sector, poor corporate governance is identified as one of the major factors in virtually all known instances of a financial institution's distress in the country. Research had shown that two-thirds of mergers, world-wide, fail due to inability to integrate personnel and systems as well as due to irreconcilable differences in corporate culture and management, resulting in Board and Management squabbles. In addition, the emergence of mega banks in the post-consolidation era is bound to task the skills and competencies of Boards and Managements in improving shareholder values and balance against other stakeholder interests in a competitive environment.

The consequences of institutional failure (considering the multiplier effect of financial institutional failure on the real sector of the economy) are unacceptably costly to a developing country like Nigeria. This affects the level of confidence the public has in various corporate establishments. The consequences of ineffective governance systems leading to corporate failure will not only affect the shareholders but also, the employees, suppliers, consumers and the nation as a whole.

1.3 Research Objectives

i. To ascertain the relationship between the board structure, role /responsibilities and credibility of financial reports.
ii. To determine if audit committee plays a significant role in monitoring and promoting the credibility of financial reports.
iii. To ascertain if ownership structure of the firm has significant impact on the credibility of financial reports.
iv. To identify if effective coordination and supervision of the compensation committee has an impact on the credibility of financial reports.
v. To identify if competent and helpful institutional shareholders are vital in improving the credibility of financial reports.

1.4 Research Hypotheses

Hypothesis One

H_1: There is significant relationship between the board structure, role /responsibilities and credibility of financial reports.

H_0: There is no significant relationship between the board structure, role /responsibilities and credibility of financial reports.

Hypothesis Two

H_1: Audit committee plays a significant role in monitoring and promoting the credibility of financial reports.

H_0: Audit committees do not play a significant role in monitoring and promoting the credibility of financial reports.

Hypothesis Three

H_1: Ownership structure of the firm has significant impact on the credibility of financial reports.

H_0: Ownership structure of the firm has no significant impact on the credibility of financial reports.

Hypothesis Four

H_1: Effective coordination and supervision of the compensation committee has an impact on the credibility of financial reports.

H_0: Effective coordination and supervision of the compensation committee has no impact on the credibility of financial reports.

Hypothesis Five

H_I: Competent and helpful institutional shareholders are vital in improving the credibility of financial reports.

H_0: Competent and helpful institutional shareholders are not vital in improving the credibility of financial reports.

2.0 LITERATURE REVIEW

2.1 Conceptual Framework

The experience of business failure and financial scandals around the world brought about the need for good governance practices. The United States of American, Brazil, Canada, Germany, France, England, Nigeria all witnessed financial failures in the 90s and in recent periods. This view was supported by Bell *et al* .(2000), that the last 20 years witnessed several bank failures throughout the world. Financial distresses in most of these countries we reattributed to a high incidence of non – performing loans, weak management and poor credit policy. In the view of Omankhanlen (2011), the development was said to have reflected the deterioration in the quality of credit facilities, coupled with the ongoing reclassification of bank assets.

The banking institution occupies a vital position in the stability of the nation's economy.

It plays essential roles on fund mobilization, credit allocation, payment and settlement system as well as monetary policy implementation. Management is expected to exhibit good governance practices to ensure achievement of it objectives and avoid the consequences of failure leading to loss of confidence. This view was supported by Wilson (2006) that poor corporate governance can lead market to lose confidence in the inability of a bank to properly manage it assets and liability, including deposits which could in turn trigger a bank liquidity crisis.

Oluyemi (2005) considered corporate governance to be of special importance in ensuring stability of the economy and successful realization of bank strategies. In achieving this, strict compliance to standards of lending high risky loan should be adequately secured. Deposits as major sources of income need to be well managed in a culture that depicts good banking practices and high transparency level to safeguard the integrity of the banks. Alan Greenspan (2001) noted that most bad loans were made through aggressive lending without considering credit worthiness of the borrowers and the significance of collateral. An unfortunate situation is the return of collateral of high risky loans to borrowers while loan is yet to be repaid.

Corporate governance has been gaining more grounds in the academic world especially since the well celebrated cases of Enron and World Com in the United States. Various scholars are beginning to view corporate governance from different perspectives, however, one of the most popular definitions was the one given by Cadbury report (2012) which defined corporate governance as a system by which companies are directed and controlled. David *et al.,* (2004 :12) also described corporate governance as a set of mechanisms that influence the decisions made by managers when there is a separation of ownership and control some of these monitoring mechanisms are the board of directors, institutional shareholders and operation of the market for corporate control. Levitt (1999:9) opined that, corporate governance is the processes "indispensable to effective market discipline". He further affirmed that, corporate governance is the link between a company's management, directors, and its financial reporting system. He further explained that governance that does not promote a culture of strong independent oversight risks the organization's very stability and future health. This clearly reflects his regulatory position and concern about financial reporting.

In the same manner, the Organization for Economic Co-operation and Development (DECD, 1991) saw that corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which the objectives of the company are

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set and the means of attaining these objectives and monitoring performance are determined. Also "Good Corporate governance" should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and shareholders and should facilitate effective monitoring.

Monks and Minow (2001 : 45) defined corporate governance as the relationship which exists among various participants in determining the direction and performance of corporations and the participants are shareholders, management and the board of directors.

From the fore-goings, it is pragmatically obvious that most definitions rendered by various scholars alluded to the fact that corporate governance is basically a process to conspicuously build absolute credibility, transparency, accountability, honesty and complete disclosure of relevant information to the relevant parties that will ensure good performance and win public confidence.

Corporate governance is basically an emancipation of the separation of ownership and control and therefore the ensuing relationship between shareholders and directors on the one hand and the relationship between company's agents and stakeholders on the other hand. Ori (2003) demonstrated that the issuer of effective corporate governance requires a practice focused state of mind on the part of directors, the chief executive officer and senior management, who at all-time must be committed to business success and its long term sustainability through maintenance of the highest standards of responsibility and ethics. In other words a good structure is a working system for principle goal setting, effective decision making and appropriate monitoring of compliance and performance through such a vibrant and responsive structure, the executive officer, the management team and the board of directors can interact effectively and respond quickly to changing circumstances, within a frame work of solid corporate value, to provide enduring value to the stockholders who invest in the enterprise.

Bridging the gap between the management, board of directors, external and internal auditors is within the purview of audit committee. Audit committee is normally established as a committee to the Board having a primary reporting line to the board. In order words, audit committee support the Board by offering objective advice on issues concerning risk, control and governance of the organization.

Considering the quantum of corporate collapses and failure, it is imperative that audit committee be taken more seriously in every corporate organization. In fact Maitin (1993), positioned it that, every public limited company as a matter of compulsion should institute an audit committee that will be responsible to the board. Also Codes of corporate governance in Nigeria (2002 : 6), emphasizes the importance of audit committee by stating that companies should established audit committees with the key objective of raising standards of corporate governance.

Devitt (1998 : 18-19) suggested that audit committee is needed because without investors confidence there would not be adequate capital for business to thrive. Audit committee represents the most reliable guardians of publicly quoted company. Also Olowokure (1989) was critical on the need to set-up audit committee for public quoted companies in Nigeria to restore the credibility of the system of financial reporting.

2.2 Corporate Governance in Nigeria

Recently, Nigeria has put in place the pillars of corporate governance by sponsoring a series of legislative, economic and financial reforms that intended to promote transparency, accountability and the rule of law in the economic life of the country. Managerial inefficiency and accounting scandals alert the legislators', government and management of banks and big corporations to the danger involved in the absence of constraints governing corporate governance. The lake of constraints was viewed as being conductive to definite losses by the shareholders and those who hold interests in these enter parties, to destabilize the national economy and investment climate. All of that have reinforced interest in consolidating the foundation and principles of corporate governance in the Jordanian economy.

Over the years, Nigeria has suffered a lot of decadence in various aspects of her national life, especially during the prolonged period of military dictatorship under various heads. The political and business climate had become so bad that by 1999 when the nation returned to democratic rule, the administration of Obasanjo inherited a pariah state noted to be one of the most corrupt nations of the world. For a developing country such as Nigeria corporate governance is of critical importance. In its recent history, the lack of corporate governance has led to economic upheavals. Two examples illustrate the point being made. In the late 1980 and early 1990s the country witnessed a near collapse of the financial sector through the phenomenon of failed banks and other financial institutions.

In consequence, the Failed Banks (Recovery of Debt) and Financial Malpractice in Banks Act was promulgated to facilitate the prosecution of those who contributed to the failure of banks and to recover the debt owed to the failed banks. Secondly, the privatization and commercialization programme of the Nigerian Government was a reaction to the failure of corporate governance in state owned enterprises (SOE). According to El-Rufai: Data obtained from various government department estimates reveal that in 1998, Nigerian PEs [Public Enterprises] enjoyed about N265 billion in transfers, subsidies and waivers, which could have been better invested in our education, health and other social sectors. There is virtually no public enterprise in Nigeria today that functions well. While they were created to alleviate the shortcomings of the private sector and spearhead the development of Nigeria, many of them have stifled entrepreneurial development and fostered economic stagnation. Public enterprises have served as platforms of patronage and the promotion of political objectives, and consequently suffer from operational interference by civil servants and political appointees. Our experience in the last four years has shown many examples that clearly establish the poor levels of corporate governance in public enterprises, including the banking industry.

In this programme, the Federal Government sought to divest its equity shareholding in some of these firms through privatization on the one hand and through commercialization on the other. It sought to enable some of these enterprises to be operated on a profit- oriented basis. Privately owned companies did not fare any better than state-owned enterprises regarding their corporate governance practices. A few examples will suffice. The first example is Savannah Bank. The Central Bank of Nigeria withdrew the banking license of Savannah Bank on Feb 15, 2002 because of a number of reasons. In a press release dated 18th February 2002, The CBN listed the reasons as the ineffectiveness of the board as well as the ineptitude and instability of the management; the false and unreliable returns to the regulatory authorities; the insolvent and deteriorating financial position of the bank; and the urgent need to protect the interest of depositors, both existing and prospective and the banking system and the inability of the bank to respond to various regulatory initiatives. Onwuka Interbiz is the second example. This company was a wholly owned Nigerian company, which was listed on the second-tier securities market of the Nigerian Stock Exchange on 9thSeptember 1991. Six years later, it was de-listed and folded up. The third example of the failure of corporate governance in privately owned companies is the recent revocation of the banking license of Peak Merchant Bank by the Central Bank of Nigeria. In a press release dated 28th February 2003, the apex bank noted that the bank had been licensed on 15th February 1991 and

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that it was revoking its license because of weak and incompetent management; insolvency; the over bearing influence of the Chairman who was also the majority shareholder of the bank; persistent liquidity problem; poor asset quality; significant insider abuses; poor track of profitability; un-seriousness, inability and unwillingness of shareholders to recapitalise; reckless granting of credits; complete absence of focus and lack of corporate governance. (Nigeria Deposit Insurance Company annual report 2005 and Corporate Governance and firms performance.)

2.3 Benefits of Corporate Governance

Corporate governance has become more prominent today than ever before. Becht, Bolton, and Rosell, (2012)identify several reasons for that. Among those reasons is the takeover wave of the 1980s and the 1997 East Asia Crisis. Yoshikawa &Phan (2001) note that intensifying global competition and rapid technological changes result in lower price/ cost margins which in turn force firms to focus on maximizing asset efficiency and shareholder value if they want to access funds to fuel growth opportunities.

Aggarwal *et al.* (2007) asserts that good governance helps firms to have favourable access to capital markets although this benefit holds little value to firms in under-developed capital markets or for firms with limited growth opportunities. Better governance restricts controlling shareholders' expropriation of minority and this loss of private benefits is even more in countries with low investor protection. Hence, countries that have weak protection for investors are expected to have worse corporate governance and hence enhanced firm level governance can lead to a marked improvement in firm value.

Corporate failures have come about as a result of bad corporate decisions made by its leaders in attempts to expropriate rents. The enactment of good corporate governance across the globe justifies the importance of this research topic. Most studies focus on the link between on or a few corporate governance mechanisms but increasingly, data being compiled by rating agencies has allowed the totality of governance mechanisms to berated and linked to firm performance, although, most of the rating agencies rank US listed firms. In other advanced economies, some studies have been reported. In Germany, Drobetz et al. (2004) find appositive link between corporate governance and expected stock returns, after constructing a German governance score. Beiner et al. (2006) find a positive link between firm specific corporate governance and firm valuation. Odegaard and Bohren (2003) use Tobin's Q as firm value for firms listed on the Oslo stock Exchange in Norway and report a significant effect of good governance ratings on firm's value.

Elsewhere in South Korea, Black et al. (2006) also find that good governance practices (and very markedly, board independence) positively affect market valuation (Tobin's Q, market to book and market to sales) using listed firms in the Korean Stock Exchange. Investors and firms are using corporate governance reports to reduce risks and improve market value of firms. Weak governance in a firm does affect the value of shares and yet firms still continue to survive. FTSE ISS CGI Series Research Report for April, 2005 argues that "it is more the risk that poor corporate governance becomes pervasive throughout the firm, and it is this fact that leads ultimately to poor share price performance."Himmelberg et al. (2009) use capital expenditures to capital stock as a proxy for the link between high growth and opportunities for discretionary projects. Klapper and Love (2004) also proxy future growth as the average of real growth rate in sales for the last three years. They observe past growth to be positively associated with good governance. Seifert et al. (2005) also use sales growth.

Effective corporate governance reduces "control rights" shareholders and creditors confer on manager, increasing the probability that managers invest i positive net present value projects (Shleifer & Vishny, 1997). Effective corporate governance has been identified to be critical to all economic transactions especially in emerging and transition economies (Dharwardkar et al., 2010). At varying levels of agency interactions, market institutional conditions that reduce informational imperfections and facilitate effective monitoring of agents impinge on the efficiency of investment. Likewise, corporate governance has assumed the centre stage for enhanced corporate performance. Corporate performance is an important concept that relates to the way and manner in which financial resources available to an organization are judiciously used to achieve the overall corporate objective of an organization, it keeps the organization in business and creates a greater prospect for future opportunities.

2.4 Corporate Governance and Banks Performance

It has been argued that the governance structure of banks has little or no relationship to their financial performance due to the presence of external regulators at both the state and federal level. Consistent with this statement, Simpson and Gleason (1999) found that there was no relationship between the structure of banks' board of directors and subsequent failure. Further, Prowse (1997) argues that the change in corporate control in commercial bank is the result of regulatory intervention. As evidence by the recent crisis, it is apparent that regulatory forces were not effective in promoting a safe and fair allocation of bank resources. It is important to demonstrate that even in the presence of regulation, weak corporate governance was a contributing factor to the poor performance underlying the subprime crisis and to poor loan quality.

Prior research suggests that banks strongly influence economic development and the efficient allocation if funds resulting in a lower cost of capital to firms, a boost in capital formations, and an increase in productivity (Levine, 2004). The passing of various acts which deregulated the banking industry heightened the importance of internal regulatory mechanisms of banks such as corporate governance. In particular corporate governance is expected to affect bank's valuation, cost of capital, performance and risk taking behavior (Polo, 2007).Agency theory (Jensen and Meckling , 1976) suggests that strong corporate governance leads to better performance and accounting outcomes.

Elyasiani and Jai (2008) reports that banks' financial performance is positively associated with the stability of ownership by institutional investors. Although the institutional holdings of banks may be lower than other firms, evidence suggests that institutional holding promote good financial performance. Institutional investors such as pension funds, investment trusts, and mutual funds own large blocks of public company stock. Due to these large investments they often play an active monitoring role of corporate managers(Shleifer and Vishny, 1997). Other empirical findings suggest institutional investors promote short term financial performance at the expense of long-term financial performance (Coffee, 1991; Bushee, 1998).Banking supervision cannot function well if sound corporate governance is not in place, and consequently, banking supervisors have strong interest in ensuring that there is effective corporate governance at every banking organization. Changes in bank ownership during the 1990s and early 200s substantially altered governance of the worlds banking organizations.

In the banking industry, well-functioning banks promote economic growth. When banks efficiently mobilize and allocate funds, this lowers the cost of capital to firms and accelerates capital accumulation and productivity growth. In addition, banks play important roles in governing firm to which they are major creditors and in which they are major equity holders (Caprio, Leaven and Levine, 2004). Thus, if bank managers face sound governance mechanisms, this enhances the likelihood that banks will raise capital inexpensively, allocate society's savings efficiently, and exert sound governance over the firm they fund.

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Generally banks occupy a delicate position in the economic equation of any country such that its performance invariably affects the macro economy of the nation. Poor corporate governance may contribute to bank failures, which can pose significant public costs and consequences due to their potential impact on any applicable deposit insurance systems and the possibility to broader macroeconomic implications, such as contagion risk and the impact on payments systems. In addition, poor corporate governance can lead markets to lose confidence in the ability of a bank to properly manage its assets and liabilities including deposits, which could in turn trigger a bank run or liquidity crisis (Inam; 2006).

The economics and functions of banks differ from those of industrial firms. Because of these differences, banks are subject to stringent prudential regulation of their capital and risk. Moreover, these differences are reflected in corporate governance practices observed in the banking sector and in theoretical works on the "good corporate governance of banks". With respect to corporate governance practices, a particularly striking and almost unique feature of banks has been the prevalence of remuneration schemes that provide high-powered incentives, not only for executive directors (officers), i.e., members of the management board in a two-tier system, but also for senior managers at lower levels, and even for more junior employees in some functions, in particular the trading and sales function.

The performance of the individual banks which makes up the banking sector is a function of the decisions of the management governing these banks. In other words, corporate governance has a major role to play in the development of the banking sector. This is in line with the argument of Block, Jang and Kim (2006) andClaessen (2006) that the concern over corporate governance stems from the fact that sound governance practices by organizations, banks inclusive results in higher firm's market value, lower cost of funds and higherprofitability.Commitment to the organization for selfish reasons. No wonder, the banks astronomical growth and all indices used to package their shares are not commensurate to economic growth and transformation. It was obvious that the core banking practices have been traded off and the most beneficial are the CEO's and their loyalties.

3.0 METHODOLOGY

In this study, survey design was used. The data for this research work was collected from both primary and secondary sources of data. The primary sources were personal interview and the administration of questionnaires. The secondary sources from which data was collected include: textbooks, journals, manuals, statistical data and different websites on the internet.

The population for this study is taken from the banking industry. The population of study consists of auditors and corporate staff in Central Bank of Nigeria Awka, Anambra State. The population was based on the data provided by the management of the organizations under study. These respondents are seasoned auditors and members of staff with extensive experience on the issue under discuss. The estimated population figure is 110 respondents.

In determining the sample size, the researcher used Alien Taro Yamane (1967) method. This formula was used to obtaina sample size of 110. A 95% confidence level and level of maximum variability (P= 0.5) are assumed. The sampling method used to select respondents out of the population was simple random sampling technique.

A survey approach was adopted in generating data for the study. This was achieved through the distribution of 110 copies of questionnaires (only 105 were returned) and personal interviews. The data collected were analyzed using descriptive statistics such as tables and percentages. A Likert scale technique was used in analyzing the data. The various scores are summed up for each of the respondents. Simple percentage was used to determine the direction of their perception and belief concerning the subject under review. Tool of analysis and test of hypothetical proposition is the Pearson product coefficient of correlation (r), used in analyzing and interpreting responses connected with the main variables of the hypothesis.

Pilot survey was used to test the reliability before administering the questionnaire to the respondents. The instrument was validated by giving it to experts in the field of guidance and counseling for vetting. Based on their suggestions, the initial draft was modified for suitability. The modified copy was administered twice to 20 selected respondents. The Cronback alpha coefficient of 0.76 obtained was deemed high enough to justify the usage of the questionnaire for the study.

A reliability test was done on the result of the data analysis by means of a test of significance in order to determine the reliability of the findings and further justify the result of the correlation test done. The test of significance was used to justify the results.

The statistical formulae Pearson product coefficient of correlation (r) was used in analyzing and interpreting responses connected with the main variables of the hypothesis. The Pearson product moment of correlation is given as:

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{\{n\sum x^2 - (\sum x)^2\}\{n\sum y^2 - (\sum y)^2}}$$

From the formula:

n= number of options
x= points allocated to the options
y = number of responses from respondents

Where X and Y are the variables being considered. The dependent variable is denoted as Y while the independent variable is denoted as X.

The interpretation of the result of r is that when $r=0$, there is no relationship between the variables tested. When $0<r<0.4$, there is weak correlation between the variables and when $r\geq0.5$ then there is a strong correlation between the variables. When r is negative the (-) the variables are inversely related and if positive (+) the variables are directly related.

4.0 DATA PRESENTATION AND ANALYSIS

Table 1: Sex distribution of respondents

Sex of the Respondents	No.	%
Male	62	59.0
Female	43	41.0
Total	**105**	**100.0**

Source: Research survey, 2016.

The data in Table 1 reveals that males consist 59.0% and females 41.0%.

Table 2: Age distribution of respondents

Age	Number of respondents	Percentage
22 - 30 years	22	21.0
31 – 40 years	63	60.0
Above 40 years	20	19.0
Total	**105**	**100.0**

Source: Research survey, 2016.

Table 2 shows that 21.0% of the respondents are between 22 - 30 years, 60.0% are between 31 - 40 years i.e. their prime and 19.0% are above 40 years.

Table 3: Educational Qualification of respondents

Highest Qualification	No.	%
OND/NCE	11	10.5
Bachelor's Degree	48	45.7
Higher National Diploma	22	21.0
Masters' Degree	17	16.2
Postgraduate Diploma	07	6.7
Total	**105**	**100.0**

Source: Research survey, 2016.

Also from Table 3, respondents with Bachelor's degree rank highest with 45.7% followed by Higher National Diploma holders with 21.0% and Master's degree holders 16.2%. This shows that respondents are knowledgeable and well trained enough to understand the concept of conflict management.

Table 4: Working Experience of Respondents

Working Experience (years)	No.	%
1-5	09	8.6
6-10	18	17.1
11-15	47	44.8
16-20	20	19.0
16-20	11	10.5
Total	**105**	**100.0**

Source: Research survey, 2016.

The respondents who have working experience of 11-15 years are in the majority (44.8%), followed by those that have worked for 16-20 years. The third ranked is those who have 6-10 years experience. The implication of this is that most of the respondents have worked enough to have experienced organizational conflict and how it was managed.

Table 5: Management is effective in discharging their oversight function and aid effective corporate governance.

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	34	32.4
Agree	20	19.0
Undecided	8	7.6
Disagree	24	22.9
Strongly Disagree	19	18.1
TOTAL	**105**	**100.0**

Source: Research survey, 2016.

From the above table 5, 34 respondents strongly believe that management is effective in discharging their oversight function and aid effective corporate governance, 20 agree, 8 respondents were indifferent, 24 respondents disagree while 19 respondents strongly disagree.

Table 6: Performance of banks in developing countries compare favorably with those of western economies.

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	28	26.7
Agree	23	21.9
Undecided	10	9.5
Disagree	19	18.1
Strongly Disagree	25	23.8

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TOTAL	**105**	**100.0**

Source: Research survey, 2016.

28 respondents strongly believe that performance of banks in developing countries compare favorably with those of western economies, 23 agree, 10 respondents were indifferent, 19 respondents disagree while 25 respondents strongly disagree. It is clear therefore that the percentage of those that disagree (41.9%) is less than the percentage of those that agree (48.6%) %) by 6.7%. This shows that the performance of banks in developing countries do not compare favorably with those of western economies.

Table 7: Corporate governance is an important driver for changing role of internal audit function.

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	21	20.0
Agree	28	26.7
Undecided	20	19.0
Disagree	16	15.2
Strongly Disagree	20	19.0
TOTAL	**105**	**100,0**

Source: Research survey, 2016.

21 respondents strongly believe that corporate governance is an important driver for changing role of internal audit function, 28 agree, 20 respondents were indifferent, 16 respondents disagree while 20 respondents strongly disagree. From the above table, the sum total of those that Disagree = 16+20= 36 = 34.2% of the total respondents. While the sum total of those that Agree = 21+ 28= 49 = 46.7% of the total respondents.From the table above it is observed that 35.42% disagree that corporate governance is an important driver for changing role of internal audit function.

Table 8: The use of ICT to audit transaction and monitor internal control make corporate governance more effective.

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	22	21.0
Agree	26	24.8
Undecided	12	11.4
Disagree	26	24.8
Strongly Disagree	19	18.1
TOTAL	**105**	**100.0**

Source: Research survey, 2016.

22 respondents strongly believe that the use of ICT to audit transaction and monitor internal control make corporate governance more effective, 26 agree, 12 respondents were indifferent, 26 respondents disagree while 19 respondents strongly disagree.

From the above table, the sum total of those that disagree = 26+19= 45, While the sum total of those that agree = 22+26 = 48. From the table above it is observed that 42.9% disagree that the use of ICT to audit transaction and monitor internal control make corporate governance more effective while 45.7% agree.

Table 9: Corporate governance affects performance of Nigerian banks positively.

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	13	12.4
Agree	47	16.2
Undecided	7	6.7
Disagree	20	19.1
Strongly Disagree	18	17.1
TOTAL	**105**	**100**

Source: Research survey, 2016.

Majority of the respondents are of the opinion that corporate governance affects performance of Nigerian banks positively. 13 respondents strongly agree, 47 agree, 7 respondents were indifferent, 20 respondents disagree while 18 respondents strongly disagree.

Table 10: Corporate Governance can prevent bank distress

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	58	55.2
Agree	44	41.9
Undecided	3	2.9
Disagree	0	0.0
Strongly Disagree	0	0.0
Σ	**105**	**100.0**

Source: Research survey, 2016.

From the above table 10, 58 respondents strongly believe that Corporate Governance can prevent bank distress, 44 agree, 3 respondents were indifferent, none of the respondents disagree nor strongly disagree.

Table 11: Good Corporate Governance assist Banks to operate in safe and sound manner

RESPONSE	No OF RESPONDENTS	% SCORE
Strongly Agree	52	49.5
Agree	51	48.6
Undecided	2	1.9
Disagree	0	0.0
Strongly Disagree	0	0.0
Σ	**105**	**100.0**

Source: Research survey, 2016.

103 respondents are of the opinion that good Corporate Governance may assist Banks to operate in safe and sound manner, 52 respondents strongly agree, 51 agree, 2 respondents were indifferent.

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Test of Hypotheses

Hypothesis 1:

H_I: There is significant relationship between the board structure, role /responsibilities and credibility of financial reports.

H_0: There is no significant relationship between the board structure, role /responsibilities and credibility of financial reports.

To test this hypothesis, the responses to the statement "there is strong relationship between the board structure, role /responsibilities and credibility of financial reports" contained in the questionnaire was used.

Table 12: Calculation of Correlation

N.B. The options are allocated points ranging from 5-1from strongly agreed to indifferent on that order.

OPTION	POINTS (X)	RESPONSES(Y)	XY	X^2	Y^2
SA	5	58	290	25	3364
A	4	13	52	16	169
U	1	13	13	1	169
SD	3	10	30	9	100
D	2	11	22	4	121
Σ	**15**	**105**	**407**	**55**	**3923**

Source: Research survey, 2016.

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{\{n\sum x^2 - (\sum x)^2\}\{n\sum y^2 - (\sum y)^2}}$$

$$r = \frac{5(407) - 15(105)}{\sqrt{\{5(55) - \ (15)^2\}\{5(3923) \ \ -(105)^2}}$$

r = 0.7019

Decision: since r is 0.8684 and it is greater than 0.4 we reject Ho and accept H1. This means that there is significant relationship between the board structure, role /responsibilities and credibility of financial reports.

Significance Test:

$$\text{T. calculated} = {}^{r}\sqrt{\frac{n-2}{1-(r)^2}}$$

$$= {}^{0.7019}\sqrt{\frac{5-2}{1-0.4927}}$$

T calculated =12.544

Final Decision: Since the t calculated of 12.544 is greater than the 2.32 at 95% significance level where degree of freedom is 3, therefore we simply reject the Ho and accept H1.From this we conclude that, there is significant relationship between the board structure, role /responsibilities and credibility of financial reports.

Hypothesis 2:

H_o: Audit committees do not play a significant role in monitoring and promoting the credibility of financial reports.

H_1: Audit committees play a significant role in monitoring and promoting the credibility of financial reports.

Table 13: Calculation of Correlation

N.B. The options are allocated points ranging from 5-1from strongly agreed to indifferent on that order.

OPTION	POINTS (X)	RESPONSES(Y)	XY	X^2	Y^2
SA	5	58	290	25	3364
A	4	44	175	16	1936
U	1	3	3	1	9
SD	3	0	0	9	0
D	2	0	0	4	0
Σ	**15**	**105**	**468**	**55**	**5309**

Source: Research survey, 2016.

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{\{n\sum x^2 - (\sum x)^2\}\{n\sum y^2 - (\sum y)^2}}$$

$$r = \frac{5(468) - 15(105)}{\sqrt{\{5(55) - (15)^2\}\{5(5309) \quad -(105)^2}}$$

r = 0.8684

Decision: since r is 0.8684 and it is greater than 0.4 we reject Ho and accept H1. This means that the audit committees play a significant role in monitoring and promoting the credibility of financial reports.

Significance Test:

$$\text{T. calculated} = {}^{r}\sqrt{\frac{n-2}{1-(r)^2}}$$

$$= {}^{0.8684}\sqrt{\frac{5-2}{1-0.754118}}$$

T calculated =3.03

Final Decision: Since the t calculated of 3.03 is greater than the 2.32 at 95% significance level where degree of freedom is 3, therefore we simply reject the Ho and accept H1.From this we conclude that, the audit committees play a significant role in monitoring and promoting the credibility of financial reports.

Hypothesis 3:

HI: Ownership structure of the firm has significant impact on the credibility of financial reports.

H0: Ownership structure of the firm has no significant impact on the credibility of financial reports.

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Table 14: Calculation of Correlation

OPTION	POINTS (X)	RESPONSES(Y)	XY	X^2	Y^2
SA	5	22	110	25	484
A	4	31	124	16	961
U	1	12	12	1	144
SD	3	8	24	9	64
D	2	32	64	4	1024
Σ	15	105	334	55	2677

Source: Research survey, 2016.

$$r= \frac{n\sum xy-\sum x\sum y}{\sqrt{\{n\sum x^2-(\sum x)^2\}\{n\sum y^2-(\sum y)^2}}$$

$$r= \frac{5(334)-15(105)}{\sqrt{\{5(55)-(15)^2\}\{5(2677)\quad-(105)^2}}$$

$$r = 0.4766$$

Decision: From the calculation above, r is 0.4766 and is therefore greater than 0.4. We reject Ho and accept H1. This means that the ownership structure of the firm has significant impact on the credibility of financial reports.

Significance Test

$$\text{T. calculated} = {}^{r}\sqrt{\frac{n-2}{1-(r)^2}}$$

$$= {}^{0.4766}\sqrt{\frac{5-2}{1-(0.4766)^2}}$$

$$T= 17.21$$

Decision: the t calculated of 17.21is greater than 2.32 at 95% significance level when degree of freedom is 3. Therefore, it is sufficient to say that we reject Ho and accept H1. We conclude that the ownership structure of the firm has significant impact on the credibility of financial reports.

Hypothesis 4:

H_o: Effective coordination and supervision of the compensation committee has no impact on the credibility of financial reports.
H_1: Effective coordination and supervision of the compensation committee has an impact on the credibility of financial reports.

Table 15: Calculation of Correlation

OPTION	POINTS (X)	RESPONSES(Y)	XY	X^2	Y^2
SA	5	52	260	25	2704
A	4	51	204	16	2601
U	1	2	2	1	4
SD	3	0	0	9	0
D	2	0	0	4	0
Σ	**15**	**105**	**466**	**55**	**5305**

Source: Research survey, 2016.

$$r= \frac{n\sum xy-\sum x\sum y}{\sqrt{\{n\sum x^2-(\sum x)^2\}\{n\sum y^2-(\sum y)^2}}$$

$$r= \frac{5(466)-15(105)}{\sqrt{\{5(55)-(15)^2\}\{5(5305)\quad -(105)^2}}$$

r = 0.8576

Decision: From the calculation above, r is 0.8576 and is therefore greater than 0.4. We reject Ho and accept H1.This means that the effective coordination and supervision of the compensation committee has an impact on the credibility of financial reports.

Significance Test

$$\text{T. calculated} = {}^{r}\sqrt{\frac{n-2}{1-(r)^2}}$$

$$= {}^{0.8576}\sqrt{\frac{5-2}{1-(0.8576)^2}}$$

T= 2.88

Decision: the t calculated of 2.88 is greater than 2.32 at 95% significance level when degree of freedom is 3.Therefore, it is sufficient to say that we reject Ho and accept H1. We conclude that the effective coordination and supervision of the compensation committee has an impact on the credibility of financial reports.

Hypothesis 5:

H_1: Competent and helpful institutional shareholders are vital in improving the credibility of financial reports.

H_0: Competent and helpful institutional shareholders are not vital in improving the credibility of financial reports.

Table 16: Calculation of Correlation

N.B. The options are allocated points ranging from 5-1from strongly agreed to indifferent on that order.

OPTION	POINTS (X)	RESPONSES(Y)	XY	X^2	Y^2
SA	5	28	140	25	784
A	4	29	116	16	841
U	1	33	33	1	1089
SD	3	11	33	9	121
D	2	4	8	4	8
Σ	**15**	**105**	**330**	**55**	**2843**

Source: Research survey, 2016.

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{\{n\sum x^2 - (\sum x)^2\}\{n\sum y^2 - (\sum y)^2}}$$

$$r = \frac{5(330) - 15(105)}{\sqrt{\{5(55) - \ (15)^2\}\{5(2843) \ \ -(105)^2}}$$

r = 0.4188

Decision: since r is 0.4188 and is greater than 0.4 we reject Ho and accept H1. This means that competent and helpful institutional shareholders are vital in improving the credibility of financial reports.

Significance Test:

$$\text{T. calculated} = {}^{r}\sqrt{\frac{n-2}{1-(r)^2}}$$

$$= {}^{0.4188}\sqrt{\frac{5-2}{1-0.4188}}$$

T calculated =50.1432

Final Decision: Since the t calculated of 50.1432 is greater than the 2.32 at 95% significance level where degree of freedom is 3, therefore we simply reject the Ho and accept H1.From this we conclude that, competent and helpful institutional shareholders are vital in improving the credibility of financial reports.

5.0 SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

i. There is significant relationship between the board structure, role /responsibilities and credibility of financial reports.

ii. Audit committee plays a significant role in monitoring and promoting the credibility of financial reports.

iii. Ownership structure of the firm has significant impact on the credibility of financial reports.

iv. Effective coordination and supervision of the compensation committee has an impact on the credibility of financial reports.

v. Competent and helpful institutional shareholders are vital in improving the credibility of financial reports.

5.2 Conclusion

In view of the above analysis it can be concluded that, Corporate Governance is necessary to the proper functioning of banks and that Corporate Governance can only prevent bank distress only if it is well implemented. That is, to prevent bank distress through adequate corporate governance is not just about the government setting rules and regulations but actually ensuring that the laid down rules and regulations are being strictly adhered to in every operation of the bank.

In spite several reforms put to strengthen this sector, banks were still prone to failure. The loss associated with this failure is enormous on their reputation and industrial growth. Strong governance framework that enhances compliance and sanction non-compliance to corporate governance codes becomes imperative.

Review of relevant literatures however, showed that court procedures, audit committee and board of directors' efficiency determine the effectiveness of compliance to the governance laws. Hence, more effort is desirable to ensure adequate compliance to corporate governance code, as well as it attractiveness and effectiveness in improving performance.

Both developed and developing economies were not immune against banking failure. The study depicted that poor loan policy and management of assets where to a large extent, contributory to bank failures. Thus, control processes that will safeguard the quality of their services and products should be secured in the interest of shareholders and market efficiency. Conclusively, continuous review of the governance codes became imperative due to the complexity and constant changing environment of the banking sector in Nigeria. The international codes of corporate governance should be properly adopted to meet the need of Nigerian governance environment.

5.3 Recommendations

In view of the prevailing bank distress in the economy, corporate governance should be used as a tool to help stem the tide of distress, as it entails conformity with prudential guidelines of the government. The Central Bank and NDIC should enforce the need for all banks to have approved policies in all their operation areas and strong inspection division to enforce these policies.

The management staffs have important roles to play in ensuring that there exists a sound internal control system in their banks and that laid down procedures are reviewed regularly. This will help to frustrate the activity of the fraudsters. It is also important to stress the need for all banks to comply with statutory requirements of rendering returns for effectiveness of all the policy measures which the government, monetary and supervisory bodies might design to curb distress in the financial industry. A good manager must be conversant with tools that will enable him measure performance and trend over time for the achievement of the desired organizational and decision making objectives especially in an unstable economic environment like ours. In this connection therefore, the use of bankruptcy prediction model for determining the current and potential business failure proves handy and appropriate. This will afford effective resource management instead of distress classification that amounts to medicine after death.

The government owes the country a patriotic duty to establish and sustain macroeconomic stability in order for the banking system to perform at its optimum capacity as it has been seen from our findings that, economic and political stability can help prevent bank distress. The government must perform this duty without compromise. More importantly, is the need of qualified staff in the in the banking system as this will enable the utilization of expertise, skill and care in the performance of duties by staff. This will lead to better performance.

It is important to note that all these factors necessary to curtail bank distress sums up to effective corporate governance. Therefore, it is recommended that the new code of corporate governance for banks should be strictly adhered to by all banks in the nation, as this will enable banks to operate in a safe and sound manner and as such, lead to restoration of public confidence in the banking system, thus, ensuring a better economy.

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Computer Technology and Competitive Advantage of Selected Media Houses in Kenya

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ABSTRACT

The main objective of the study was to establish the influence of computer technology on the competitive advantage of selected media houses in Kenya. The study adopted a descriptive research design. Results revealed that adoption of computer technology influenced the competitive advantage of selected media houses in Kenya. The study would be of value to the media industry in Kenya. This is due to the fact that the media industry has experienced increased competition from new media such as the internet and social media making the competition stiffer and survival harder. The study would therefore provide relevant information to these media houses on how computer technology affects their competitive advantage. Hence, this information can give the media houses insight on which strategies to adopt so as to ensure competitiveness. Consumers of media would benefit from this study as the study creates awareness that use of new media is cheaper. This would also assist to increase the adoption of technology in Kenya. The findings of this study would also be significant to academicians in that it will add to the body of knowledge of the researchers in this field of study.

Keywords: Technology,Competitive Advantage, Computerized Software's, Online Mobile Applications, Internet and Staff Competence

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1.0 INTRODUCTION

1.1 Background

Media companies worldwide are struggling to understand and adjust to wide ranging external and internal changes that are altering their operations. These changes have altered their modes of production; eroded their traditional audience and advertiser bases; altered established market dominance patterns, increased competition and changed the potential of the firms. Hence, the need for media companies to understand and adjust to the new conditions because such changes can lead to failure of both existing and new products and ultimately, the loss of value or collapse of firms (Jennifer, 2011).

The past stability of the media industry is a legacy that all media houses are struggling against in the new environment. The newspaper and magazine industries have existed for three centuries, the motion picture and radio industries for about a century, and television industry for half a century. Due to favorable governmental policy choices and operational conditions, the media industry has been relatively stable without much competition (Jennifer, 2011).However, technology advancement and change of government policies has resulted to the emergence of new media.

The advent of new media has brought forth a set of opportunities and challenges for new media (Garrison, 2010). The presence of new media and the internet in particular, has posed a challenge to traditional media, especially the printed newspaper (Domingo & Heinonen, 2011). In a bid to remain competitive, the traditional media houses have taken drastic measure. These measures include creation of new and diversified products to suit the current new market.

The concept of globalization and technology advancement has influenced the media industry all over the world in a significant manner. Especially, in the last decade the media, information and communications landscape has changed decidedly. Technological and demographic developments, deregulation and the convergence of different media, information and communications markets have left an important mark on the configuration of the traditional markets (Wirtz, 2011; Picard, 2013). These developments have not only posed threats to companies operating on these markets, but they have also created new opportunities for companies to engage in new ventures and businesses that are profitable both in home markets and abroad.

Wirtz (2011) argues that compared to other forms of mass media, the internet offers low barriers to access and was designed to work without the kind of gatekeepers that exist in traditional print or broadcasting media. A computer and an internet connection are far less expensive than a printing press or other mechanized media for reaching large audiences offline. Radio and television technology are limited technically by the capability to exploit the electro-magnetic spectrum. Government regulation of airwaves has generally been found necessary as a way of managing this scarce resource. The internet, by contrast, can accommodate essentially an unlimited number of points of entry and speakers (Kihuga, 2010).

According to Ohmae (2005), an organization with effective strategic thinking will gain competitive advantage with the resultant outcome of better satisfied customers. Better satisfied customers lead to bigger market share leading to increased revenue (Evans & Lindsay, 2011) while the effectively developed and executed strategy should be one that has marshaled the organization's resources to a unique posture that can take advantage of internal resources (Ohmae, 2005). This taking advantage leads to better productivity, while the productivity will only come about when there is reduced waste, coupled with satisfied customers; employee satisfaction increases (Evans & Lindsay, 2011).

Thompson and Strickland (2003) observed that a company has competitive advantage whenever it has an edge over its rivals in securing customers and defending against competitive forces. Sustainable competitive advantage is born out of core competences that yield long term benefit to the company. Prahalad and Hamel (2009) define a core competence as an area of specialized expertise that is the result of harmonizing complex streams of technology and work activity. They further explain that a core competence has three characteristics: it provides access to a wide variety of markets, it increases perceived customer benefits and it is hard for competitors to imitate.

Media industry in Africa report has also revealed that despite the fast rising usage of the Internet and social media across Africa the traditional media remains the most trusted and stronger than digital media. The research claim that although conventional media was still on the rise in most African countries as a developing continent, so was the new media and the African media industry is developing very quickly (Contador, 2013). For instance, in Malaysia, the effect of the new media on conventional media is still manageable. Newspapers in particular are not as hard hit as their counterparts in the USA .Malaysians still prefer to get their news through the print newspaper, radio and television. The Bahasa Malaysia newspapers, for example have had an increased in circulation now compared to two decades ago. However, some scholars here are of the opinion that Malaysians should opt for online digital newspapers as well as look at the opportunities to increase their advertising revenue through the concept of free newspaper (Yap, 2010). The expansion of the new media in Malaysia has been so extensive that, in a recent comment, the then-Home Minister Syed Hamid Albar stated: “The Internet news media cannot be called an “alternative media” any more as it is a more popular medium than the traditional mainstream media in Malaysia…I think we have to call the alternative media the mainstream. This has led to mainstream papers trying to emulate them and be as critical as they can in selling their papers” (Straits Times, October 22, 2008).

The media industry in Kenya has grown tremendously in the last two decades more or less in parallel with the expansion in democratic space, which in itself evokes the close linkage between media and democratic tenets. Before the 1990s both broadcast and print media were severely constrained (Saurombe, 2006). However, the number of broadcast outlets and the quality and vibrancy of print media have risen steadily with the last two decades being definitive for the media in Kenya. This can be attributed to increased freedom, liberalization and more competition in the media industry (Ogola, 2011). In addition, the environment in which the media houses are operating in today is characterized by advanced technology, the use of the internet as well as mobile telephony which has impacted on their operations in a significant manner (Ogola, 2011).

New media such as the internet and the use of the mobile technology also affects Kenyan media houses in terms of competition. Most mobile subscribers tend to use their internet enabled devices to access the news, entertainment and even the social media negatively affecting the growth of traditional media houses. It is therefore important that these media houses develop new operations strategies and implement them in the right manner in order to improve their competitiveness in the face of the new market dimensions (Deloitte, 2013).

Youth readership has contributed to a great extent the growth of new media in Kenya. The youths are evidently accessing their news online more than they are on hard copy newspapers and broadcasting stations. The youth are currently opting to access their news online, for free. They are also looking for a higher entertainment value than newspapers have been able to offer. This creates a need to review the product offering to appeal and recruit readers online as well as remain relevant on print to recruit new readers to the paper. Mobile penetration remains a key factor in the faster assimilation of the internet in East Africa. The youth do not therefore need an expensive gadget to access news. The newspapers come at a cost and price has also been seen as a hindrance, with most youth stating that their ideal price of a newspaper is 40/=. This is supported by a University Students study conducted in 2013. Results revealed that most the youth that access news online.

Problem Statement

Organizations achieve competitive advantage by providing their customers with what they want or need, better or even more effectively than competitors and in ways which competitors find difficult to imitate. The emergence of new media due to technology advancement has challenged the competitiveness of media houses in Kenya. In a bid to sustain their competitiveness, the media houses have to adopt new strategies. However, these houses face many pressures and constraints which have dampened their performance and thus lowering their level of competitive advantage. These pressures and constraints are caused by factors such as inadequate financial resources, lack of skilled manpower and government regulations (Nyabuga, 2011). A good example is the decline in the readership of newspapers. KARF data indicates that there was an almost 60% drop in readership of newspapers between 2007 and 2014 (Millward Brown, 2015).

Kranenburg (2004) evaluated the strategic options for the newspaper publishing companies. The study noted that traditional publishing markets are undergoing a fundamental transformation. The study concluded that media companies have to find their way in the turbulence landscape. This study revealed a conceptual gap since this study focused on the influence of technology on competitive advantage. This study also revealed a contextual gap as it focused on newspaper publishing companies only while this study focused on 4 media houses in Kenya. Hence, this study sought to fill this gap by establishing the influence of computer technology on the competitive advantage of selected media houses in Kenya.

Research Objective

General objective

The main objective of the study was to establish the influence of computer technology on the competitive advantage of selected media houses in Kenya.

Specific Objectives

- To establish the influence of computerized software adoption on the competitive advantage of selected media houses in Kenya.
- To assess the influence of online mobile application on the competitive advantage of selected media houses in Kenya.
- To determine the influence of internet on the competitive advantage of selected media houses in Kenya.
- To investigate the moderating effect of staff training on the relationship between computer technology and competitive advantage of selected media houses in Kenya.

2.0 THEORETICAL REVIEW

This study was guided by the Porter's five forces competitive model, Schumpeter theory of innovation and resource based view theory.

Porter's Five Forces Competitive Model

The model of the Five Competitive Forces was developed by Porter (1980) in his book "Competitive Strategy: Techniques for Analyzing Industries and Competitors". Since that time it has become an important tool for analyzing an organizations industry structure in strategic processes. According to Porter (1980), a firm develops its business strategies in order to obtain competitive advantage (increase profits) over its competitors. It does this by responding to five primary forces: (1) the threat of new entrants, (2) rivalry among existing firms within an industry, (3) the threat of substitute products/services, (4) the bargaining power of suppliers, and (5) the bargaining power of buyers.

A company assesses these five competitive forces in a given industry, then tries to develop the market at those points where the forces are weak (Porter 1980). For example, if the company is a low-cost producer, it may choose powerful buyers and sell them only products not vulnerable from substitutes. The company positions itself so as to be least vulnerable to competitive forces while exploiting its unique advantage (cost leadership). A company can also achieve competitive advantage by altering the competitive forces. For example, firms establish barriers to deter new entrants from coming into an industry by cultivating unique or capital-intensive resources that new firms cannot easily duplicate. Firms also increase bargaining power over their customers and suppliers by increasing their customers' switching costs and decreasing their own costs for switching suppliers. The five competitive forces model provides a solid base for developing business strategies that generate strategic opportunities.

Advanced technology has resulted to emergence of new media which has introduced substitute products/services in the media industry. In a bid to remain competitive, media houses have come up with new products such as online mobile applications. In addition, the media houses have had to develop computerized softwares to enable which help them keep pace with new technology. Hence, this theory was relevant to this study.

Schumpeter Theory of Innovation

The Schumpeter theory of innovation was developed by Joseph Alois Schumpeter in the year 1928. Schumpeter (1928) argued that entrepreneurs can create the opportunity for new profits with their innovations. In turn, groups of imitators attracted by super-profits would start a wave of investment that would erode the profit margin for the innovation. Schumpeter (1934) emphasized the role of entrepreneurship and the seeking out of opportunities for novel value generating activities which would expand and transform the circular flow of income, but it did so with reference to a distinction between invention or discovery on the one hand and innovation, commercialization and entrepreneurship on the other. This separation of invention and innovation marked out the typical nineteenth century institutional model of innovation, in which independent inventors typically fed discoveries as potential inputs to entrepreneurial firms.

The author further saw innovations as perpetual gales of creative destruction that were essential forces driving growth rates in a capitalist system. The theory distinguished between the entrepreneurs whose innovations create the conditions for profitable new enterprises (Schumpeter, 1939). Schumpeter's brief discussions of historical episodes of innovations in the field of entrepreneurship might appear to suggest a positive role for innovations in growth of the entrepreneurial ventures that produce the primary wave growth spurts. For all his insight on the role of innovation, Schumpeter still did not really explain the source of innovation. He was able to point to its importance and its role but did not address its source.

The importance of innovation was highlighted by researchers like Abramovitz (1956) and Solow (1957) who were able to demonstrate how little neoclassical economics explained it. Based on data on the United States economy from 1909-49, Solow showed that only 12.5 percent of the increase of per capita output could be traced to increased use of capital. This left a surprisingly large 87.5 percent residual that Solow attributed to technical change. Schumpeter's assertions have been supported by Porter (1992) that innovation is vital for a country's long-run economic growth and competitive advantage. Innovation and upgrading come from sustained investment in physical as well as intangible assets. Use of innovations such as online mobile applications and computerized softwares has helped media houses derive new profits as well as remain competitive. Thus this theory was linked to online mobile applications and computerized softwares.

Resource Based View Theory

The resource based view theory (RBV) was developed by Barney (1991). This theory argues that firms possess resources which enable firms to achieve competitive advantage and lead to superior long term performance. Valuable and rare resources can lead to the creation of competitive advantage. That advantage can be sustained over longer time periods to the extent that the firm is able to protect against resource limitation, transfer or substitution (Frawley & Fahy, 2006).

This theory receives great attention in the strategic management literature. Its orientation towards internal analysis of the firm offers to human resource strategic management a valuable conceptual framework, through which to analyze the ways in which firms try to develop their human resources with the aim of transforming them in a sustained competitive advantage (Wright & McMahan, 1992). The idea that human resources can become a source of competitive advantage for the organization is not new (Huselid, 1995; Ordo´n˜ez de Pablos, 2004; Pfeffer, 1998; Schuler & Jackson, 1987; Wright et al., 2005).

It is generally accepted that firms can create a competitive advantage from human resources and their management practices. Effective human resource management generates a higher capacity to attract and hold employees who are qualified and motivated for good performance. In addition, the benefits of having adequate and qualified employees are numerous. Some examples are higher profitability, less rotation, higher product quality, lower costs in manufacturing and a faster acceptation and implementation of the organizational strategy. This theory also informed this study as it focused on the resources necessary to develop and maintain competitive advantage implying that the theory is linked to competitive advantage which is the dependent variable in this study.

3.0 METHODOLOGY OF THE STUDY

This study utilized a descriptive research design. The target population comprised of all the 10, 200 employees of Nation Media Group, The Royal Media Services, the Standard Group and Media Max. This study used a formula to calculate a sample size of 96 respondents. Hence, 24 employees from each of the four main media houses were selected using stratified random sampling technique. The study used primary data which was largely quantitative and descriptive in nature. Structured questionnaire containing both open and close ended questions were used to collect data. The questionnaires were self administered with the help of research assistant using a drop and pick later method.

A pilot study was undertaken on 10% (10) of the employees of Nation Media Group to test the reliability and validity of the questionnaire. Before analysis, the completed questionnaires were checked for completeness and consistency. Before the final analysis, the study conducted diagnostic tests. This included the normality test and the multi-collinearity test. The data collected was then analyzed using descriptive statistics and presented in form of percentages and frequencies. Regression analysis was also used to establish the relationship between the independent variables and the dependent variable.

4.0 RESULTS OF THE STUDY

Response Rate

The number of questionnaires that were administered to the employees was 96. A total of 82 questionnaires were properly filled and returned. This represented an overall response rate of 85.4% as shown on Table 1.

Table 1: Response Rate

Response	Frequency	Percent
Returned	82	85.4%
Unreturned	14	14.6%
Total	96	100%

Reliability

The cronbach alpha was calculated in a bid to measure the reliability of the questionnaire. This was done by subjecting the questionnaire to 10 employees. All the variables were reliable since their cronbach alpha was above 0.7 which was used as a cut-off of reliability for the study. Table 2 shows the reliability results.

Table 2: Reliability

Variable	No of Items	Respondents	α=Alpha	Comment
Competitive Advantage	3	10	0.741	Reliable
Computerized Software	3	10	0.722	Reliable
Online Mobile Applications	3	10	0.736	Reliable
Internet	4	10	0.713	Reliable
Staff Training	7	10	0.731	Reliable

Demographic Characteristics

Results showed that 68% of the respondents were male while 32% were female. This implies that most of the employees in the four big media houses in Kenya are male. Results also revealed that 32% of the respondents indicated that they were aged between 36-45 years, 30% of the respondents were aged between 26-35 years, 23% of the respondents were aged between 46-55 years, 10% of the respondents were aged below 25 years while only 5% of the respondents indicated above 55 years. The results also revealed that 74% of the respondents had attained education up to the university level, 13% of the respondents had attained education up to college level, 9% of the respondents had attained education up to post graduate level while only 4% of the respondents had attained education up to secondary level. Further, results showed that 41% of the respondents indicated more than 7 years, 32% of the respondents indicated 5-7 years, 17% of the respondents indicated 2-5 years while only 10% of the respondents indicated less than 1 year. Results also revealed that 68% of the respondents were in the supervisory level of management, 23% of the respondents were in the middle level of management, while only 9% of the respondents were in the top level of management

Descriptive Statistics

Computerized Software's Adoption

The first objective of the study was to establish the influence of computerized software adoption on the competitive advantage of selected media houses in Kenya. Results in Table 3 reveal that majority (62.2%) of the respondents agreed with the statement that their media house has invested financially towards the development of computerized softwares, 30.5% were neutral while 7.4% disagreed. Results also revealed that majority (91.5%) of the respondents agreed with the statement that their media house has hired skilled personnel to develop computerized softwares, 4.9% were neutral while 3.6% disagreed. Further, results reveal that majority (63.4%) of the respondents agreed with the statement that computerized software's in their media house are easy to use, 35.4% were neutral while 1.2% disagreed. On a five point scale, the average mean of the responses was 4.0. This means that majority of the respondents were agreeing to the statements on computerized software adoption. These results are consistent with those of Chukwunonso, Omoju, Ikani and Ribadu (2011) who investigated the linkages between information and communication technology and firm performance. The findings showed that adopting information technology has positive effects on innovative practices, which increases the competitive advantage of firms.

Table 3: Computerized software adoption

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
Our media house has invested financially towards the development of computerized softwares.	3.7%	3.7%	30.5%	40.2%	22.0%	3.7
Our media house has hired skilled personnel to develop computerized softwares.	1.2%	2.4%	4.9%	35.4%	56.1%	4.4
Computerized software's in our media house are easy to use.	0.0%	1.2%	35.4%	52.4%	11.0%	3.7
Average						4.0

Online Mobile Application

The second objective of the study was to assess the influence of online mobile application on the competitive advantage of selected media houses in Kenya. Results in Table 4 reveal that majority (72%) of the respondents agreed with the statement that their media house has invested financially towards the development of online mobile applications. Results also reveal that 87.8% of the respondents agreed with the statement that their media house has hired skilled personnel to develop online mobile applications. Results also reveal that 63.5% of the respondents agreed with the statement that online mobile applications in their media house are easy to use. On a five point scale, the average mean of the responses was 3.8 which is approximately 4.0. This means that majority of the respondents were agreeing to the statements on online mobile applications. These findings are consistent with those of Ogina (2013) who focused on the three dimensions of information systems and how these are managed to build competitive advantage. The study concluded that technology should result in factors that build competitive advantage with resources and capabilities in business processes being strategically flexible and costly for imitation by competitors.

Table 4: Online Mobile Application

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
Our media house has invested financially towards the development of online mobile applications.	6.1%	1.2%	20.7%	65.9%	6.1%	3.6
Our media house has hired skilled personnel to develop online mobile applications.	2.4%	0.0%	9.8%	32.9%	54.9%	4.4
Online mobile applications in our media house are easy to use.	11.0%	9.8%	15.9%	53.7%	9.8%	3.4
Average						**3.8**

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Internet

The third objective of the study was to determine the influence of internet on the competitive advantage of selected media houses in Kenya. Results in Table 5 reveal that majority (64.7%) of the respondents agreed with the statement that their media house has invested financially towards use of internet, 25.6% were neutral while 9.8% disagreed. Results also reveal that 50% of the respondents agreed with the statement that their media house has hired skilled personnel to assist in internet use, 30.5% were neutral while 19.5% disagreed. Results also reveal that 63.4% of the respondents agreed with the statement that the internet used in their media house is stable, 28% were neutral while 8.6% disagreed.

Further, results reveal that most (76.9%) of the respondents agreed with the statement that the internet used in their media house is reliable, 18.3% were neutral while 4.8% disagreed. On a five point scale, the average mean of the responses was 3.6 which is approximately 4.0. This means that majority of the respondents were agreeing to the statements on internet use. These results are consistent with those of Waema and Katua (2013) who analyzed the impact of fiber optic broadband Connectivity and related technologies on the tourism value chain in Kenya. The study established that broadband internet and related ICTs have brought about varying changes in the bargaining powers of both suppliers and customers, changed the basis of rivalry among existing competitors and reduced barriers to entry for new players.

Table 5: Internet Use

Statement	Strongly Disagree	Disa gree	Neutr al	Agree	Strongly Agree	Me an
Our media house has invested financially towards use of internet.	3.7%	6.1%	25.6%	47.6%	17.1%	3.7
Our media house has hired skilled personnel to assist in internet use.	12.2%	7.3%	30.5%	46.3%	3.7%	3.2
The internet used in our media house is stable.	4.9%	3.7%	28.0%	54.9%	8.5%	3.6
The internet used in our media house is reliable.	2.4%	2.4%	18.3%	61.0%	15.9%	3.9
Average						**3.6**

Staff Training

The fourth objective of the study was to investigate the moderating effect of staff training on the relationship between computer technology and competitive advantage of selected media houses in Kenya. Results in Figure 1 show that over the years the number of staff trainings conducted by the media houses was increasing.

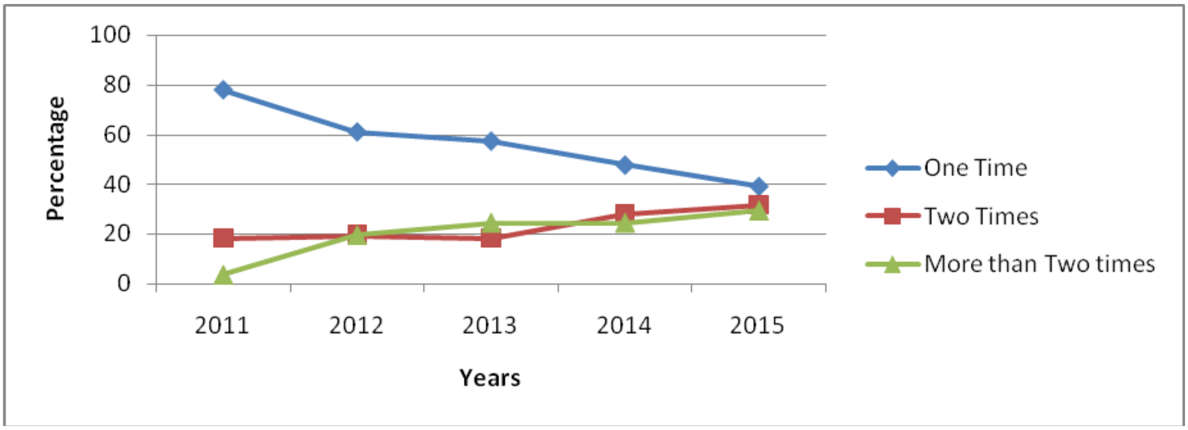

Figure 1: Number of Staff Trainings

The respondents were also asked to respond to statements on the moderating effect of staff training on the relationship between computer technology and competitive advantage. Results in Table 6 reveal that majority (59.8%) of the respondents agreed with the statement that staff training influences the relationship between computer technology and competitive advantage in their media house, 30.5% were neutral while 9.8% disagreed. Results also reveal that most (87.8%) of the respondents agreed with the statement that the number of trainings in ICT in their media house has increased, 4.9% were neutral while 7.3% disagreed. On a five point scale, the average mean of the responses was 4.0. This means that majority of the respondents were agreeing to the statements on the moderating effect of staff training on the relationship between computer technology and competitive advantage. These findings are consistent with those of Aswathappa (2005) who reiterated that every organization needs to have a trained workforce to enable it achieve its set objectives. An organization cannot meet its profit targets if its workforce is not trained.

Table 6: Staff Trainings

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
Staff training influences the relationship between computer technology and competitive advantage in our media house.	3.7%	6.1%	30.5%	37.8%	22.0%	3.7
The number of trainings in ICT in our media house has increased.	1.2%	6.1%	4.9%	31.7%	56.1%	4.4
Average						**4.0**

Competitive Advantage

The respondents were asked to respond to questions on the competitive advantage of their media houses. Results in Table 7 reveal that majority (76.8%) of the respondents agreed with the statement that use of computer technology in their media house has influenced the customer loyalty, 9.8% were neutral while 13.4% disagreed. Results also reveal that most (69.5%) of the respondents agreed with the statement that use of computer technology in their media house has influenced the staff competence, 17.1% were neutral while 13.4% disagreed. Further, results reveal that most (72%) of the respondents

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agreed with the statement that use of computer technology in their media house has influenced the supplier relationship, 13.4% were neutral while 14.6% disagreed. On a five point scale, the average mean of the responses was 3.8 which is approximately 4.0. This means that majority of the respondents were agreeing to the statements on competitive advantage of their media houses. These findings are consistent with those of Bhatt and Grover (2010) who framed a discussion in terms of ICT capabilities, and argued that managing ICT is a capability that can create uniqueness and provide organizations a competitive advantage.

Table 7: Competitive Advantage

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean
Use of computer technology in our media house has influenced the customer loyalty.	2.4%	11.0%	9.8%	48.8%	28.0%	3.9
Use of computer technology in our media house has influenced the staff competence.	0.0%	13.4%	17.1%	50.0%	19.5%	3.8
Use of computer technology in our media house has influenced the supplier relationship.	2.4%	12.2%	13.4%	59.8%	12.2%	3.7
Average						**3.8**

Diagnostic Tests

As mentioned in chapter three, the data was tested for conformity to the assumptions of the classical linear regression model by performing a multi-collinearity test and a normality test.

Multi-collinearity test

According to William *et al.* (2013), multi-collinearity refers to the presence of correlations between the predictor variables. In severe cases of perfect correlations between predictor variables, multi-collinearity can imply that a unique least squares solution to a regression analysis cannot be computed (Field, 2009). Multi-collinearity inflates the standard errors and confidence intervals leading to unstable estimates of the coefficients for individual predictors (Belsley *et al.*, 1980). Correlation analysis was used to conduct the multi-collinearity test. The rule of the thumb is that a correlation between independent variables of more than 0.8 is an indicator of serious multi-collinearity. The results are as shown in Table 8.

Table 8: Multi-collinearity Test using Correlation Analysis

Variable		Competitive Advantage	Computerized Softwares	Online Mobile Applications	Internet
Competitive Advantage	Pearson Correlation	1			
	Sig. (2-tailed)				
Computerized Softwares	Pearson Correlation	0.425	1		
	Sig. (2-tailed)	0.000			
Online Mobile Applications	Pearson Correlation	0.541	0.709	1	
	Sig. (2-tailed)	0.000	0.000		
Internet	Pearson Correlation	0.478	0.541	0.892	1
	Sig. (2-tailed)	0.000	0.000	0.000	

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

Preliminary results indicate that there was no multi-colllinearity between the independent variables and the dependent variable. This was supported by the fact that the pearson correlation coefficient for all the variables was less than 0.8. The pearson correlation coefficient for computerized softwares, online mobile applications and internet was 0.425, 0.541 and 0.478 respectively all the values were less than 0.8.

Test for Normality of Residuals

The test for normality was first examined using the graphical method approach as shown in the Figure 2 below.

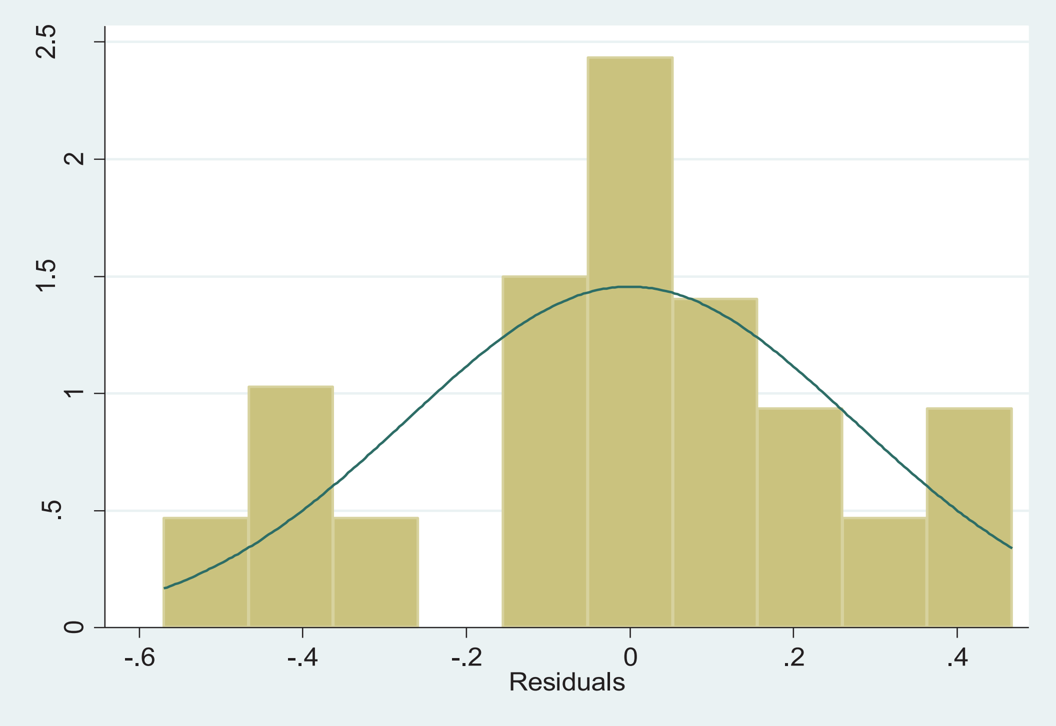

Figure 2: Graphical Examination of Normality of residuals

The results in the figure indicate that the residuals are normally distributed. These findings are consistent with Gujarati (2002) who reiterated that graphical representation is an appropriate method for testing the normality of residuals.

Inferential Statistics

Multiple linear regression analysis was conducted to generate the model of fitness, and analysis of the variance and regression coefficients.

Regression Analysis

Model Fitness

The results presented in Table 9 present the fitness of model used of the regression model in explaining the study phenomena. Computerized softwares, online mobile applications and internet use were found to be satisfactory variables in explaining competitive advantage. This is supported by coefficient of determination also known as the R square of 0.65 which means 65%. This means that computerized softwares, online mobile applications and internet use explain 65% of the variations in the dependent variable which is competitive advantage of selected media houses in Kenya. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 9: Model Fitness

Indicator	Coefficient
R	0.806
R Square	0.650

Analysis of Variance

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant.

Table 10 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of competitive advantage. This was supported by an F statistic of 10.853 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 10: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.749	3	4.25	10.853	0.000
Residual	30.543	78	0.392		
Total	**43.292**	**81**			

Regression of Coefficients

Results in Table 11 shows that computerized softwares and competitive advantage are positively and significantly related (β=0.466, p=0.001). This implies that an increase in the use of computerized softwares by one unit would result to an increase in competitive advantage by 0.466 units. The table further indicates that online mobile applications and competitive advantage are positively and significantly related (β=0.675, p=0.010). This implies that an increase in the use of online mobile applications by one unit would result to an increase in competitive advantage by 0.675 units. It was further established that internet use and competitive advantage were positively and significantly related (β =0.741, p=0.000). This implies that an increase in the use of internet by one unit would result to an increase in competitive advantage by 0.741 units. Further, results in Table 11 show that staff training a positive and significant moderating effect on the relationship between computer technology and competitive advantage of selected media houses in Kenya. This was supported by a p value of 0.000 which is lesser than the critical p value of 0.05.

Table 11: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	1.193	0.497	2.402	0.019
Computerized Softwares	0.466	0.219	2.13	0.001
Online Mobile Applications	0.675	0.254	2.659	0.010
Internet	0.741	0.317	2.338	0.000
Moderating Effect of Staff Training	0.131	0.032	4.088	0.000

Thus, the optimal model for the study is;

Competitive advantage =1.193+ 0.466 Computerized Softwares + 0.675 Online Mobile Applications + 0.741 Internet

5.0 CONCLUSIONS

The study concluded that computer technology influenced the competitive advantage of selected media houses in Kenya. The conclusion was informed by the realization that computerized software adoption, online mobile application and use of internet influenced the competitive advantage of selected media houses in Kenya. The study also concluded that staff training had a moderating effect on the relationship between technology and competitive advantage of selected media houses in Kenya.

Specifically, the study concluded that media houses should invest financially towards the development of computerized softwares and online mobile applications. The study also concluded that media houses should hire killed personnel to develop computerized softwares and online mobile applications. Further, the study concluded that media houses should ensure that computerized software's and online mobile applications in their media house are easy to use. The study also concluded that media houses should ensure that they use stable and reliable internet. The study also concluded that you found that training contributed more to the competitive advantage which implies that media houses ought to have well trained staff on the latest technologies. Thus the study concluded that training is a driver on what organizations can adopt in terms of technology and its application.

RECOMMENDATIONS

The study recommended that management of media houses should encourage the adoption of computer technology in a bid to enhance their competitive advantage. This can be achieved by investing financially towards the development of computerized softwares and online mobile applications. In addition, media houses should hire killed personnel to develop computerized softwares and online mobile applications. The study also recommends that media houses should ensure that media houses should ensure that they use stable and reliable internet. The study also recommends that the media houses should embark on continuous training of employees to tap into the new technologies as well as equip employees with necessary skills for current and future appointments.

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Factors Affecting Low Distribution Of Newspapers In The Media Industry; A Case Study Of Nation Media Group

[1]Josephine Koech ; [2]Mr. Kepha Ombui

ABSTRACT

The purpose of this study was to investigate factors affecting low distribution of newspapers in the media industry; a case study of nation media group. The study used a descriptive design. The instrument in use was the questionnaire which was issued to vendors, transporters and managers. The population were 3244 respondents comprised of all vendors in Nairobi who are 3,200, 22 transporters and 12 managers of Nation Media Group. The sample was 50 respondents. The study employed cluster and convenience sampling for vendors, systematic sampling to pick the transporters and managers. Convenience sampling was used to select vendors from each cluster due to the nature of work. The data collected was analyzed quantitatively using simple descriptive statistics such as frequencies and mean scores. Results indicated that a majority of vendors agreed with the statement that change in customer's preferences, Competition from online distribution such as Facebook, twitter and online newspapers, Late delivery of newspapers, Pricing of newspapers, the newspapers are dropped off in a convenient place for me are the factors that lead to low distribution of newspapers. The results also revealed that a majority of transporters agreed with the statement that late printing of newspapers influence the distribution, bad condition of vehicles influence the distribution, dropping off newspapers in an inconvenient place for the vendors affects distribution, lack of security when and where they deliver newspapers affects distribution, Traffic jam affects the distribution of newspaper , long distances of where they deliver newspaper influence newspaper distribution are the factors that lead to low distribution of newspapers. This implies that the work is tiring and unsecured. The results further revealed that a majority of managers agreed with the statement that the transporting vehicles are not always in good condition to deliver newspapers, the newspapers are dropped off in an inconvenient place for the vendors, There is no security when delivering Newspapers, Traffic jam influence distribution of newspaper, Poor remuneration of transporters affect distribution , Poor work benefits of transporters affect distribution and Late production of newspapers affect distribution newspaper distribution are the factors that lead to low distribution of newspapers . It was recommended that there is need to enhance security for newspapers transporters. In this case the transporters would deliver the newspapers to vendors or pick from the sources in good time. The study would recommend that the sources of newspapers to reduce the pricing to sustain the business in market so as to encourage more entrepreneurs by inventing in the newspaper selling as long as it is profitable.

Keywords: distribution channels, newspaper distribution management, transportation

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1.0 INTRODUCTION

Distribution as defined by Kibera and Waruingi (1998, p.101) is the chain the producer goes through to make products available to the consumer. The producer achieves effective distribution through different channels so as to enhance company performance, achieve customer satisfaction and cut on costs. A channel of distribution for that matter is the path along which goods are moved or networked to reach the actual user. The channel serves as a link or medium to reach the customer.

The distribution channel can have other forms of flows other than goods in particular. They are: goods from producer to consumer, cash flow from the customer to the producer and flow of information or communication (Saleemi, 2007, p.201). Communication can be complaints or suggestions and improvements. The distribution process is a system that can affect many functions in an organization; hence the need to organize it well. It is a tool that can gain a firm competitive advantage, reduce costs (by making direct sale to the consumer, add value to a company by reducing transactions.

A newspaper as defined by (ISO) International Organization for Standardization (2006, p.1) is a publication that is chronological in order and that has information on current issues, lifestyle, sports, advertisements and features among others. The publication is frequently produced ranging from daily publications, weekly, fortnightly or monthly. They are printed on newsprint paper, folded and stapled on edges rather than bound. They may come in various sizes but usually larger than 297 mm x 420 mm in size. They may be colored or in black and white with added features and advertisements to complement them.

Newspapers are an important information source which is readily available to enlighten societies by providing news, current affairs to readers (Bankole,2011, p.1). They serve various functions for different users such as students, business people, politicians, and human rights activists, the old, sports personalities, parents among others. Newspapers are the most available and accessible written documents in the society. Babalola (2011, p.2) highlighted that newspapers are vehicles which promote learning and enhance literacy. A study carried out in the University of Olabisi in Nigeria revealed that the students and other academic staff read newspapers as a way of motivation and winding up especially after an academic or exam period. A study by Yusuf (2011, p.5) found out that 74.4% of students in colleges and institutes of higher learning read newspapers frequently. It is for the reasons cited that institutions and organizations have continued to publish and distribute newspapers.

Statement of the Problem

There is widespread concern that newspapers face an uncertain future due to low distribution. Many newspaper organizations fear a long-term decline due to inability to distribute as many newspapers as possible therefore leading to decline in sales (Richard 2009, p.6). This has caused a lot of layoffs in many organizations as well as closure of divisions dealing with print media.

Kirchhoff (2010, p.3) points out that distribution remains an important factor in many newspaper companies to ensure that the product reaches the desired customer at the desired time and therefore prevent extinction of the newspaper industry. Time is critical in distribution and delivery of newspapers so as to be able to compete with internet and television. While management wishes the papers to be printed as late as possible in order to include the most recent news, the reader wishes to receive his newspaper as early as possible.

The Nation Media Group has tried to improve its product awareness through advertisement and promotions in order for its survival in the over changing competitive market in the media industry.

Hirsch (2003, p.3) notes that the internet and television industries are competing intensely with the newspaper industry as the young generation download information directly and cheaply from the internet. This study therefore sought to establish factors that affect low distribution of newspapers at the Nation Media Group.

Specific objectives

The study will be guided by the following specific objectives:

(i) To assess how distribution channels, affect distribution of newspapers.

(ii) To examine how newspaper distribution management affect distribution of newspapers.

(iii) To determine the extent to which environmental and social factors affect distribution of newspapers.

(iv) To establish how transportation, affect distribution of newspapers.

2.0 LITERATURE REVIEW

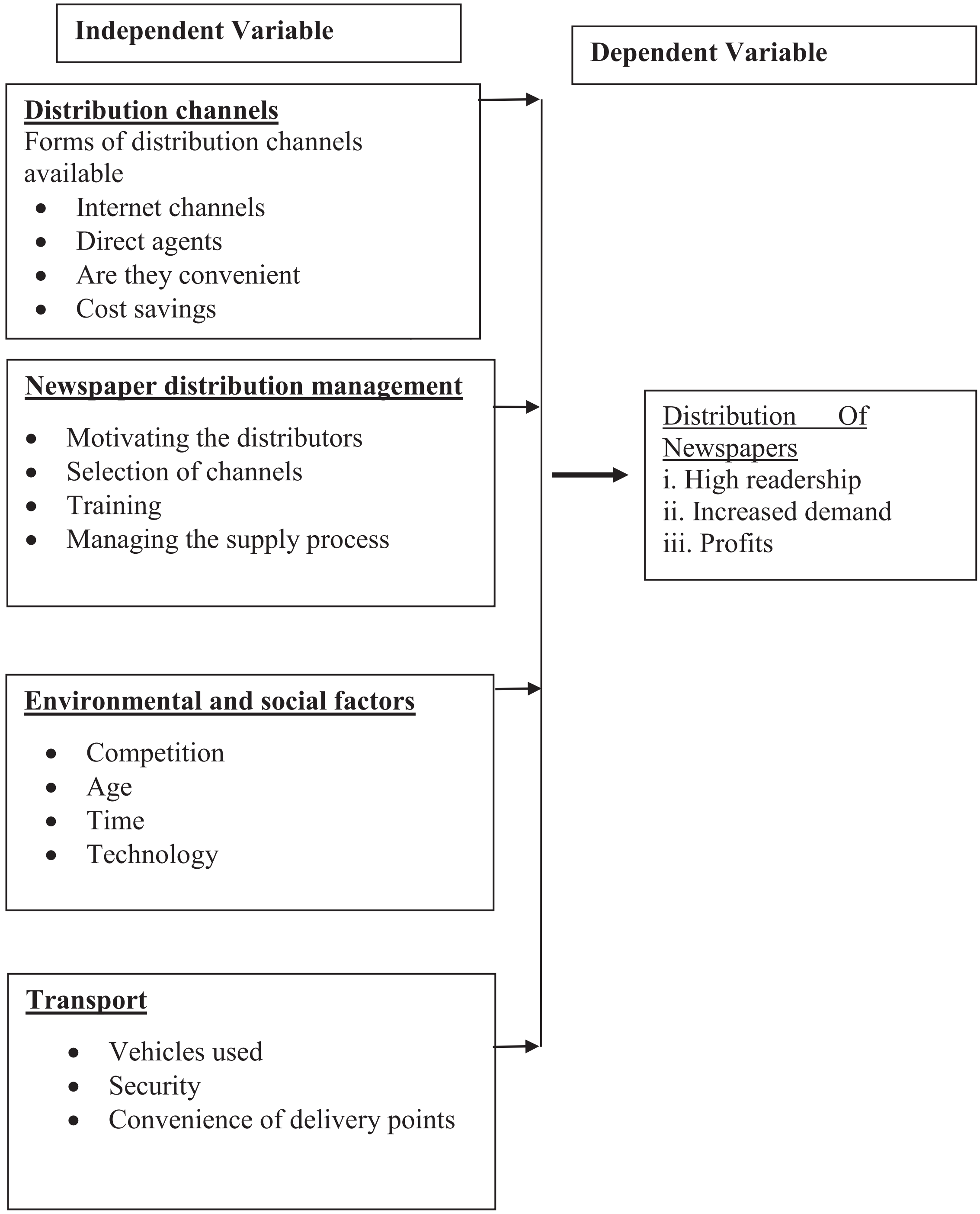
Theoretical Foundations of the Study

Systems Theory

Helou and Caddy (2006, p.78) discuss that there are several stages or echelons that goods follow to reach the ultimate consumer or buyer. The goods follow a distribution channel comprised of many networks, processes, functions and individuals. Each stage performs different activities that will necessitate the flow of goods effectively. The distribution network is comprised of communication and information flow as well to achieve improved supply relationship.

A firm has several departments or functions to help achieve its objectives such as: procurement, production, order processing, inventory management, warehousing, customer service, packaging and delivery (Hölzl, 2005, p.4). The Nation Media Group has functions that are able to work in collaboration with each other to be able to achieve the distribution process. Theses function/departments are: sales and marketing, procurement, transportation (Nation Courier Division), accounting and finance, Human Resource Department, Research and Development among others.

Figure 1: Conceptual Framework



Distribution Channels

Osman (2005, p.1) state that there are many different forms of channels which make use of intermediaries for a particular function. They include the following: Producer to Consumer (where the producer uses no middleman and sells straight to the consumer); Producer - Retailer- Consumer (producer sells to retailer who sells to consumer);Producer -Wholesaler -Retailer –Consumer; Producer-Agent/Distributor -Retailer –Consumer; and Producer-Agent/Distributor -Wholesaler -Retailer -Consumer.

Producer to Consumer channel is the fastest and simplest channel. It gives selling various selling options such as; through retail shops, as door to door ordirect mail. The distributor has full control of operations. The producer- retailer –consumer channels is more popular with big retailers because they buy in large numbers. The channel is used to distribute products of high quality or value (Saleemi, 2007, p.204)

Newspaper distribution management

Channel management involves evaluation of intermediaries and their activities (Osman,p.12). The distributors need to be managed in order to be able to ensure the newspapers get to the customers on time. Some of the ways of motivating them is by giving them cold breakers jackets to use during harsh cold seasons and rewarding best performers quarterly. Selection of channels is also very important. Bharadwaj,S.(2006).The management should be able to come up with a channel that is fast and very simple to avoid delays. Producer to consumer is the fastest and simplest channel. Middle men will affect the price because they have to be paid their commission from profits generated. If middle men are many, the product ends up being expensive.

Environmental and social factors

This is a group that decides to offer class of products that are close substitutes to each other in order to satisfy a specific market needs (Kibera & Wariungi 1998). Most salespeople would suggest that their difficulty is not customer dissatisfaction but too much competition and their difficulty is therefore to maintain and sustain competitive advantage.

Age group of the target population is also important. Most people who read the newspapers are employed and can afford a newspaper. They are also interested in issues unlike young people who do not really worry much about that which does not affect them directly.

Transport

Means of transportation is a major contributor to distribution for it contributes and dictates the costs to be incurred by the organization lead-time and satisfaction of customer needs (Osman,p.12) .The vehicles being used should be of good condition at all time. They should also be big enough so as to accommodate a good number of newspapers at once. Poorly maintained vehicles in most cases lead to delayed deliveries.

Security is an act of protecting a property, person, building, or a country against attack, danger and exploitation. It is concerned with enforcement of law and order (Barkan,D.(2011). Security in distribution channels determines the performance of an organization. The owners of the organization must take all practical measures to ensure that safety of people who work for them are provided with safe working conditions and make sure that they are warned against possible dangers that may be expected.

Empirical Review

Norris(2000,p.1) noted that there is widespread concern that newspapers face an uncertain future, and many fear a long-term decline due to the rise of the electronic media, economic pressures based on a loss of advertising share and increasing costs of production and distribution, and falling sales. Changes in the newspaper industry are believed to have concentrated ownership, eroded news standards and narrowed the readership.

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According to Walker, Leslie (October 30,2003). Business Models of Newspaper Publishing Companies.National Bureau of Economic Research Working Paper.14762 in his research on the continuous low distribution of daily newspapers, argued that critics of the newspaper as a medium, also argue that while today's newspapers may appear visually different from their predecessors a century ago, in many respects they have changed little and have failed to keep pace with changes in society. The technology revolution has meant that readers accustomed to waiting for a daily newspaper can now receive up-to-the-minute updates from web portals, bloggers and new services such as Twitter. The expanding reach of broadband internet access means such updates have become commonplace for many users, especially the more affluent, an audience cultivated by advertisers.

3.0 RESEARCH METHODOLOGY

The study used a descriptive design. The instrument in use was the questionnaire which was issued to vendors, transporters and managers. The population were 3244 respondents comprised of all vendors in Nairobi who are 3,200, 22 transporters and 12 managers of Nation Media Group. The sample was 50 respondents. The study employed cluster and convenience sampling for vendors, systematic sampling to pick the transporters and managers. Convenience sampling was used to select vendors from each cluster due to the nature of work. The data collected was analyzed quantitatively using simple descriptive statistics such as frequencies and mean scores.

4.0 RESULTS AND DISCUSSIONS

Distribution of newspapers by vendors

The study sought to establish the extent of distribution of Newspapers by vendors. Results are indicated in table 1.

Table 1 shows that 66.7% of the respondents strongly disagreed with the statement that customer are happy with the time newspaper arrive, 70.0% of the respondents disagreed with the statement that there is high uptake and demand of newspapers, 60.0% of the respondents strongly disagree with the statement that the vendors have generated adequate profits in selling of the newspapers and 50.0% of the respondent disagree with the statement that they intended to continue with the same business. The mean score of 2 on a 5-point scale shows that majority of the respondents disagreed with the statement about factors that lead to low distribution.

The findings agree with those in Richard (2009, p.6) who noted that many newspaper organizations fear a long-term decline due to inability to distribute as many newspapers as possible therefore leading to decline in sales

Table 1: Distribution of newspapers by vendors

Statement	strongly disagree	disagree	disagree	neutral	agree	strongly agree	mean
My customers are happy with the time the newspapers arrive	66.7%	16.7%	16.7%	16.7%	.0%	.0%	1.50
There is high uptake and demand of newspapers	13.3%	70.0%	70.0%	.0%	13.3%	3.3%	2.23
I have generated adequate profits in selling newspaper	60.0%	3.3%	3.3%	6.7%	13.3%	16.7%	2.23
I intend to continue with the same business	33.3%	50.0%	50.0%	.0%	6.7%	10.0%	2.10
Mean of means							2.02

Factors that lead to low distribution

The respondents were asked to indicate the factor that led to low distribution of newspapers. Results are as follows. Results on Table 2 indicate that 73.3% of the respondents agreed with the statement that change in customers preferences is the major factor that affect distribution of newspapers by vendors,46.7% of the respondent agreed that competition from online distribution such as facebook, twitter and online newspapers also lead to low distribution of newspapers, 50.0% of the respondent strongly agreed that late delivery of newspapers affect its distribution, 56.7% agreed that pricing of newspapers was also a key factor of low distribution of newspapers and 63.3% agreed that the newspaper were dropped off in a convenient place for them . The mean score of 4 on a 5 point scale shows that majority of the respondents agreed with the statement about factors that lead to low distribution.

The findings agree with those in Kibera,F.,& Wariungi,C.(1998) who noted that most salespeople would suggest that their difficulty is not customer dissatisfaction but too much competition and their difficulty is therefore to maintain and sustain competitive advantage. Age group of the target population is also important. Most people who read the newspapers are employed and can afford a newspaper. They are also interested in issues unlike young people who do not really worry much about that which does not affect them directly.

The findings also agree with those in Post Press Packaging and Logistics (2006, p.2006). Time when the newspaper is made available is crucial. Delay in distribution of newspapers can lead to stale news. Post Press Packaging and Logistics (2006, p.2006) identifies that the Newspaper being a highly perishable good requires strict timings to be able to appeal to the customer. It is for this reason that the publisher has to be effective in delivery.

The findings agree with those in Office of Fair Trading (2008, P.9). The newspaper has to cater for the customer by offering latest news and at the same time meet advertising requirements by offering a wide window for purchase of advertised products. Most magazines unlike newspapers have more time to go through the supply chain and distribution system because of their length of time before another edition is out.

The findings also agree with those Ahlstrom,C.,& Henfrisson,O (2005) which noted that technology is more advanced than ever lately. Most newspaper providers have online access to the newspapers.
Some people prefer to use the online newspaper to get the news which is free rather than use money to but the newspapers. This affects the number of newspapers being sold at any one given time. This is also affecting by the number of people who have access to the internet.

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Table 2: Factors that lead to low distribution

Statement	strongly disagree	disagree	neutral	agree	strongly agree	mean
Change in customers preferences	.0%	6.7%	6.7%	13.3%	73.3%	5
Competition from online distribution such as facebook, twitter and online newspapers	.0%	13.3%	13.3%	46.7%	26.7%	4
Late delivery of newspapers	.0%	16.7%	6.7%	26.7%	50.0%	4
Pricing of newspapers	.0%	6.7%	10.0%	56.7%	26.7%	4
The newspapers are dropped off in a convenient place for me	.0%	.0%	10.0%	63.3%	26.7%	4
means of means						4

Distribution of newspapers by transporter

The study sought to establish the factors affecting low distribution of Newspapers by transporters. Results are indicated below.

Results on Table 3 indicate that 50.0% of the respondents disagreed that the transporter is always on time to deliver the newspaper, 50% of the respondent also disagreed that customers are happy with the time the newspaper arrives, 40% strongly disagreed that there is high uptake and demand of newspaper.70% disagreed that the transporters intended to continue with the same business. The mean score of 2 on a 5 point scale shows that majority of the respondents disagreed with the statements about distribution of newspapers.

Table 3: Distribution of newspapers by transporter

statement	strongly disagree	disagree	neutral	agree	strongly agree	mean
I am always on time to deliver the Newspapers	30.0%	50.0%	10.0%	.0%	10.0%	2
My customers are happy with the time the newspapers arrive	20.0%	50.0%	10.0%	20.0%	.0%	2
There is high uptake and demand of newspapers	40.0%	40.0%	.0%	20.0%	.0%	2
I intend to continue with the same business	20.0%	70.0%	10.0%	.0%	.0%	2
means of means						2

Factors that lead to low distribution by transporters

The respondents were asked to indicate the factor that led to low distribution of newspapers. Results are as follows.

Table 4 show that 50.0% of the respondents strongly agreed that late printing of newspapers influence its distribution, 60.0% agreed that bad condition of vehicle influence the distribution of newspapers,50.0% strongly agreed that dropping off newspapers in a inconvenient place for vendors affects distribution. 50.0% of the respondents strongly agree that lack of security when and where the vendors deliver newspapers affects its distribution.70.0% of the respondents strongly agree that traffic jam affects the distribution of newspapers.50.0% of the respondent strongly agree that long distance where vendors delivers newspapers influence its distribution.

The mean score of 4 on a 5 point scale shows that majority of the respondents agreed with the statement about factors that lead to low distribution.

The findings agree with those in Osman (2005, p.12) means of transportation is a major contributor to distribution for it contributes and dictates the costs to be incurred by the organization lead-time and satisfaction of customer needs. The vehicles being used should be of good condition at all time. They should also be big enough so as to accommodate a good number of newspapers at once. Poorly maintained vehicles in most cases lead to delayed deliveries.

The findings agree with those in Barkan (2011) who note that security is an act of protecting a property, person, building, or a country against attack, danger and exploitation. It is concerned with enforcement of law and order Security in distribution channels determines the performance of an organization. The owners of the organization must take all practical measures to ensure that safety of people who work for them are provided with safe working conditions and make sure that they are warned against possible dangers that may be expected. Convenience of delivery points is important to distributors since they should be able to access their drop off points easily. Inaccessible delivery points can lead to delay in newspapers reaching the customers.

Table 4 : factors that lead to low distribution

statement	strongly disagree	disagree	neutral	agree	strongly agree	mean
Late printing of newspapers influence the distribution	10.0%	20.0%	.0%	20.0%	50.0%	4
Bad condition of vehicles influence the distribution	.0%	10.0%	10.0%	60.0%	20.0%	4
Dropping off newspapers in a inconvenient place for the vendors affects distribution	10.0%	30.0%	.0%	10.0%	50.0%	4
Lack of security when and where I deliver Newspapers affects distribution	.0%	10.0%	10.0%	30.0%	50.0%	4
Traffic jam affects the distribution of newspaper	.0%	10.0%	.0%	20.0%	70.0%	5
Long distances of where I deliver newspaper influence newspaper distribution	10.0%	10.0%	10.0%	20.0%	50.0%	4
means of means						4

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Distribution of newspapers by managers

Table 5 show that 80.0% of the respondents disagreed that they were happy with the distribution of newspaper levels, 60.0% strongly disagreed that the vendors are happy with the time the newspapers arrive, 60.0% of the respondents disagreed that the newspapers customers are happy with the time the newspapers arrive. 60.0% of the respondents strongly disagree that there is high uptake and demand of newspaper and 80.0% of the respondents strongly disagree that the organization intended to continue with the same business. The mean score of 2 on a 5 point scale shows that majority of the respondents agreed with the statement about factors that lead to low distribution.

Table 5: Distribution of newspapers by managers

statements	strongly disagree	disagree	neutral	agree	strongly agree	mean
I am happy with the distribution of newspaper levels	20.0%	80.0%	.0%	.0%	.0%	2
The vendors are happy with the time the newspapers arrive	60.0%	20.0%	20.0%	.0%	.0%	2
The newspaper customers are happy with the time the newspapers arrive	20.0%	60.0%	.0%	20.0%	.0%	2
There is high uptake and demand of newspapers	60.0%	20.0%	.0%	.0%	20.0%	2
The organization intends to continue with the same business	80.0%	20.0%	.0%	.0%	.0%	1
means of means						2

Factors that lead to low distribution by transporters

Table 6 show that 60.0% of the respondents agreed that the transporting vehicle are not always in good condition to deliver newspaper, 60.0% strongly agreed that the newspaper are dropped off in an convenient place for the vendors, 80.0% of the respondents agree that there is no security when delivering newspapers.100.0% of the respondents strongly agree that traffic jam influence distribution of newspapers and 60.0% of the respondent strongly agree that poor remuneration of transporters affects distribution of the newspapers . The mean score of 4 on a 5 point scale shows that majority of the respondents agreed with the statement about factors that lead to low distribution.

The findings agree with those in Osman (2005, p.12) who noted that channel management involves evaluation of intermediaries and their activities The distributors need to be managed in order to be able to ensure the newspapers get to the customers on time. Some of the ways of motivating them is by giving them cold breakers jackets to use during harsh cold seasons and rewarding best performers quarterly. Selection of channels is also very important.

The findings also agreed with those in Bharadwaj (2006). Who noted that the management should be able to come up with a channel that is fast and very simple to avoid delays. Producer to consumer is the fastest and simplest channel. Middle men will affect the price because they have to be paid their commission from profits generated. If middle men are many, the product ends up being expensive.

The findidsg agree with those in Saleemi (2007,p.176)who noted that training is important to management when working towards good newspaper distribution. This in particular is training to the distribution staff to understand the need for things like timely sales and courtesy when dealing with their customers. Managing the supply process influences the many issues pertaining to the distribution of newspapers. The managers involved should ensure smooth flow of newspapers from production to distribution. This is because the activities are intertwined and delay in let's say production affects the time in which the newspapers will be available for distribution.

Table 6: Factors that lead to low distribution

statements	strongly disagree	disagree	neutral	agree	strongly agree	mean
The transporting vehicles are not always in good condition to deliver newspapers	.0%	20.0%	.0%	60.0%	20.0%	4
The newspapers are dropped off in an inconvenient place for the vendors	.0%	.0%	.0%	40.0%	60.0%	5
There is no security when delivering Newspapers	.0%	.0%	20.0%	80.0%	.0%	4
Traffic jam influence distribution of newspaper	.0%	.0%	.0%	.0%	100.0%	5
Poor remuneration of transporters affect distribution	.0%	20.0%	.0%	20.0%	60.0%	4
Poor work benefits of transporters affect distribution	.0%	.0%	.0%	40.0%	60.0%	5
Late production of newspapers affect distribution	.0%	20.0%	20.0%	60.0%	.0%	3
means of means						4

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

Discussion

The results were discussed in line with the objectives of study.

Summary of Findings

Distribution of newspapers by vendors

The findings indicated that a majority disagreed with the statement that their customers are happy with the time the newspapers arrive, there is high uptake and demand of newspapers, they have generated adequate profits in selling newspaper and they intend to continue with the same business. This implies that the statement affects the distribution of newspapers by vendors.

The results also indicate that a majority agreed with the statement that change in customers preferences, Competition from online distribution such as facebook, twitter and online newspapers, Late delivery of newspapers, Pricing of newspapers, The newspapers are dropped off in a convenient place for me are the factors that lead to low distribution of newspapers.

The findings agree with those in Kibera & Wariungi (1998) who noted that most salespeople would suggest that their difficulty is not customer dissatisfaction but too much competition and their difficulty is therefore to maintain and sustain competitive advantage. Age group of the target population is also important. Most people who read the newspapers are employed and can afford a newspaper. They are also interested in issues unlike young people who do not really worry much about that which does not affect them directly.

The findings also agree with those in Post Press Packaging and Logistics (2006, p.2006). Time when the newspaper is made available is crucial. Delay in distribution of newspapers can lead to stale news. Post Press Packaging and Logistics (2006, p.2006) identifies that the Newspaper being a highly perishable good requires strict timings to be able to appeal to the customer. It is for this reason that the publisher has to be effective in delivery.

The findings agree with those in Office of Fair Trading (2008, P.9). The newspaper has to cater for the customer by offering latest news and at the same time meet advertising requirements by offering a wide window for purchase of advertised products. Most magazines unlike newspapers have more time to go through the supply chain and distribution system because of their length of time before another edition is out.

The findings also agree with those Ahlstrom & Henfrisson (2005) which noted that technology is more advanced than ever lately. Most newspaper providers have online access to the newspapers. Some people prefer to use the online newspaper to get the news which is free rather than use money to but the newspapers. This affects the number of newspapers being sold at any one given time. This is also affecting by the number of people who have access to the internet.

Distribution of newspapers by transporter

The findings indicated that a majority disagreed with the statement that they am always on time to deliver the Newspapers, my customers are happy with the time the newspapers arrive, there is high uptake and demand of newspapers and they intend to continue with the same business. This implies that transport affects the distribution of newspapers by transporters.

The results also indicate that a majority agreed with the statement that late printing of newspapers influence the distribution, bad condition of vehicles influence the distribution, dropping off newspapers in a inconvenient place for the vendors affects distribution, lack of security when and where they deliver newspapers affects distribution, Traffic jam affects the distribution of newspaper , long distances of where they deliver newspaper influence newspaper distribution are the factors that lead to low distribution of newspapers. This implies that the work is tiring and unsecured.

The findings agree with those in Osman (2005 p.12) means of transportation is a major contributor to distribution for it contributes and dictates the costs to be incurred by the organization lead-time and satisfaction of customer needs. The vehicles being used should be of good condition at all time. They should also be big enough so as to accommodate a good number of newspapers at once. Poorly maintained vehicles in most cases lead to delayed deliveries.

The findings agree with those in Barkan (2011) who note that security is an act of protecting a property, person, building, or a country against attack, danger and exploitation. It is concerned with enforcement of law and order Security in distribution channels determines the performance of an organization.

The owners of the organization must take all practical measures to ensure that safety of people who work for them are provided with safe working conditions and make sure that they are warned against possible dangers that may be expected. Convenience of delivery points is important to distributors since they should be able to access their drop off points easily. Inaccessible delivery points can lead to delay in newspapers reaching the customers.

Distribution of newspapers by managers

The findings indicated that a majority disagreed with the statement that they are happy with the distribution of newspaper levels, the vendors are happy with the time the newspapers arrive, The newspaper customers are happy with the time the newspapers arrive, there is high uptake and demand of newspapers and The organization intends to continue with the same business. This implies that the statement affects the distribution of newspapers.

The results also indicate that a majority agreed with the statement that The transporting vehicles are not always in good condition to deliver newspapers, The newspapers are dropped off in an inconvenient place for the vendors, There is no security when delivering Newspapers, Traffic jam influence distribution of newspaper, Poor remuneration of transporters affect distribution , Poor work benefits of transporters affect distribution and Late production of newspapers affect distribution newspaper distribution are the factors that lead to low distribution of newspapers. This implies that the distribution of newspapers is not effective and reliable.

The findings agree with those in Osman (2005 p.12) who noted that channel management involves evaluation of intermediaries and their activities The distributors need to be managed in order to be able to ensure the newspapers get to the customers on time. Some of the ways of motivating them is by giving them cold breakers jackets to use during harsh cold seasons and rewarding best performers quarterly. Selection of channels is also very important.

The findings also agreed with those in Bharadwaj (2006). Who noted that the management should be able to come up with a channel that is fast and very simple to avoid delays. Producer to consumer is the fastest and simplest channel. Middle men will affect the price because they have to be paid their commission from profits generated. If middle men are many, the product ends up being expensive.

The findings agree with those in Saleemi (2007,p.176) who noted that training is important to management when working towards good newspaper distribution. This in particular is training to the distribution staff to understand the need for things like timely sales and courtesy when dealing with their customers.

Managing the supply process influences the many issues pertaining to the distribution of newspapers. The managers involved should ensure smooth flow of newspapers from production to distribution. This is because the activities are intertwined and delay in let's say production affects the time in which the newspapers will be available for distribution.

Conclusions

From the results, it was possible to make various conclusions

Effect of distribution channels on distribution of newspapers.

Findings also led to the conclusion that there is no high uptake and demand of newspapers due to poor distribution management.

Effect of newspaper distribution management on distribution of newspapers.

It was concluded that newspaper distribution management was poor. In addition, it was concluded that poor remuneration of transporters affect distribution, poor work benefits of transporters affect distribution and late production of newspapers affect distribution newspaper distribution are the factors that lead to low distribution of newspapers.

Effect of environmental and social factors on distribution of newspapers.

The results led to conclusion that change in customers preferences, competition from online distribution such as facebook, twitter and online newspapers, late delivery of newspapers, pricing of newspapers, inconvenient place for dropping newspapers are the social and environmental factors affecting distribution.

Effect of transportation on distribution of newspapers.

It was concluded that that late printing of newspapers influence the distribution, bad condition of vehicles influence the distribution, dropping off newspapers in a inconvenient place for the vendors affects distribution, lack of security when and where they deliver newspapers affects distribution, Traffic jam affects the distribution of newspaper, long distances of where they deliver newspaper influence newspaper distribution are the factors that lead to low distribution of newspapers. This implies that the transportation problem affect distribution of newspapers.

Recommendations of the Study

The study recommends that;

i) There is need to enhance security for newspapers transporters. In this case the transporters would deliver the newspapers to vendors or pick from the sources in good time. Proper security includes ensuring the safety and well-being of transporters so that they can safely and effectively do their jobs.

ii) The study would recommend that the sources of newspapers to reduce the pricing to sustain the business in market so as to encourage more entrepreneurs by inventing in the newspaper selling as long as it is profitable.

iii) By improving the timing in production the newspapers would be delivered in time hence the customers would be satisfied and assured of reliability

Suggested Areas for Further Research

The study recommends that future areas of study should concentrate on a larger sample. A sample of 50 may have been small though representative. Given funding and time, further studies should concentrate on a bigger sample. A replica study focusing on Standard News Group and the Star newspaper is also welcome.

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The Effects Of Strategic Management On Performance Of Auctioneer Firms In Kenya

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ABSTRACT

The purpose of this study was to analyze the effects of strategic management on performance of auctioneer firms in Kenya. The study used descriptive survey research design. Stratified and simple random sampling methods will be used to identify the study respondents. The target population of the study were all management employees of auctioneering forms in Kenya. This study used primary data which was collected through use of Questionnaire. Data from the questionnaires was sorted, coded and input into a software for analysis. Data from the questionnaire were analysed using statistical package for the social sciences (SPSS) to generate frequencies, descriptive statistics and inferential statistics. Results indicated that strategic planning had effects on performance of the auctioneering firms. Study findings further indicated that strategic implementation affects performance of the auctioneering firm. Results further indicated that organization structure affects performance of the auctioneering firms. Results also indicated that environmental characteristics affects performance of the auctioneering firms. The sturdy recommended that organization structure should be keenly observed in the management of auctioneer firms.it also recommended that further investigation be done on the effect of proper leadership practices in income generating organizations.

Keywords: Economic Value Added, Gross Domestic Product, Strategic Human Resource Management

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1.0 INTRODUCTION

According to Pearce and Robinson (2011), strategic management is a set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives. This entails formulation of the company's mission about its purpose, philosophy and goals. Conducting an analysis that reflects the company's internal conditions and capabilities and assessing the company's external environment including the competitive and remote environment. It involves; identifying suitable, feasible and acceptable options that match the company's resources with external environment and selection of long-range objectives and grand strategies that will achieve the most desirable options. It also encompasses developing annual objectives and short-term strategies that are compatible with the long-range objectives and strategies. Implementation of the strategic choices by ensuring appropriate alignment of the organisational design, human resource, technology, finances, relationships, leadership, and culture to the strategy.

Organizations today have increasingly become aware of the importance of strategic management. This awareness in a system is a critical dimension in the performance of organizations (Rees, 2006). The real life experiences substantiate the assumption that no matter how sophisticated and modern the business activities of the organization may become, it will be extremely difficult to sustain its growth and effectiveness unless there are strategies that complement its operations. Business competitiveness is a recurring theme examined by academicians, consultants and practitioners. The frequent and uncertain changes, greater competition between firms, the need for continuous innovations, quality enhancement and cost reduction force companies to face the challenge of improving their competitiveness and consequently their performance. This realization has propelled strategic management as a major field of study and the renewed interest has facilitated the development of newer approaches in managing organizations (Wright, 2005).

Strategy management may be viewed as a process inducing various forms of organizational learning, because both environmental threats and strategic responses are a prime trigger for organizational learning processes (Lehner, 2004). Strategy management is an iterative process of implementing strategies, policies, programs and action plans that allows a firm to utilize its resources to take advantage of opportunities in the competitive environment (Harrington, 2006). Strategy management is also portrayed as a lively process by which companies identify future opportunities (Schaap, 2006). So in a comprehensive statement, we can define the term as a dynamic, iterative and complex process, which is comprised of a series of decisions and activities by managers and employees that are affected by a number of interrelated internal and external factors to turn strategic plans into reality in order to achieve strategic objectives.

Auctioneering Sector in Kenya

Amongst the industries affected negatively by the court decisions happens to be the banking sector. The auction industry in Kenya just like in any other profession the world over has its share of quacks; unlicensed and unqualified individuals operating and carrying themselves as auctioneers. It is for the clients benefit to deal with a properly licensed person. Licensed auctioneers proscribe to a code of conduct and constantly attend educational workshops organized by the auctioneer licensing board. Further auctioneers are required under the law to take out insurance covers against fire, theft and burglary for the auctioned property to cushion their clients against losses occasioned by the said insurable risks. Should a licensed auctioneer conduct himself inappropriately while performing his duties, the licensing board is there for you unlike while dealing with quacks. In other words by dealing with a licensed auctioneer you are safe (National Association of Kenya Auctioneers, 2011).

Statement of the Problem

By employing strategic management in firms, auctioneering gains meaningful direction and the ability to illustrate its success to key stakeholders and others. Strategic management is also a team building exercise that involves both staff and key stakeholders in the process of determining the growth and future of the organization. Without a strategy, an organization may lose its direction, unknowingly drift away from its values, and lack the ability to understand whether or not it is successful in delivering its services or products to its clients. Generally strategic management practices can improve efficiency in various organizations. Strategic management has evolved into a more sophisticated and potentially more powerful tool (Stoney, 2001). Hunger and Wheelen (2003) noted that people at all levels, not just top management, need to be involved in strategic management; scanning the environment for critical information, suggesting changes to strategies and programs to take advantage of environment shifts, and working with others to continuously improve work methods, procedures, and evaluation techniques.

Many researches havev been carried out on strategic management practices including studies by Chinowsky and Meredith (2000), Dikmen and Birgonul (2003), Price *et al.* (2003) and Dansoh (2005) in different sectors. Stoner & Wankel (2007) stated that effective management must have a strategy and must operate on the day-to-day level to achieve it. Chinowsky and Meredith (2000) noted that while strategic management topics receive significant focus from construction and other professionals, less attention is paid to strategic management in auctioneering firms.

Given that the auction sector of business is increasingly growing and an increasing dependence on auctioneering services has arisen, strategic management provides an approach to aid organizations in determining appropriate goals and how to reach them. While strategic management is widely practiced by firms and other profit oriented organizations in Kenya, its adoption by auctioneering firms is less understood. There is paucity of research on strategic management practices in auctioneering firms. This study is undertaken to fill this knowledge gap.

Study Objectives

1. To establish the extent to which strategic planning influence performance of auctioneer firms in Kenya.
2. To establish whether strategy implementation influences performance of auctioneer firms in Kenya.
3. To investigate the effect of environmental characteristics on performance of auctioneer firms in Kenya.
4. To establish the effect of organization structure on performance of auctioneer firms in Kenya

2.0 LITERATURE REVIEW

Theoretical Literature Review

According to Trochim (2006) Aguilar (2009), and Tormo (2006), a theoretical framework guides research, determining what variables to measure, and what statistical relationships to look for in the context of the problems under study. Thus, the theoretical literature helps the researcher see clearly the variables of the study; provides a general framework for data analysis; and helps in the selection of applicable research design. The Theory guides every aspect of research, from formulation of the research question through operationalization and discussion.

Universalistic theory

It is also referred to as the best practice model, which is based on the assumption that there is a set of superior/best strategic management practices, and that adopting them will inevitably lead to superior organizational performance (Luthans & Summer, 2005). The notion of best practice was identified initially in the early US models of strategic management , many of which mooted the idea that the adoption of certain 'best' human resource practices would result in enhanced organizational performance, manifested in improved employee attitudes and behaviors, lower levels of absenteeism and turnover, higher levels of skills and therefore higher productivity, enhanced quality and efficiency and of course increased profitability (Marchington & Wilkinson, 2008).

Contingency theory

It is all contingent on the organization's context, culture and its business strategy (Wright & Snell, 2005). Contingency scholars have argued that strategy would be more effective only when appropriately integrated with a specific organizational and environmental context. The best fit theory emphasizes the importance of ensuring that strategies are appropriate to the circumstances of the organization, including the culture, operational processes and external environment. strategies have to take account of the particular needs of both the organization and its people. It explores the close link between strategic management and HRM by assessing the extent to which there is vertical integration between an organization's business strategy and its HRM policies and practices (Schuler & Jackson, 1987; Dyer, 2005; Mahoney & Decktop, 2006).

Configuration theory

A strategy's success turns on combining external fit and internal fit. A firm with bundles of strategic management practices should have a high level of performance, provided it also achieves high levels of fit with its competitive strategy (Richard & Thompson, 1999). Emphasis is given to the importance of bundling strategic management practices and competitive strategy so that they are interrelated and therefore complement and reinforce each other. Implicit in is the idea that practices within bundles are interrelated and internally consistent, and has an impact on performance because of multiple practices. Employee performance is a function of both ability and motivation. Thus; there are several ways in which employees can acquire needed skills (such as careful selection and training) and multiple incentives to enhance motivation (different forms of financial and non-financial rewards.)

A key theme that emerges in relation to best-practice strategic management is that individual practices cannot be implemented effectively in isolation (Storey, 2007)) but rather combining them into integrated and complementary bundles is crucial. MacDuffie (2005) argues that a 'bundle' creates the multiple, reinforcing conditions that support employee motivation, given that employees have the necessary knowledge and skills to perform their work effectively (Stavrou & Brewster, 2005).

2.2 Empirical Literature Review

This section discusses literature from various sources regarding container freight stations and also brings out gaps in literature that this study seeks to address

2.3 Conceptual Framework

The goal of a conceptual framework is to categorize and describe concepts relevant to the study and map relationships among them.

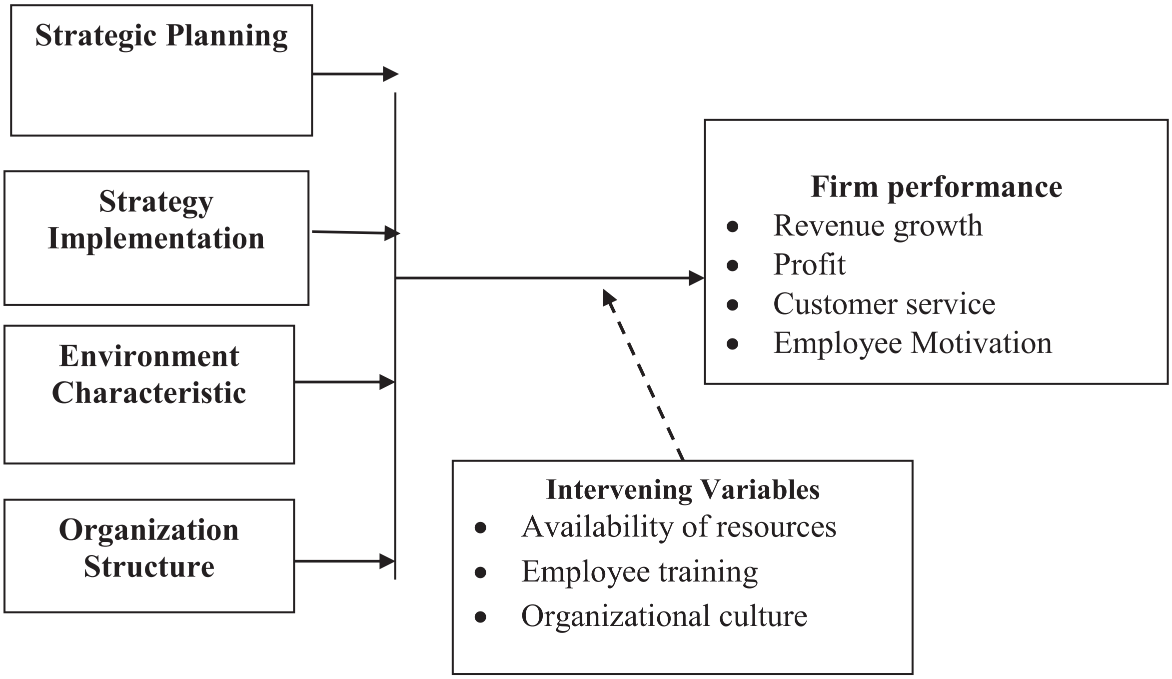

Figure 1: Conceptual framework

3.0 RESEARCH METHODOLOGY

The study used descriptive survey research design. Stratified and simple random sampling methods will be used to identify the study respondents. The target populations of the study were all management employees of auctioneering forms in Kenya. This study used primary data which was collected through use of Questionnaire. Data from the questionnaires was sorted, coded and input into a software for analysis. Data from the questionnaire were analysed using statistical package for the social sciences (SPSS) to generate frequencies, descriptive statistics and inferential statistics.

4.0 RESULTS AND DISCUSSIONS

Descriptive for customers

Number of Years the Firm Has Been Operational

The study sought to establish the number of years the firm has been operational. The findings are presented in figure 2 below. As illustrated in figure 2, the findings revealed that an equal majority of 27% of the respondents indicated that their firms had been operational for periods between 11 to 17 years and 26 to 35 years respectively. On the other hand, 18% indicated that their firm had been operational for a period between 18 to 25 years. Thirteen (13%) of the respondents indicated that their firm had been operational for a period between 36 to 45 years while a trial tie of 5% of the respondents indicated that their firms had been operation for periods between 46 to 55 years, over 55 years and less than 10 years respectively. The findings imply that most auctioneering firms have been in the market for a period less than 35 years.

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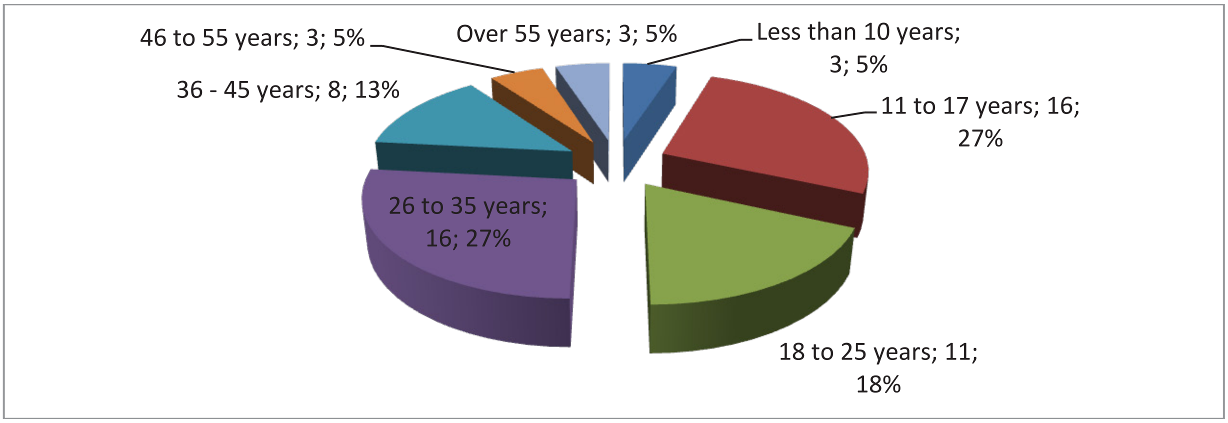

Figure 2: Number of years the firm has been n operation.

Strategic Management and Performance

Effects of Strategic Planning on Performance

The study sought to establish the influence of strategic planning on performance. The results are presented on table 1 below. As illustrated in table 1, majority 55% of the respondents agreed and another 7% of the respondents strongly agreed bringing to a total of 62% of those who agreed with the statement that majority of auctioneer firms have strategic plans. Meanwhile, 5% of the respondents strongly disagreed, a further 8% disagreed and 25% of the respondents neither agreed nor disagreed with the statement.

In addition, a majority 42% of the respondents agreed with the statement that their firm has a strategic plan. Besides, 13% of the respondents strongly agreed to the statement totaling to 55% of those who agreed. Meanwhile, 22% of the respondents disagreed and further 5% strongly disagreed bringing to a total of 27% of those who disagreed and finally18% of the respondents neither agreed nor disagreed with the statement.

A majority 48% of the respondents agreed with the statement that Strategic planning is a prerequisite for good performance of the firm. Besides, 15%of the respondents strongly agreed with the statement bringing to a total of 63% of those who agreed. Meanwhile, 18% of the respondents disagreed, and 3% strongly disagreed. However, 15% neither agreed nor disagreed with the statement.

Furthermore, majority 55% of the respondents agreed with the statement that their firm has a vision and a mission. In the same line, 7% of the respondents strongly agreed with the statement thus a total of 62% agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed while 8% of the respondents disagreed and 5% strongly disagreed with the statement.

A majority 42% of the respondents agreed with the statement that their firm has strategic objectives. Besides, 13% strongly agreed making a total of 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed and 5% strongly disagreed. However, 18% of the respondents neither agreed nor disagreed with the statement.

Furthermore, a majority of 48% of the respondents agreed with the statement that having core values is important in driving ethics. In the same accord, 15% strongly agreed thus making a total of 63% of those who agreed with the statement. Meanwhile, 18% of the respondents disagreed while 3% strongly disagreed. However, 15% neither agreed nor disagreed with the statement.

Finally, majority 55% of the respondents agreed with the statement that in their firm performance is measured against annual targets and budgets set at the beginning of the year. In concurrence, 7% strongly agreed thus making a total 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed while 8% of the respondents disagreed and 5% strongly disagreed with the statement.

Table 1: Strategic Planning

	%strongly disagree	%disagree	%neutral	%agree	%strongly agree
Strategic Planning-Majority of auctioneer firms have strategic plans	5%	8%	25%	55%	7%
Strategic planning-Our firm has a strategic plan	5%	22%	18%	42%	13%
Strategic planning is a prerequisite for good performance of our firm	3%	18%	15%	48%	15%
Strategic planning-Our firm has a vision and a mission	5%	8%	25%	55%	7%
Strategic planning-Our firm has strategic objectives	5%	22%	18%	42%	13%
Strategic Planning-Having core values is important in driving ethics	3%	18%	15%	48%	15%
Strategic Planning-Performance is measured against annual targets and budgets set at the beginning of the year	5%	8%	25%	55%	7%

Regression for Strategic Planning and Performance

Regression analysis was conducted to empirically determine whether strategic planning was a significant determinant of performance by auctioneering firms. Regression results in table 2 indicate the goodness of fit for the regression between strategic planning and performance is satisfactory. An R squared of 0.525 indicates that 53% of the variances in performance are explained by the variances in the strategic planning.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724a	.525	.517	.48597

a. Predictors: (Constant), Strategic Planning

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 64.048 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level

Table 3: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	15.126	1	15.126	64.048	.000a
Residual	13.698	58	.236		
Total	28.824	59			

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a. Predictors: (Constant), Strategic Planning
b. Dependent Variable: Performance
The relationship between strategic planning and performance is positive and significant (b1=0. 96, p value 0.000).

Table 4: Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	.128	.421		.304	.762
Strategic Planning	.960	.120	.724	8.003	.000

a. Dependent Variable: Performance

Effects of Strategy Implementation on Performance

The study sought to establish the influence of strategic implementation on performance. The results are presented on table 5 below. As illustrated in table 5, majority 42% of the respondents agreed with the statement that their firm has a team to monitor the progress of strategy implementation and another 13% strongly agreed bringing to a total of 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed, a further 5% strongly disagreed and 18% of the respondents neither agreed nor disagreed with the statement.

In addition, a majority 48% of the respondents agreed with the statement that aggressive implementation of their strategies has ensured better performance of their firm. Besides, 15% of the respondents strongly agreed to the statement totaling to 63% of those who agreed with the statement. Meanwhile, 18% of the respondents disagreed and further 3% strongly disagreed and finally15% of the respondents neither agreed nor disagreed with the statement.

A majority 55% of the respondents agreed with the statement that they have annual actions and targets which they use to monitor progress of strategy implementation. Besides, 7% of the respondents strongly agreed with the statement bringing to a total of 62% of those who agreed. Meanwhile, 8% of the respondents disagreed, and 5% strongly disagreed. However, 25% neither agreed nor disagreed with the statement.

Furthermore, majority 42% of the respondents agreed with the statement that all departments in their firm have their own targets aligned to the company strategy. In the same line, 13% of the respondents strongly agreed with the statement thus a total of 55% agreed with the statement. Meanwhile, 22% of the respondents disagreed and 5% of the respondents strongly disagreed while 18% neither agreed nor disagreed with the statement.

Finally, a majority of 48% of the respondents agreed with the statement that all their employees have annual performance contracts which are aligned to the strategy. Besides, 15% strongly agreed making a total of 63% of those who agreed with the statement. Meanwhile, 18% of the respondents disagreed and 3% strongly disagreed. However, 15% of the respondents neither agreed nor disagreed with the statement.

Table 5: Strategy Implementation

	%strongly disagree	%disagree	%neutral	%agree	%strongly agree
Our firm has a team to monitor the progress of strategy implementation	5%	22%	18%	42%	13%
Aggressive implementation of our strategies has ensured better performance of our firm	3%	18%	15%	48%	15%
We have annual actions and targets which we use to monitor progress of strategy implementation	5%	8%	25%	55%	7%
All departments have their own targets aligned to the company strategy	5%	22%	18%	42%	13%
All our employees have annul performance contracts which are aligned to the strategy	3%	18%	15%	48%	15%

Regression for Strategic Implementation and Performance

Regression analysis was conducted to empirically determine whether strategic implementation was a significant determinant of performance by auctioneering firms. Regression results in table 6 indicate the goodness of fit for the regression between strategic implementation and performance is satisfactory. An R squared of 0.761 indicates that 76.1% of the variances in performance are explained by the variances in the strategic implementation.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872a	.761	.757	.34451

a. Predictors: (Constant), Strategic Implementation

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 184.857 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level.

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Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	21.940	1	21.940	184.857	.000a
Residual	6.884	58	.119		
Total	28.824	59			

a. Predictors: (Constant), Strategic Implementation
b. Dependent Variable: Performance

The relationship between strategic implementation and performance is positive and significant (b1=1.116, p value 0.000). The findings imply that strategic implementation has a significant effect on performance.

Table 8: Coefficients

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	-.400	.287		-1.394	.169
Strategic Implementation .000	1.116	.082	.872	13.596	.000

a. Dependent Variable: Performance

Effects of Environmental Characteristics on Performance

The study sought to establish the influence of environmental characteristics on performance. The results are presented on table 9 below. As illustrated in table 9, majority 55% of the respondents agreed with the statement that competition in the auctioneer business calls for proper strategic planning by firms, another 7% of the respondents strongly agreed bringing to a total of 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed while 8% disagreed and 5% strongly disagreed with the statement.

In addition, a majority 42% of the respondents agreed with the statement that scanning the environment on a continuous basis is important. Besides, 13% of the respondents strongly agreed to the statement totaling to 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed and further 5% strongly disagreed and finally18% of the respondents neither agreed nor disagreed with the statement.

A majority 48% of the respondents agreed with the statement that they review their strategy regularly to ensure its alignment to the operating environment of their firm. Besides, 15% of the respondents strongly agreed with the statement bringing to a total of 63% of those who agreed. Meanwhile, 18% of the respondents disagreed, and 3% strongly disagreed. However, 15% neither agreed nor disagreed with the statement.

Furthermore, majority 55% of the respondents agreed with the statement that the operating environment is critical in determining the performance of auctioneer firms. In the same accord, 7% of the respondents strongly agreed with the statement thus a total of 62% agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed with the statement while 8% disagreed and 5% of the respondents strongly disagreed with the statement.

Finally, a majority of 42% of the respondents agreed with the statement that turbulent operating environment has made many auctioneer firms scale down their operating scope. Besides, 13% strongly agreed making a total of 55% of those who agreed with the statement. Meanwhile, 22% of the respondents disagreed and 5% strongly disagreed. However, 18% of the respondents neither agreed nor disagreed with the statement.

Table 9: Environmental Characteristics

	%strongly disagree	%disagree	%neutral	%agree	%strongly agree
Competition in the auctioneer business calls for proper strategic planning by firms	5%	8%	25%	55%	7%
Scanning the environment on a continuous basis is important	5%	22%	18%	42%	13%
We review our strategy regularly to ensure its alignment to the operating environment	3%	18%	15%	48%	15%
The operating environment is critical in determining the performance of auctioneer firms	5%	8%	25%	55%	7%
Turbulent operating environment has made many auctioneer firms scale down their operating scope	5%	22%	18%	42%	13%

Regression for Environmental Characteristics and Performance

Regression analysis was conducted to empirically determine whether environmental characteristics was a significant determinant of performance by auctioneering firms. Regression results in table 10 indicate the goodness of fit for the regression between environmental characteristics and performance is satisfactory. An R squared of 0.768 indicates that 77% of the variances in performance are explained by the variances in the environmental characteristics.

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Table 10: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.768a	.590	.583	.45146

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 83.423 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level.

Table 11: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	17.003	1	17.003	83.423	.000a
Residual	11.821	58	.204		
Total	28.824	59			

a. Predictors: (Constant), Environmental Characteristics
b. Dependent Variable: Performance

The relationship between environmental characteristics and performance is positive and significant (b1=0.82, p value 0.000). The findings imply that an environmental characteristic has a significant effect on performance.

Table 12: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.627	.316		1.988	.052
	Environmental_Characteristics	.820	.090	.768	9.134	.000

a. Dependent Variable: Performance

Effects of Organization Structure on Performance

The study sought to establish the influence of organization structure on performance. The results are presented on table 13 below. As illustrated in table 13, majority 48% of the respondents agreed with the statement that a good structure is key to good leadership and performance, another 15% of the respondents strongly agreed bringing to a total of 63% of those who agreed with the statement. Meanwhile, 15% of the respondents neither agreed nor disagreed while 18% disagreed and 3% strongly disagreed with the statement.

In addition, a majority 55% of the respondents agreed with the statement that a flat structure is more effective in delivering strategy and better performance. Besides, 7% of the respondents strongly agreed to the statement totaling to 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed with the statement. However, 8% of the respondents disagreed and further 5% strongly disagreed with the statement.

A majority 42% of the respondents agreed with the statement that lean structure is better for improving company performance. Besides, 13% of the respondents strongly agreed with the statement bringing to a total of 55% of those who agreed. Meanwhile, 22% of the respondents disagreed, and 5% strongly disagreed. However, 18% neither agreed nor disagreed with the statement.

Furthermore, majority 48% of the respondents agreed with the statement that their company performs better because it has a lean establishment. In the same accord, 15% of the respondents strongly agreed with the statement thus a total of 63% agreed with the statement. Meanwhile, 15% of the respondents neither agreed nor disagreed with the statement while18% disagreed and 5% of the respondents strongly disagreed with the statement.

Finally, a majority of 55% of the respondents agreed with the statement that decision making in our company is fast due to less bureaucracy in the structure. Besides, 7% strongly agreed making a total of 62% of those who agreed with the statement. Meanwhile, 25% of the respondents neither agreed nor disagreed with the statement while 8% disagreed and 5% strongly disagreed with the statement.

Table 13: Organization Structure

	%strongly disagree	%disagree	%neutral	%agree	%strongly agree
A good structure is key to good leadership and performance	3%	18%	15%	48%	15%
A flat structure is more effective in delivering strategy and better performance	5%	8%	25%	55%	7%
Lean structure is better for improving company performance	5%	22%	18%	42%	13%
Our company performs better because it has a lean establishment	3%	18%	15%	48%	15%
Decision making in our company is fast due to less bureaucracy in the structure	5%	8%	25%	55%	7%

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Regression for Organizational Structure and Performance

Regression analysis was conducted to empirically determine whether organizational structure was a significant determinant of performance by auctioneering firms. Regression results in table 14 indicate that the goodness of fit for the regression between organizational structure and performance is satisfactory. An R squared of 0.799 indicates that 80% of the variances in performance are explained by the variances in the organizational structure.

Table 14: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.894a	.799	.796	.31582

a. Predictors: (Constant), Organization Structure

Anova statistics indicate that the overall model was significant. This was supported by an F statistic of 230.978 and p value of 0.000. The reported probability was less than the conventional probability of 0.05 (5%) significance level.

Table 15: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	23.039	1	23.039	230.978	.000a
Residual	5.785	58	.100		
Total	28.824	59			

a. Predictors: (Constant), Organization Structure
b. Dependent Variable: Performance

The relationship between organizational structure and performance is positive and significant (b1=0.978, p value 0.000). The findings imply that organizational structure has a significant effect on performance.

Table 17: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.052	.228		.226	.822
	Organization Structure	.978	.064	.894	15.198	.000

a. Dependent Variable: Performance

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

Introduction

The chapter addressed the summary of the findings, the conclusions and the recommendations. This was done in line with the objectives/research questions of the study.

Summary of Findings

The general objective of this study was to investigate the effect of strategic management on performance of auctioneer firms in Kenya. The specific objectives of this study were to establish the extent to which strategic planning influence performance of auctioneer firms in Kenya, to establish whether strategy implementation influences performance of auctioneer firms in Kenya to investigate the effect of environmental characteristics on performance of auctioneer firms in Kenya and to establish the effect of organization structure on performance of auctioneer firms in Kenya.

The research used a population of 200 auctioneering firms and a 100 as the sample size for the study. For purposes of collecting primary data, the use of a questionnaire developed by the researcher was used and their results analyzed using various statistical methods such as charts, tables and with the aid of Microsoft Excel.

Study findings indicated that equal majority of 27% of the respondents indicated that their firms had been operational for periods between 11 to 17 years and 26 to 35 years respectively. Followed by 18% who indicated that their firm had been operational for a period between 18 to 25 years. Thirteen (13%) of the respondents indicated that their firm had been operational for a period between 36 to 45 years while a trial tie of 5% of the respondents indicated that their firms had been operation for periods between 46 to 55 years, over 55 years and less than 10 years respectively. A majority (23%) of the respondents indicated that most of their clientele are from the cooperative sector followed by a very close majority of 22% who indicated that their clientele come from families. On the other hand, 18% indicated that their clientele come from the micro-finance sector. Fifteen (15%) of the respondents indicated that their clientele are from the government while 14% indicated that their clientele come from the banking sector and finally 8% indicated that their clientele come from other sectors not indicated in the questionnaire. Findings revealed that majority (65%) of the respondents agreed that they do have a strategic plan in their firm while 35% of the respondents indicated that their firms do not have any strategic plan.

Results indicated that strategic planning had affects on performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to strategic planning and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the strategic planning and performance.

Study findings further indicated that strategic implementation affects performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to strategic implementation and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the strategic implementation and performance.
Results also indicated that environmental characteristics affects performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to environmental characteristics and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the environmental characteristics

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and performance.

Results further indicated that organization structure affects performance of the auctioneering firms. This is evidenced by the majority of the respondents who indicated that they strongly agreed and agreed with the statements related to organization structure and performance of the auctioneering firms. This is also supported by a positive and significant regression analysis between the organization structure and performance.

Conclusions

Effects of Strategic Planning on Performance

The other objective of the study was to establish the extent to which strategic planning influence performance of auctioneer firms in Kenya. Following the study results, it was possible to conclude that strategic planning affected the performance of the auctioneer firms since majority of them do have strategic plans, vision and a mission, strategic objectives, measured their performance annually against annual targets and budgets set at the beginning of the year. It was possible to conclude that strategic planning is a prerequisite for good performance of auctioneer firms. It was possible too to conclude that having core values is important in driving ethics in auctioneer firms.

Effects of Strategy Implementation on Performance

The other objective of the study was to establish whether strategy implementation influences performance of auctioneer firms in Kenya. It was possible to conclude that strategy implementation methods such as monitoring the progress of strategy implementation, aggressive implementation of strategies, having annual actions and targets, having annul performance contracts lead to better performance of a firm.

Effect of Environmental Characteristics on Performance

Another objective of the study was to investigate the effect of environmental characteristics on performance of auctioneer firms in Kenya. Following the study results it was possible to conclude that such practices as competition, scanning the environment on a continuous basis, reviewing the strategy regularly and ensuring turbulent operating environment are very essential for auctioneering firms to perform better.

Effects of Organization Structure on Performance

Finally, the last but not least objective of the study was to establish the effect of organization structure on performance of auctioneer firms in Kenya. Following the study results it was possible to conclude that an auctioneer firm practicing either lean or flat structure and avoiding unnecessary bureaucracy is likely to perform better and maintain good leadership in its operations since such activities as decision making are done with relative ease.

Recommendations for Further Studies

The study recommends that further investigation be done on the effect of proper leadership practices in income generating organizations.

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The Relationship Between Family Determinants And Proportions Of Women In Top Leadership Positions

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ABSTRACT

The combination of legal developments, including the Kenyan Constitution of 2010 and legislative enactments by the Kenyan Government, have specifically sought to ensure there is equality by advancing the position of women within leadership positions in the Kenyan public sector. However, despite these efforts, women have yet to make the sort of advances in leadership positions within Kenya anticipated by such policies. There are existing factors that still hinders women in Kenya from attaining these positions of leadership within Kenyan state corporations. The study sought to determine the relationship between family and proportion of women in top leadership positions in state corporations in Kenya. This thesis used mixed method methodology (qualitative and quantitative). The study design was cross a sectional study and the data was collected using structure questionnaires, with closed ended questions for quantitative data and open ended questions for qualitative data. 221 senior managers in state corporations were sampled using stratified sampling technique. The questionnaires were self administered. The findings of this study found that family responsibilities hinder the progression of women to high leadership positions in state corporations in Kenya. Further study results showed that Family Responsibilities and Family status were statistically significant in assessing Proportion of Women in Top Leadership Positions. The thesis makes an important contribution in understanding the influence of family determinants and proportion of women in top leadership positions in state corporations in Kenya. Study recommends that future studies may also use the case study approach, which would add value to understanding the relationship family determinants and proportion of women in top leadership positions. Case studies may be used to generate other theories that can be empirically tested, thus enabling general knowledge on proportion of women in top leadership positions in organization get richer.

Keywords: leadership position, family determinants, proportion of women, State corporations

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1.0 INTRODUCTION

Women's participation in leadership and decision making within public sector positions in Kenya has made some progress in the recent past although a lot still needs to be done. According to the United Nation's Millennium Development goals, status report for Kenya, 2008, the number of women members of parliament has steadily increased. This progress has not been confined to the National Assembly, but is also reflected in the various positions and appointments in the public service (Government of Kenya, 2013). The government of Kenya has made a concerted effort to increase the number of women in leadership positions in state organizations. The major progress has been brought about by the new constitution of 2010 which, as discussed below, seeks to advance the position of women in Kenya. There have also been specific policies focused on affirmative action measures, and gender mainstreaming effort, and other measures that the Kenyan Government has adopted in an attempt to empower and increase the number of women in leadership positions within state organizations (Nzomo, 2013).

Gender inequality in various sectors is a serious issue in Kenya. Addressing it will lead to improved outcomes, not only for women, but for families and the society as a whole (Ellis *et al.*, 2007). Even though some progress has been made in addressing low level representation of women in positions of leadership, a lot of effort still needs to be put in place to remove all obstacles that hinder women's effective contribution to national development.

Various challenges have been identified as hindering the progression of women to high level leadership positions. Most African cultures value qualities such as "masculinity", which, it is believed, is an important attribute of great leaders, and it is assumed, is only to be found in men, both in community and the workplace (Rowley, Hossain & Barry 2010). In addition, certain African cultures, at the social level, associate leadership with men and this is apparent from the family level to more complex organizational levels (Pheko, 2009). In addition to the higher value placed on male attributes in some African cultures, another factor hindering the advancement and greater equality of women in Kenyan society concerns the unequal distribution of labour within many Kenyan families. Women have been known to carry more family responsibilities than men, and this has also interfered with their progress to leadership positions (Koyuncu & Burke, 2012).

Major political barriers prevent women from ascending to political leadership at the macro-level where major decisions that affect their lives are made. In marginalized communities such as the Maasai, the Samburu, and the Turkana tribes in Kenya, young girls are not sent to school, as their fathers believe that it is a waste of time and money to educate a girl, as her only role will be that of a wife (Sang, Masila, & Sang, 2012).

Family voting is a practice where women are led to the voting booth by their male relatives or husbands. This hugely constricts their freedom to vote for whomever they please. Raising sufficient resources to fund a campaign for office is extremely difficult, particularly for women who often lack established funding networks or collateral. In Kenya, women who run for political posts face societal opposition, from both male and female citizens and most opt to drop out of the political race (Nzomo, 2013).

Statement of the Problem

The lack of significant proportions of women in leadership and senior management positions in almost every organization, irrespective of whether in the commercial, industrial, military or public sector appears to be a worldwide phenomenon

(Heslop, 1994). Adler (1993) states: About the single most uncontroversial, incontrovertible statement to make about women in management is that there are very few of them.

A survey conducted in Kenya by the Ministry of Gender, Children and Social Development in 2008, showed that only approximately 20 percent of women occupy high level positions in the public sector in Kenya. This prompted the President of Kenya to issue a decree for affirmative action on employment and recruitment of women in the public service. The decree compels the public sector to have at least 30 percent women representation (Government of Kenya 2008). This decree however, was not legislated, and reports show that the number of women in public service has not reached the 30 per cent mark (Government of Kenya 2010). Women, who choose careers over family or want to be leaders and still have a family too, are often labeled as somehow different, greedy or even strange. Stereotypes and prejudice still affect women's career development strongly. More than 70 per cent of women, who answered the survey by Lahti (2013), said that traditional gender roles and certain expectations of women make women's career development slower.

It is on this basis that the study sought to establish the relationship between family responsibilities and the low representation of women in high leadership positions in State Corporations in Kenya.

Objective of the Study

Determine the relationship between family determinants and proportion of women in top leadership positions.

2.0 LITERATURE REVIEW

Theoretical Review

The Synergistic Leadership Theory (STL)

The effective practices highlighted above further demonstrate that women should be themselves and should not feel the pressure to conform to patriarchal practices in order to move forward. Women's practices of inclusion, collaboration, valuing others and their contributions, and the ability to balance work and family are helpful in breaking barriers to gender equity in educational leadership. In any case, Irby, Brown, Duffy, and Tautman (2002) affirmed, that even though such practices are widely advocated, they are not incorporated in common leadership theories. Synergistic leadership theory (SLT), however, "openly acknowledges the feminine organization as a major component," which lacks in other leadership theories (Irby *et al.* 2002 p. 315).

The leadership model by Irby *et al.* (2002) has the following four factors that serve as dynamic interactions: (a) attitudes, beliefs, and values; (b) leadership behavior; (c) external forces; and (d) organizational structure. These four factors have six interaction pairs, and there is no structural hierarchy or linear nuance (Leonard & Jones 2009). Further, the model contains "both male and female leadership behaviors, a range between closed and open organizational structures, and infinite possibilities of external forces and attitudes, believes, and values" (Irby et al., 2002 p. 312). Leonard and Jones (2009) noted that effective 21st century leadership can be fostered through the gender inclusive framework of STL.

Empirical Review

There has been an increase, over the years, in participation in the labour force of women with families. According to Higgins, Duxbury, and Lee (1994), the changing workforce demographics have created difficulties in balancing work and family demands. The traditional situation whereby the wife cares for the family, and the husband is the breadwinner, is no longer the case for modern couples. The consequences of difficulties in balancing work and family demands have led to conflict experienced by workers (Punch, 2001). More women are entering the workforce, and this has made work-life integration a topic of interest to researchers. Many employees are now working longer hours. Also there has been an increase in travel requirements on managers and professionals with more of this travel becoming international (Reynolds, 2005). Work affects personal and family life and personal and family life affects work (Reynolds, 2005).

Dunne (2007) argues that problems of balancing family and work are generally a concern for both employees and employers. These problems manifest themselves in the form of stress, and low commitment to work that ultimately leads to low productivity. On the issue of time, the study found that men have more control over the distribution of their time than women, and this has made them able to satisfy both family and work expectations. According to Reynolds (2005), men's perception is that they can fulfill their family role expectations by just being good providers. Women on the other hand are traditionally expected to physically contribute to family care, even if they are also family providers. This lack of control, leads to the perception that women experience greater work-family conflict (Koyuncu, Burke &Wolpin, 2012).

Dunne (2007) argues that efforts to understand the challenges that women and men face in integrating work roles, and family roles has focused on work-family-conflict. Work-family -conflict has been found to be higher in working women than in working men. According to Crompton Lyonette (2006) work-family-conflict has been shown to be associated with psychological distress, job and career dissatisfaction, turnover intentions, absenteeism and lower life satisfaction. Dunne (2007) argues that one of the major challenges facing managerial and professional women in achieving successful careers in organizations is managing and integrating work and family. Work and family are the two most important roles for most people. Juggling these two domains has been particularly challenging for women managers. Women who start their careers in large organizations sometimes "opt out" because of work-family concerns. There has been a decrease in the number of traditional families – father at work and mother staying at home (Reynolds, 2005).

Voydanoff (2005) observed that socio-structural constraints informed women's relationship to employment. Women's choices and preferences in relation to paid work are an outcome of the interplay between these factors. Women's wider goals and desire to succeed within the remit of the family framework facilitate a situation that result in women limiting their career opportunities to accommodate these perceptions. For women, perceptions directly linked to motherhood frequently lead to their devaluation in employment both as women and as employees (Hall & Richter 1989). Mclnotosh et.al (2012) found that the majority of mothers do not have a strong personal commitment to paid work or to a career after having dependent children. They argued that the majority of women who enter occupations are adaptive – they choose these occupations so they can fit paid work around their domestic role, rather than vice versa. Women have been known to reject the greater responsibilities and additional hours of certain employment to concentrate on the family through personal choice (Perrewe & Hochwarter, 2001).

Explanations for professional and managerial mothers' departure from paid work concentrate on childcare and women's preferences or choices, for instance working time norms particularly in senior positions require these mothers to work long hours (Toivonen, 2010). Mothers are limited in their ability to protest or implement creative working time solutions because they feel they must hide their motherhood, which in itself creates tension. Mothers who are seemingly supported to work fewer hours are sidelined to lower-status roles for which they are underpaid and undervalued in relation to their experience and previous seniority. Unless mothers mimic successful men, they do not look the part for success in organizations (Hill *et al.*, 2004).

Hoobler, Hu, and Wilson (2010) noted that when workers experience conflict between work and family, it resulted in a negative impact on the ratings of workers both in their individual capacity and in their managerial capacities. According to Nordman and Wolff (2009), employers are reluctant to invest in female employees as they believe they are bound to spend more time attending to family matters than their male counterparts. Perrewe and Hochwarter (2001) are of the opinion that an individual's experiences in terms of conflict between work and family demands depends on the value the individual places either on family or work. The work family conflict leads to job and life dissatisfaction for individuals, as the individuals feel that the conflict makes them not able to attain important work and family values (Voydanoff, 2005).

Hall and Richter (1989) maintain that many employees find that their family demands, such as staying at home to care for a sick relative, may interfere with work, and work demands such as a late business meeting may interfere with family obligations which then lead to work-life conflict. Reynolds (2005), sought to integrate work-life and work-hours literatures by examining the relationship between work-life conflict and the desire for paid work. He found that work-life conflict makes women want to decrease the number of hours they work, irrespective of whether the conflict comes from home or work. Men only want to decrease their hours of work when the work-life conflict originates at work (Punch, 2008).

A model that sought to explain the effects of home and work related features on the public sphere career possibilities and influence opportunities of elites was developed by Hansson (2010). He used the Swedish Parliament, which he considered one of the few organizations which had almost equal gender proportion. He concluded that, in order to achieve gender equity in terms of career and influence opportunities for workers, there needs to be an equal distribution of home and work demands between men and women. He noted that efforts of organizations and the society are required to achieve gender equity in the workplace. The study confirmed that the relationship between home and work influenced opportunities for the elite group of Swedish parliamentarians.

In economies like those of Europe and North America, popular understandings of work–family balance are generally based on sharply different expectations of mothers and fathers, where employment for men is seen as an integral part of what fathers do. Mothering and paid employment are seen as oppositional arenas whereby the term, 'working mother' bears the conceptual weight of these different understandings (Ranson, 2012). Furthermore, it is "mother" that, linguistically, stands for the essential self'. There is no equivalent term 'working father', 'even though most men are employed and most men have or will have children'. The cultural image of the new father, involved with his children and engaged in hands-on care giving, now looms large. But it has not displaced the breadwinning requirement. Rather, it 'is culturally assumed that men will work and pay attention to their families, in that order (Punch, 2001).

In their study of Turkish women holding managerial and professional jobs Koyuncu, Burke and wolpin (2012) found that although women continue to enter managerial and professional jobs in increasing numbers, they continue to be underrepresented at more senior levels of management. Several factors were found to account for this, an important one being women's responsibilities for home and family functioning, often resulting in work-family conflict.

In a study carried out by Rafnsdottir and Heijstra (2011) on structuring of time among academic employees in Iceland, they noted that men and women differed on how they organize and reconcile their work and family life. The findings showed clear gender differences in time use. Although flexible working hours helped academic parents to organize their working day and fulfil the ever-changing needs of family members, the women, rather than men interviewed, seem to be stuck with the responsibility of domestic and caring issues because of this very same flexibility.

Huat and Torrington (1998) noted that despite the availability of domestic help, working women in Singapore still feel that the care and education of their children are their sole responsibility. In a country where the education system is highly competitive, a strong desire exists for them to ensure the success of their children in education. A study by the Asian Institute of Management found that more than 50 percent of women interviewed felt that the most significant price they had to pay for success in their careers was the poor quality of relationships with their spouses and children. Huat and Torrington (1998) noted that in Indonesia, women are poorly represented in high level positions in organizations even though they are more highly educated than men. This has been attributed to socio-cultural constraints, mainly the role conflict between being a wife, mother and being a career woman.

The traditional roles of women in Kenya affect women's careers and indeed how workplace and leadership are structured (Maathai, 2006). The model of the family is that of male provider, and head of the household and the women as mother and nurturer. As educated persons, Kenyan women are still expected to retain their traditional roles, of being mothers and submissive wives, while at the same time opening up new normative spaces for themselves (Maathai, 2006). Unfortunately, workplace and political norms in Kenya do not allow for combining of domestic and public roles, therefore creating conflicts for professional women who try to balance the dual careers (Onsongo, 2005).

In Kenya, there are negative community perceptions with regard to women in leadership, whereby women are not recognized as leaders. Many people do not believe that women should hold positions of leadership. Many communities today believe that public leadership is a man's domain and women cannot succeed in it (FIDA- Kenya 2010). Others believe that women have far too many responsibilities in the homestead to actually have time to dedicate to governance and leadership (Siringi 2011).

3.0 RESEARCH METHODOLOGY

The research design employed was a survey of state corporations in Kenya. The chosen design was able to offer the researcher the opportunity to establish the relationship between leadership skills and proportion of women in top leadership positions. This was a census study of all State Corporations in Kenya. There were eighty four (84) state corporations in Kenya, according to the official government website as at December, 2009. Fifty of the State Corporations were classified as large corporations (more than three hundred employees), while thirty four were small corporations (less than three hundred employees), as defined by the State Corporations Act (Government of Kenya, 2009). The main focus was on top management of the Corporations, and the study respondents were senior management level staff that included chief executive officers.

Primary data was used in the study. Primary data was collected on the respondent's general information as well as the variable under consideration. Simple random sampling method was used to select the respondents. Such a method of identifying respondents for study has been used in the previous researches with little bias reported (Sekeran, 2003).

To establish the nature and magnitude of the relationships between the variables and to test the hypothesized relationships, the researcher used inferential statistics. The appropriate tests applied were Pearson's Product Moment Coefficient Correlation (r) and bivariate regression. The relationship between family determinants and proportion of women in top leadership positions was investigated by testing the hypothesis.

H_1: There is a relationship between family determinants and Proportion of Women in Top Leadership Positions.

4.0 FINDINGS AND DISCUSSIONS

The objective of the study was to determine the relationship between family determinants and proportion of women in top leadership positions.

H_1: There is a relationship between family determinants and Proportion of Women in Top Leadership Positions

Family determinants were measured by both family responsibilities and family status. Data was obtained using a Likert type scale of 1-5 where 1= not at all, 2 = rarely, 3= sometimes, 4= often and 5= very often. Proportion of Women in Top Leadership Positions focused on the number of women on top leadership positions visa vie the number of their male counterparts. Proportion was measured using the ratio scale. The result findings of the variables included indicated that hours of working, Unsympathetic ear for family issues, Caring responsibilities prevent women from applying for jobs and Lack of support from family and community prevents women from applying for jobs in the State Corporations.

Correlation Results for leadership skills and Proportion of Women in Top Leadership Positions

Pearson's Product Moment Correlation statistic was used to test the relationship between family determinants and Proportion of Women in Top Leadership Positions. The results in Table 1 above indicated a statistically significant relationship between family determinants and Proportion of Women in Top Leadership Positions. Further analysis presented on Table1, also show that family determinants was positively related to Proportion of Women in Top Leadership Positions.

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Table 1: Regression results for Family Responsibilities and Proportion of Women in Top Leadership Positions.

Proportion of Women in Top Leadership Positions			
Family determinants.	Pearson Correlation	.504**	1.000
	Sig. (2-tailed) 0.000		

Regression results for family determinants and Proportion of Women in Top Leadership Positions.

The R value was 0.531 indicating that there is a positive relationship between family determinants and Proportion of Women in Top Leadership Positions in table 2. The R squared (R2) value of 0.281 explains indicates that 28.1 percent of the variation in the Proportion of Women in Top Leadership Positions can be explained by family determinants. The remaining 71.9 percent is explained by other factors not included in the model.

This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 2: Model fitness

Indicator	Coefficient
R	0.531
R Square	0. 281
Adjusted R Square	0. 252

Table 3 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variable was a good predictor of proportion of women in top leadership positions. This was supported by an F statistic of 9.597and the reported p value (0.000) which was less than the conventional probability of 0.05significance level.

Table 3: Analysis of Variance

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	14.003	2	7.001	9.597	0.000
Residual	35.747	49	.730		
Total	49.750	50			

Regressions coefficients were presented in table 4. The study found out that Family Responsibilities and Family status were statistically significant in assessing Proportion of Women in Top Leadership Positions.

Table 4: Regression of Coefficients

Variable	B	Std. Error	t	Sig
(Constant)	1.528	.521	2.930	
Family Responsibilities	.260	.112	.268	2.321
Family status	.338	.149	.332	2.264

5.0 FINDINGS CONCLUSIONS AND RECOMMENDATIONS

Findings

The objective of the study was to determine the relationship between Family determinants and Proportion of Women in Top Leadership Positions. The relationship between Family determinants and Proportion of Women in Top Leadership Positions with R = .531, and the R squared value was .281 at a confidence level of 95 percent. The F values and the corresponding p values were significant. The study found out that Family Responsibilities and Family status were statistically significant in assessing Proportion of Women in Top Leadership Positions. It is on the basis of these findings that H3was accepted.

Conclusions

This study used top level leaders to point to the causes of low female representation in top-level leadership in state corporations. The objective of the study was to determine the relationship between family determinants and proportion of women in top leadership positions. The study findings revealed that family determinants influence proportion of women in top leadership positions.

Recommendations

The thesis makes an important contribution in understanding the influence of family determinants and proportion of women in top leadership positions in state corporations in Kenya. Study recommends that future studies may also use the case study approach, which would add value to understanding the relationship family determinants and proportion of women in top leadership positions.

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