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ACCOUNTABILITY AND FAIRNESS OF CORPORATE GOVERNANCE ON THE PERFORMANCE OF STATE CORPORATIONS IN KENYA, CASE STUDY OF KENYA LITERATURE BUREAU

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ABSTRACT

Education is vital for sustainable development, aligning with UN SDG 4 and Kenya's Vision 2030. The Kenya Literature Bureau (KLB) supports this by publishing educational materials. Despite its crucial role, the organization faces significant internal challenges in leadership and organizational structure. The general objective of this study is to evaluate the impact of corporate governance practices on the organizational performance of the Kenya Literature Bureau. The study specifically evaluated how accountability and fairness influenced organizational performance, utilizing Agency Theory as the primary framework, supplemented by Stakeholder Theory and the Resource-Based View. A descriptive research design was employed, targeting all 240 staff members at KLB, with a sample size of 150 selected through proportionate and random sampling methods. Data collection involved structured questionnaires, and a pilot study was conducted to refine these tools. Quantitative data analysis utilized descriptive and inferential statistics using SPSS version 28 including correlations and regression analyses, to explore relationships between variables. The study results revealed that the multiple correlation coefficient (R) of .581 indicates a moderate to strong positive relationship between these governance factors and organizational performance, suggesting that improvements in accountability and fairness are associated with enhanced performance outcomes. The coefficient of determination (R^2) of .338 reveals that approximately 33.8% of the variation in organizational performance can be explained by accountability and fairness, while the remaining variation is influenced by other factors outside the model. Based on the findings that accountability and fairness significantly enhance organizational performance at the Kenya Literature Bureau, it is recommended that the institution prioritize strengthening these corporate governance practices. Specifically, management should implement clear policies and frameworks that promote transparency and responsibility to reinforce accountability at all organizational levels.

KEYWORDS: *Accountability, Fairness, corporate governance, performance, state corporations, Kenya*

I. INTRODUCTION

In the current economic landscape, the success of any company hinges on its ability to compete effectively, maintain transparency, and uphold a governance structure that operates within its defined mandate. This is crucial because economic value is generated by these organizations (Shavulimo, 2014). Ideally, effective corporate governance should appeal to both management and the board (Velnampy, 2013), aiming to create a balance between the two parties working towards a shared objective. Corporate governance involves establishing mechanisms for accountability, transparency, and disclosure to safeguard the interests of various stakeholders involved (Adeniyi, 2021). Khan and Zahid, (2020) describes corporate governance as a framework of laws, policies, and processes that guide how organizations are managed and controlled. The significance of good corporate governance has become increasingly evident due to recent high-profile corporate crises and failures worldwide.

Corporate governance encompasses the frameworks of rules, practices, and processes that guide the management of both private and public companies. Its primary objective is to ensure that all individuals within an organization adhere to a clear and open decision-making process, safeguarding the interests of all stakeholders—including shareholders, executives, employees, suppliers, and customers. Scholarly works have identified key components of effective corporate governance, which include accountability, transparency, responsibility, and ethical integrity (Widiatmika, & Darma, 2020). These principles serve as the foundation for fostering trust and promoting sustainable practices within organizations, ultimately contributing to their long-term success and stability. By prioritizing these values, companies can cultivate a governance culture that not only meets legal and regulatory requirements but also aligns with the expectations of their diverse stakeholder groups.

Corporate accountability refers to the obligation and responsibility of a company to provide justifications for its actions and behaviors (Ahmed, (2019). This concept of accountability serves as a crucial mechanism for managing agency costs, as a lack of accountability can increase the risk of managers prioritizing their personal interests over those of the company. Board accountability entails assuming responsibility for all aspects of a company's operations and delivering a fair, balanced, and comprehensible evaluation of the organization's current status and future prospects to its stakeholders. According to Naciti (2019), a higher level of accountability among corporate governors correlates with a greater likelihood that the outcomes of performance measurement processes will accurately reflect the true performance being assessed. In essence, fostering accountability within corporate governance structures not only promotes transparency but also enhances trust among stakeholders, ensuring that the company is managed in a manner that aligns with its objectives and ethical standards. Therefore, this study sought to explore the impact of accountability on the organisational performance of Kenya Literature Bureau.

Fairness is defined as the equality for all stakeholders in all operations and decisions of the firm (Koren & Gal, 2019). The practice of fairness in corporate governance is centered around the equitable treatment of all shareholders and stakeholders, regardless of their level of investment or position within the organization. This principle ensures that every party involved in the company is given a voice and that their rights are respected. Fairness is crucial for fostering trust and loyalty among stakeholders, which can ultimately enhance the company's reputation and performance (Tricker, 2019). In a fair corporate governance framework, decisions are made transparently and without favoritism, allowing all stakeholders to have equal access to information and opportunities. This approach not only mitigates the risk of conflicts of interest but also encourages a collaborative environment where diverse perspectives are valued (Aguilera & Jackson, 2003). Companies that prioritize fairness are more likely to attract and retain investors, customers, and employees, as they demonstrate a commitment to ethical practices and social responsibility (García-Sánchez, 2017). Moreover, fairness in corporate governance can lead to improved decision-making processes.

Organizational Performance encompasses the annual financial and operational metrics of an organization, along with specific goals set by top executives and sanctioned by a governing committee. It reflects the tangible accomplishments achieved during a fiscal year in relation to the corporate objectives defined by the compensation committee (Bansal & Song, 2017). Meuer, Koelbel, and Hoffmann (2020) note that the concept of performance incorporates elements from four established areas: sustainable development, corporate social responsibility, stakeholder return, and corporate accountability. Organizational performance pertains to the efficiency, effectiveness, financial stability, and relevance of a company. Effectiveness focuses on the distinct capabilities that organizations develop to fulfill their missions, while efficiency is measured by the cost per unit of output, which should be significantly lower than the input, with no alternative methods available to reduce input costs for the same output (Machuki & Aosa, 2011). Financial viability refers to an organization's capacity to endure, indicating that the inflow of financial resources must exceed the outflow. The International Development Research Centre (IDRC) (1999) identifies several conditions necessary for financial viability, including diverse funding sources, positive cash flow, and financial surplus.

1. Statement of the Problem

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

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

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

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

1.1 Research Specific Objectives

i. To investigate the effect of accountability on the performance of state corporations in Kenya, case study of Kenya Literature Bureau.
ii. To examine the influence of fairness on the performance of state corporations in Kenya, case study of Kenya Literature Bureau.

II.LITERATURE REVIEW

2.1 Agency Theory

The theory was first introduced by Stephen Ross and Barry Mitnick in the 1970s. Ross is credited with formalizing the economic modeling of agency relationships, while Mitnick developed the institutional theory of agency, which focuses on the behavioral aspects of the principal-agent relationship. Their work laid the foundation for understanding how governance mechanisms can mitigate agency problems (Mitnick, 1973; Ross, 1973). Agency theory, a concept rooted in economics and organizational studies, explores the relationship between principals (such as owners or shareholders) and agents (such as managers or executives). It addresses the challenges that arise when the goals of the principal and agent diverge, particularly when decision-making authority is delegated to the agent. This theory provides a framework for understanding and resolving conflicts of interest between key stakeholders within an organization, such as shareholders and management, with the ultimate aim of aligning their interests to enhance organizational outcomes (Jensen & Meckling, 1976).

Agency theory, introduced by Stephen Ross and Barry Mitnick in the 1970s, provides a framework for understanding the principal-agent relationship. Ross is credited with formalizing the economic modeling of agency relationships, while Mitnick focused on the behavioral aspects through the institutional theory of agency. Their work laid the foundation for understanding how governance mechanisms can address agency problems by mitigating conflicts of interest between principals (shareholders) and agents (managers) (Mitnick, 2019; Ross, 2019). In the context of corporate governance, agency theory emphasizes several principles. First, it highlights the separation of ownership and control, where the division between shareholders and managers can lead to conflicts of interest, as managers may prioritize personal goals over shareholder interests. Corporate governance mechanisms, such as board oversight and performance monitoring, are designed to address these conflicts. Second, the theory advocates for alignment of interests through mechanisms like performance-based executive compensation and stock ownership plans, which incentivize managers to act in the best interests of shareholders. Third, it underscores the importance of monitoring and accountability, achieved through practices such as independent board structures and regular audits, which reduce information asymmetry and ensure managerial accountability. Lastly, agency theory addresses risk mitigation by implementing governance mechanisms that promote transparency and reduce the likelihood of opportunistic behavior by agents (Jensen & Meckling, 2019; Mitnick, 2019).

2.2 Resource-Based View (RBV) Theory

The resource-based view (RBV) of the firm was initially developed and popularized by scholars such as Birger Wernerfelt (1984), Jay Barney (1991), and Margaret Peteraf (1993). These researchers highlighted the critical role of an organization's internal resources and capabilities in achieving competitive advantage and superior performance. Wernerfelt (1984) introduced the concept of viewing firms as bundles of resources, while Barney

(1991) expanded on this by identifying the characteristics of valuable, rare, inimitable, and non-substitutable (VRIN) resources as key to sustaining competitive advantage. Peteraf (1993) further refined the theory by emphasizing the importance of resource heterogeneity and immobility in explaining firm performance. Together, these contributions form the foundation of RBV, which remains a cornerstone of strategic management research.

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

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

2.3 Accountability and Organizational Performance

Ullah et al. (2021) conducted research to examine how corporate accountability and transparency influence the performance of manufacturing firms in Pakistan. The study identified a positive correlation between accountability, transparency, and organizational performance. The findings demonstrated that both accountability and transparency significantly impacted firm performance. However, the research was limited in scope, focusing solely on corporate accountability and transparency as components of corporate governance and was restricted to manufacturing firms in Pakistan. The current study will further explore whether accountability influences the organizational performance of the Kenya Literature Bureau.

Akshita and Chandan (2019) conducted a study on corporate governance and its impact on the performance of Indian manufacturing companies, yielding mixed results. Their findings suggested that larger boards have better access to information, which supports informed decision-making and improves performance. However, the study also revealed that corporate governance indicators, such as return on equity and profitability, were not directly related. Mixed outcomes were observed for various corporate governance constructs, such as CEO duality, which showed no effect on firm performance, while larger boards positively influenced performance. The results were inconclusive and highlighted the need for further research. Additionally, the study was conducted in Sri Lanka, focusing on manufacturing companies, which differs from the Kenyan context. This created a contextual gap, as the current study focuses on state corporations in Kenya. The current study will further explore whether accountability influences the organizational performance of the Kenya Literature Bureau.

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

Kamau, Aosa and Pokhariyal, (2020) conducted a study examining the impact of corporate governance on the performance of financial institutions in Kenya. The researchers utilized regression analysis to evaluate the data, revealing that corporate governance significantly affects the performance of these institutions. They identified board skills and board committees as critical predictors of organizational performance. Notably, while board skills positively influenced performance, the presence of board committees was associated with a negative impact. The study concluded that having the necessary skills is a crucial factor in the selection of board members. The current study will further explore whether accountability influences the organizational performance of the Kenya Literature Bureau.

2.4 Fairness and Organizational Performance

A study conducted by Emel Burak, Oya Erdil, and Erkut Altindağ (2020) explored the impact of corporate governance principles, adopted by businesses to ensure sustainability, on business performance. This research focused on participants in managerial roles within companies operating in the Marmara Region. To enhance the validity of the sample, additional data was collected through questionnaires distributed to management positions in businesses across various regions of Turkey. A total of 304 completed questionnaires were analyzed using the SPSS program. The analysis confirmed the hypothesis ($R^2 = 0.173$, $F = 63.28$, $p < .001$) that corporate governance principles have a significant and positive influence on business performance. Furthermore, all hypotheses asserting that each individual principle positively affects business performance were supported. The study concluded that there is a relationship between corporate governance principles—such as transparency, fairness, accountability, social awareness, independence, and discipline—and the performance of businesses. The current study will further explore whether fairness influences the organizational performance of the Kenya Literature Bureau.

A study conducted by Karabulut et al. (2020) examined the connections between corporate governance principles and firm performance. The research focused on analyzing how transparency and responsibility influence accountability and fairness, as well as the impact of accountability and fairness on overall firm performance. The principles investigated included fairness, transparency, responsibility, and accountability. Data were randomly collected from 116 companies in Istanbul in 2019 through a field study that utilized a five-point Likert scale questionnaire. The analyses were performed using structural equation modeling (SEM). The results indicated that accountability positively affects firm performance, and responsibility also has a positive impact on fairness. However, the hypotheses proposing positive relationships between transparency and accountability, as well as between fairness and firm performance, were not supported. The current study will further explore whether fairness influences the organizational performance of the Kenya Literature Bureau.

Emodia, N. A. (2021) examined the impact of corporate governance practices on the performance of state corporations within Kenya's health sector. The study specifically focused on how accountability, transparency, responsibility, and moral integrity influence organizational performance. Data was collected through questionnaires distributed to respondents, with the research adopting a descriptive design targeting health state corporations. The participants included Chief Executive Officers, Corporation Secretaries, and staff from departments such as marketing, finance, human resources, supply chain management, audit, and integrity assurance. Using the Yamane Formula, a sample size of 354 respondents was determined, and the collected data was analyzed through descriptive and inferential statistics. The findings revealed a significant positive relationship between accountability and organizational performance ($\beta=0.158$, $p=0.000$). Similarly, transparency was found to have a significant positive effect on performance ($\beta=0.114$, $p=0.002$), as did board responsibility ($\beta=0.108$, $p=0.001$) and moral integrity ($\beta=0.184$, $p=0.000$). The study concluded that corporate governance practices significantly enhance the performance of state corporations in the health sector. These results highlight the importance of adhering to corporate governance principles and codes to improve organizational outcomes. The current study will further explore whether fairness influences the organizational performance of the Kenya Literature Bureau.

III. RESEARCH DESIGN AND METHODOLOGY

3.1 Research Design

A research design serves as a comprehensive blueprint that outlines the methods and procedures for gathering and analyzing the data required for a study. This research employed a descriptive design, which focuses on understanding the "what," "where," "when," and "how" of the subject under investigation. According to Robson (2002), a descriptive study provides an accurate depiction of individuals, situations, or events. Similarly, Chandran (2004) explains that descriptive research captures existing conditions and attitudes through observation and interpretative techniques. This approach was chosen for its effectiveness in accurately addressing the research

questions using a questionnaire. This approach was adopted for the analysis of study respondents in order to produce insights into the effects of corporate governance practices on organizational performance at Kenya Literature Bureau.

3.2 Target Population

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

3.3 Sampling Design and Sample Size

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

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

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

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

Total sample size for the study was 150 staff.

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

Table 1: Sample size

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

3.4 Data Collection Instrument

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

3.5 Pilot Study

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

3.5.1 Validity Test

Krishnaswamy (2009) refers to the accuracy or correctness of an instrument. Validity of instruments used for data collection is contingent upon their ability to capture the necessary data from the field. Content validity assesses whether the test comprehensively represents the aspects it intends to measure, while face validity evaluates whether the content of the test seems relevant to its intended objectives. A validity test was performed before the

study instrument is used on the sample population to identify and address any flaws. The questionnaires will also be sent to my research supervisor for validation. The supervisor will review the questionnaire and make recommendations on the items' adequacy. The primary goal of validating the questionnaires prior to conducting field research was to assess the format and applicability of the enquiries.

3.5.2 Reliability Test

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

3.6 Data Collection Procedure

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

3.7 Data Analysis and Presentation

Data analysis involves examining, cleaning, transforming, and modeling data to derive meaningful insights. The primary goal of this process is to extract valuable information and draw conclusions from large datasets, as highlighted by McDaniel and Gates (2004). In this study, data will be analyzed using SPSS software version 21.0. To present the findings effectively, tables and charts will be utilized, as they simplify complex information and enhance clarity. Each diagram will be appropriately labeled to ensure the conveyed information is easy to understand. Descriptive statistics will be employed, incorporating measures such as mean, standard deviation, and frequency tables to summarize and interpret the data. The study will employ multivariate regression analysis to establish the relationship between the variables under consideration and generate inference statistics. The model of regression for the study will have only one dependent variable and four independent variables.

The regression model is predicated on the following statement:

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

Where: Y *= Organisational Performance;* X_1 *= Accountability;* X_2 *= Fairness*

β_0 *= the intercept (value of Y when X = 0);* β_1*-n =the regression coefficient*

ε_i *= error term*

IV. RESEARCH FINDINGS AND DISCUSSIONS

4.1 Response Rate

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

Table 2: Response Rate of Respondents

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

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4.2 Pilot Study Results

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

Table 3: Reliability Test Results

Variable	No. of Items	Cronbach's Alpha
Accountability	6	0.947
Fairness	6	0.881
Organizational Performance	9	0.907

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

4.3 Regression Analysis

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

Table 5: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
				R Square Change	F Change	df1	df2	Sig. F Change
.581[a]	.338	.329	.571	.338	37.007	2	145	.000

a. Predictors: (Constant), accountability, fairness

Based on the provided Model Summary table 5, the results demonstrate that corporate governance practices, particularly accountability and fairness, have a statistically significant impact on the organizational performance of the Kenya Literature Bureau. The multiple correlation coefficient (R) of .581 indicates a moderate to strong positive relationship between these governance factors and organizational performance, suggesting that improvements in accountability and fairness are associated with enhanced performance outcomes. The coefficient of determination (R^2) of .338 reveals that approximately 33.8% of the variation in organizational performance can be explained by accountability and fairness, while the remaining variation is influenced by other factors outside the model. The Adjusted R^2 value of .329, which adjusts for the number of predictors, closely aligns with the R^2, indicating that the model fits the data well without being overly complex. Furthermore, the significance of the model is confirmed by the Sig. F Change value of .000, which is below the conventional threshold of .05, indicating that the combined effect of accountability and fairness on organizational performance is statistically significant and unlikely due to chance. This conclusion is further supported by the F Change value of 37.007, reinforcing that the model provides a better prediction of organizational performance than a model without these predictors.

Table 6: ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.124	2	12.062	37.007	.000[b]
Residual	47.260	145	.326		
Total	71.384	147			

a. Dependent Variable: organizational performance
b. Predictors: (Constant), (Constant), accountability, fairness

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Based on the ANOVA table 6, the results indicate that the independent variables, accountability and fairness, collectively have a statistically significant impact on the organizational performance of the Kenya Literature Bureau. The key statistic supporting this conclusion is the F-statistic, which has a value of 37.007, reflecting the overall significance of the regression model. This F-value represents the ratio of variance explained by the model to the unexplained variance, suggesting that the model with accountability and fairness as predictors fits the data substantially better than a model without these variables. Additionally, the associated p-value for the F-statistic is .000, which is well below the conventional threshold of .05, indicating that the likelihood of these results occurring by random chance is extremely low.

Table 7: Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.367	.288		4.751	.000	.798	1.936
Accountability	.266	.091	.297	2.941	.004	.087	.446
Fairness	.333	.103	.326	3.237	.001	.129	.536

a. Dependent Variable: *Organizational Performance*

Based on the Coefficients table, both accountability and fairness have a statistically significant positive effect on the organizational performance of the Kenya Literature Bureau. Accountability, with a p-value of .004, indicates that for every one-unit increase in accountability, organizational performance is predicted to increase by .266 units when holding fairness constant. Fairness, with an even more significant p-value of .001, shows that a one-unit increase in fairness is associated with a .333 unit increase in organizational performance, holding accountability constant. The constant term, valued at 1.367 and statistically significant, represents the predicted organizational performance when both accountability and fairness are zero; however, this scenario is unlikely in practice and thus may lack practical meaning. This can be expressed by the following equation,

Y = 1.367+ 0.266 (Accountability) + 0.333(Fairness)

Overall, these findings provide strong evidence that accountability and fairness are vital components of corporate governance that positively impact the Kenya Literature Bureau's performance. The results support good governance principles, indicating that organizations promoting responsibility and equitable treatment of stakeholders tend to be more effective and successful, with fairness emerging as a particularly important focus area for enhancing performance.

Additionally the current study results are in agreement with Naciti (2019) who asserts that board responsibility in governance serves as the framework that organizes the board and dictates its operations. Westphal (2019) expanded on the concept by suggesting that independent external directors, when closely collaborating with firms, not only provide strategic guidance but also offer valuable information and advice. These correlation analyses provide compelling evidence that corporate governance practices are integral to the performance of the Kenya Literature Bureau. Future strategies should focus on reinforcing these governance dimensions to achieve sustained organizational success. The results are in agreement with the study results by Baxter, Bedard, Hoitash, and Yezegel (2023) who suggested that organizations with high-quality business risk management governance tend to achieve superior performance and are more highly valued compared to those with lower-standard governance systems. Thus to ensure the effectiveness of business risk management systems and controls, it is essential to periodically review them to identify, assess, mitigate, and monitor risks that could otherwise escalate and hinder the achievement of the organization's objectives.

V. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the analysis clearly demonstrates that corporate governance practices, specifically accountability and fairness, play a significant and positive role in enhancing the organizational performance of the Kenya Literature Bureau. The moderate to strong correlation between these governance factors and performance indicates that improvements in accountability and fairness are closely linked to better organizational outcomes. Approximately one-third of the variation in performance can be attributed to these two factors, underscoring their importance while also acknowledging that other variables contribute to performance. The robustness of the model, supported by strong statistical significance and a good fit, confirms that accountability and fairness together provide meaningful predictive power for organizational success. Furthermore, the individual effects of accountability and fairness are both statistically significant, with fairness showing a slightly stronger influence on

performance. This suggests that while both elements are essential, prioritizing fairness ensuring equitable treatment of stakeholders may yield greater improvements in organizational effectiveness.

Based on the findings that accountability and fairness significantly enhance organizational performance at the Kenya Literature Bureau, it is recommended that the institution prioritize strengthening these corporate governance practices. Specifically, management should implement clear policies and frameworks that promote transparency and responsibility to reinforce accountability at all organizational levels. Additionally, efforts should be made to ensure fairness by fostering equitable treatment of all stakeholders, including employees, customers, and partners, thereby building trust and commitment. Given that fairness demonstrated a slightly stronger impact on performance, particular emphasis should be placed on creating inclusive decision-making processes and equitable resource distribution. Regular training and awareness programs on governance ethics can further embed these values into the organizational culture. Moreover, monitoring and evaluation mechanisms should be established to continually assess and improve governance practices, ensuring they align with evolving best practices and stakeholder expectations. By embedding robust accountability and fairness measures into their governance structures, the Kenya Literature Bureau and similar organizations can drive improved efficiency, effectiveness, and sustainable success.

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