INFLUENCE OF CORPORATE GOVERNANCE PRACTICES, OWNERSHIP CONCENTRATION AND FIRM SIZE ON FINANCIAL PERFORMANCE OF FIRMS LISTED AT NAIROBI SECURITIES EXCHANGE, KENYA

BY

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DECLARATION

This thesis is my own creation and has not been used to receive credit or a degree from any other University.

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DEDICATION

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ABSTRACT

Financial status of firms listed on Nairobi Securities Exchange from 2016 -2020 showed a decrease in revenue of Ksh -89.671 billion, a decrease in market capitalization of Ksh-294.91 billion and a downward trend in the NSE 20 share index indicated by -Ksh 1317.82 billion. These unfavorable trends can be attributed to global cases of fraudulent financial reporting and the recent failures of several Kenyan companies. Notably, approximately 17% of these firms have been delisted or suspended, raising concerns about their management and significantly eroding investor trust. Despite Kenya's efforts to foster a favorable business environment and advancements made by many listed firms on the NSE, the results have been mixed, with corporate governance practices, ownership structures, and firm sizes exacerbating these issues. The interplay between company size, ownership concentration, corporate governance practices, and financial performance remains unclear. There is no clear consensus on the impact of these practices on ROA or ROE respectively. However, ROE and ROA are two key and best standard most commonly measures used to determine how efficiently a company generates profits. Empirical evidence has linked financial performance to corporate governance practices and ownership concentration, making it crucial to comprehend their implications. Whereas these results reveal average performance of individual firms, these firms operate under different internal environments, including their sizes which determine their economies. Research demonstrates company size is a significant moderator, because it is a major factor in defining profitability of a firm because of concept of economies of scale. Main objective of this research was to investigate influence of corporate governance practices, ownership concentration, and Firm size on financial performance of listed firms at NSE. Specifically, to evaluate influence of corporate governance practices, ownership concentration and firm size on financial performance of listed firms at NSE, to establish the moderating influence of firm size on the relationship between corporate governance practice as well as ownership concentration and financial performance of listed firm at NSE. Agency theory, stakeholders' theory, and economies of scale theory serve as research foundation. This research is anchored on the positivist philosophical model. The study employed a correlation research design and focused on 66 listed firms at the Nairobi Securities Exchange between 2016 and 2020. To ensure data consistency, firms that were delisted, suspended, or listed after 2016 were excluded, resulting in a sample of 55 firms, generating 275 data points. The study adopted quota sampling approach, since it satisfied those criteria of my study, and collected secondary data from audited financial statements reports. The results underscore the significance of corporate governance practices on return on assets (ROA) {F (34.150, p=0.006)} and return on equity (ROE) {F=9.67, p=0.009, emphasizing their pivotal role in a company's success. Additionally, ownership concentration significantly affects ROA F=35.88, p=0.000)}, highlighting its impact on organizational profitability. Firm size plays a vital role in determining ROA, (β=0.842, p=0.364) while it exhibits no significant effect on ROE (β=0.018, p=0.725). Importantly, firm size moderates the relationship between corporate governance practices, ownership concentration, and financial performance, underlining the interconnectedness of these factors. The study recommends that public companies establish robust corporate governance practices to achieve defined objectives and enhance financial outcomes. Moreover, maintaining a strong ownership structure with a substantial number of shares, along with considering firm size, is vital for driving company performance. These findings are of particular relevance to investors, policymakers, regulatory authorities, and fellow researchers, offering insights that can inform their decisions and contribute to the advancement of financial practices and policies.

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LIST OF ABBREVIATION AND ACRONYMS

BOD	Board of Directors
CGC	Corporate Governance Code of conduct
CG	Corporate Governance
CMA	Capital Markets Authority
OLS	Ordinary Least Square
ROA	Return on Assets
ROE	Return on Equity
NSE	Nairobi Securities Exchange
SDG	Sustainable development goals

OPERATIONAL DEFINATION TERMS

Corporate governance practices- paradigm for running a business that puts emphasis on satisfying shareholders while simultaneously considering the needs of other constituencies (such as workers, vendors, and clients) (CMA, 2020).

Performance- Performance can be defined as the measurable and observable outcome or result of an action, task, process, or system, typically in the context of assessing the effectiveness, efficiency, or quality of that action or entity. (Velibor & Indrasen.2023).

Financial performance- a general indicator of company's overall financial health that can be utilized to compare businesses across industries or within the same industry. (Ngumi, 2016).

Ownership concentration - relates to the segment of the business that makes decisions and is determined by the equity allocation and capital contributed. (Anthony, 2014).

Return on Equity (ROE) - divides earnings by equity to determine a company's profitability. (Saleem, & Saeed, 2011).

Return on Assets (ROA) - Divide a company's total owned and controlled assets by its pre-tax profits. (Dew, 2007).

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CHAPTER ONE

INTRODUCTION

The study's background, research question, goals, significance, scope, and conceptual framework were all discussed in this chapter.

1.1 Background of the study

A company's financial performance refers to how the company uses the limited resources available to it effectively and efficiently to achieve its overall goals Wayongah, (2019). According to Nandan (2012), financial performance is a subjective assessment of company capacity to generate and accumulate revenue from its assets. According to Farah (2016), a company's financial performance primarily reflects its outcomes and results, which demonstrate its overall financial stability over time. Wangui (2017) says that a company's financial performance is important to its health and survival because it shows how well it uses its resources to make as much money as possible for shareholders. Muigai (2012) listed firms in Kenya demonstrated a decline in the financials which was attributed to weak corporate governance practices. Onguka, Kaijage, Iraya and Kisaka, (2019) this is due to increasing firms' financial performance failures being experienced globally, which goes against the assertion well-structured corporate governance practice is necessary for a company's economic and social advancement. According to Fung (2014), stakeholders are becoming increasingly concerned about their businesses' financial performance.

Performance is a multifaceted concept that can be understood and defined in various contexts, each emphasizing specific aspects of achievement, efficiency, and effectiveness. In a general sense,

performance refers to the extent to which an individual, organization, or system accomplishes its objectives or goals. It encompasses not only the final outcomes but also the processes, behaviors, and efforts that lead to those outcomes (Velibor & Indrasen.2023). Performance is often measured and assessed through various key performance indicators (KPIs) that provide a quantitative or qualitative gauge of success. It can be subjective or objective, depending on the context and the criteria used for evaluation. Studies have provided insights into these multifaceted definitions of performance (Andersen, Boesen, and Pederson 2016; Bryson 2018) For example, in the realm of organizational management, the Balanced Scorecard framework, developed by Kaplan and Norton (1996), provides a holistic view of performance by considering financial, customer, internal process, and learning and growth perspectives. This approach reflects the idea that performance extends beyond financial metrics to encompass a broader set of factors that contribute to an organization's success. Specifically, financial performance is a subset of performance that focuses on the financial aspects of an organization's activities, reflecting how well it manages its financial resources, generates revenue, and maintains profitability. Financial performance often includes measures such as revenue, profitability, liquidity, solvency, and efficiency ratios (Walker, Boyne, and Brewer 2010).

A company can be considered superior from a financial standpoint if it uses its assets better than its peers and rivals. Financial performance measures how well a company uses assets in its business operations to generate revenue. This is the process of monetary assessing the outcomes of management policies. It is therefore accepted as an indicator of company's overall financial health over time. Additionally, it can be used to compare companies that are similar across industries or in the different industries (Ongore 2011; Kamau, Vitalis & Muya 2018). There are some basic

measures of financial performance. These can be expressed as financial measures that are used to evaluate performance, with an emphasis on the financial position statement, comprehensive profit and cash flow statement of the firm (Engle 2010). Financial performance can be measured using various metrics. However, the most commonly used are accounting-based metrics for performance, including ROA and ROE (Mwangi, Makau, & Kosimbei 2014). Return on Equity and Return on Assets are two important and commonly used standard measures to determine how efficiently a company generates profits (Al-Qudah 2016)). ROA is a useful measure of a business's overall productivity and operational efficiency because it shows how profitability and operational activities interact Panigrahi and Vachhani (2021), the return on equity measures a company's success in turning its capital investment into after-tax profit (Sudana 2015).

Globally, Wangui (2017) demonstrated that the recent corporate financial crisis that has faced several publicly traded companies around the world has put a spotlight on corporate governance practices, firm size and ownership concentration among the listed companies. The agent theory, which is also utilized in this work, is acknowledged by Jensen and Meckling (1976) as the commonly accepted starting point for any argument about corporate governance practices. According to Mishra et al. (2014), agency theory offers a context for connecting company performance and corporate governance practices. According to Subramaniam, Stewart, and Shulman (2013), agent theory defines a company as a contractual union where one party collaborates with one another party to carry out services on their behalf. Subramaniam, Stewart and Shulman, (2013); Uwalomwa and Olamide, (2011) established that globally, the importance of financial performance, corporate governance and ownership concentration has become one of

the important and most debated in finance and economics. These has generally gained more attention due to accounting impropriety and downfall of big listed firms for example Parmalat Company in Europe, Enron and WorldCom in US, Chuo Aoyama in Asia among others. These have brought a call for better corporate governance practices and financing decisions among listed firms globally. Corporate governance flaws were at the heart of each of these scandals (Hussin & Othman 2012; Abdul-Qadir & Kwambo, 2012). Which indicates a decline in the financial performance of companies globally.

The Wire card scandal in Germany is a prominent recent example of fraudulent financial reporting. The company falsely claimed to have €1.9 billion in cash that didn't exist. This scandal raised significant doubts about the effectiveness of regulatory oversight and auditing practices on a global scale (Jo, Hsu, Llanos-Popolizio, & Vergara-Vega (2021). Luckin Coffee Scandal (2020), the Chinese coffee chain Luckin Coffee faced allegations of fabricating sales figures, resulting in a significant loss of investor trust and a decline in the company's stock price (Ding, Kangqi 2022)

In light of previous corporate governance-related incidents, many studies have explored the relationship between corporate governance and firm performance, yielding diverse findings. While some have identified a positive association between corporate governance and firm performance (Hassan, Rashid, Yusuf & Ibneyy 2010), others have reported varying results. Research by Said, Azhar, and Kamarudin (2018) has revealed a negative correlation between firm performance, measured by Tobin's Q, and compliance with the German Corporate Governance Code over a one-year period, using publicly available data. Good corporate governance practices have become

indispensable for enhancing firm performance in Europe, as they establish investor rights, improve the investment climate, and stimulate economic development (Braga-Alves & Shastri 2011), gaining extensive prominence in the stock market economy (Adiloglu & Vuran 2012). Conversely, research suggests that corporate governance in developed countries exerts an inverse influence on firm performance (Yermack, 2017). Furthermore, Bhagat and Black's findings, as cited by Oguz and Dincer (2016), propose that there may be no discernible relationship between corporate governance practices and firm financial performance.

Regionally, several studies on corporate governance practices and their impact on the financial performance of businesses have been conducted. Garba and Abubakar (2014) argued in Africa, Countries like Nigeria, Uganda, South Africa, Sir Lanka among other has experienced turbulent times with regard to their corporate governance practices in the last two decades which has resulted in low financial returns across the industries. Darko, Aribi, and Uzonwanne (2016) looked at 20 out of 34 firms listed on the Ghana Stock Exchange and found a negative correlation between corporate governance factors including board composition, ownership, and independence and financial performance metrics like return on assets (ROA), return on equity (ROE), return on sales (ROS), and Tobin's Q. In Nigeria, a study by Alalade, Onadeko, and Okezie (2014) using panel data of 10 companies over eight years, showed a positive relationship between the adoption of best practices in corporate governance with financial performance, while firms which did not have good corporate governance practices showed declining performance. These studies demonstrate that there is a decline in the financial performance of companies across the region.

In the region, there are notable cases of related to corporate failure attributed to poor corporate governance practices. Steinhoff International scandal (2017), in the event that corporate scandals were to be likened to seismic events, the Steinhoff saga would undoubtedly be classified among the most catastrophic disasters. The disclosure on the evening of December 5th, 2017, regarding an autonomous inquiry into suspected accounting improprieties within Steinhoff International Holdings NV (SIHNV), as well as the resignation of its South African CEO Markus Jooste, caused a significant upheaval in financial markets across South Africa and Europe (Van der Linde 2022). Nigeria experienced a banking crisis in 2009 due to financial irregularities and fraud in the banking sector. Several Nigerian banks faced allegations of unethical practices and non-transparent financial reporting.

A number of companies in Kenya on average 17% from 2016-2020 have experienced decline in performance, with some having been delisted or even suspended from the NSE in the past decade. The main reason is poor financial performance, primarily due to corporate governance issues (Chebii, Kipchumba, & Wasike, 2011). Ongore and K'Obonyo, (2011), have sought to identify a number of problems facing companies ranging from faults, or misappropriation of fund. These issues stem from information asymmetry, shareholding, low compensation, and inadequate protection for minority shareholders. Since good corporate governance is crucial to the implementation of effective economic and institutional reforms, it has risen to the forefront of economic discourse (Akbar, 2015; Emile et al., 2014). Great corporate administration is linked to greater business results, according to Bolton and Bhagat (2019); Black and colleagues (2016). Muigai (2012) demonstrated that there is a decline in the financial performance of listed companies

in Kenya which has been attributed to weak corporate governance practices, Ownership concentration, and firm size.

As a developing country, Kenya has made great efforts to ensure a favorable environment for doing business. As a result, most companies listed on the NSE have improved their performance. In recent years, companies listed on the NSE have had a mixed fate in terms of financial performance with some companies reporting significant losses. According to Okoth and Achuka (2016) and (NSE, 2020), Kenya Airways (KQ) reported his worst corporate performance in 2015/2016, recording a loss of US$258 million, while Longhorn reported good performance in the same period. A Capital Markets Authority report (2016) confirms a downward trend in the performance results of firms at NSE. Imperial Bank, one of Kenya's mid-sized banks, was placed under receivership in 2015 due to fraud and misreporting of assets. This case significantly shook investor confidence in the Kenyan banking sector, while Chase Bank, another Kenyan bank, was placed under receivership in 2016 due to irregular lending practices and fraudulent financial reporting. This event had a direct impact on depositors and investors. Uchumi, among others, all fell victim to this pattern (Ongore & K'Obonyo 2011).

Corporate governance refers to process of overseeing and controlling the policies, actions, and decisions of corporate operations (Yasser et al. 2011., and Mullins, 2014). Enobakhare (2010)., and Khan et al. (2016) stated effective practices of corporate governance should enable firms to establish goals and objectives. On the other hand, corporate governance is also defined as the system of management and control of a corporation, including the board's structure and membership and their relationship to the firm's performance, British Cadbury Report (1992).

According to Ibe et al., (2017) various modes of enhancing corporate governance is at the center of international debate. These modes of enhancement, which has become a public and academic subject of discussion, focuses on board features which includes-board size, diversity, Independence, committees' structure such as-Audit committee, Remuneration, Nomination, Risk management and ownership structures of business (Ibe et al.,2017). Any business's financial performance is impacted by good practices of corporate governance, which ensure better management and administration that is impartial, constructive, and clear (Wangui, 2017). Studies have shown that a company's bottom line can benefit from good corporate governance practices. (Wang & Zhou, 2008, Irungu, 2016 and Okoth 2015), established that Kenya Airways, Mumias Sugar, Athi River Mining PLC, Deacons East Africa PLC, National Bank of Kenya, Uchumi and Nairobi Business Ventures among others had been experiencing financial challenges mainly attributes to poor corporate governance. Cyton Investments report (2016), asserted that investor's wealth for the five NSE listed companies had been eroded to the tune of 223.5 billion shillings. In this study, corporate governance practices are determined within parameters of board composition, independence and committee structure.

Board composition structure, which might include board diversity and duality of CEO, is a method of controlling management through a combination of internal and external directors. Governance practices differ widely amongst sectors even within the same country. According to reports by Kijkasiwat, Ploypailin, Anwar, and Amna (2022); Mahmood et al. (2018); Khan et al. (2013); Ullah and Rahman (2017); and others, numerous studies on corporate governance have been conducted in the context of developed nations like the United States, the United Kingdom,

Australia, Germany, and Japan. (2015). However, not nearly enough research of this type has been conducted in developing countries like Kenya (Rashid,2009). Whether board structure, notably outside director dominance, CEO duality, or even board size, influences business success has been the subject of a number of studies, with varied results. (Rashid et al,2010).

Previous empirical literature has shown conflicting and inconsistent results on whether corporate governance practices are perceived by attributes of composition, size, and independence of board, affect the organization financial performance (Wang, & Zhou, 2008). CMA (2012) a significant factor in determining board effectiveness is size of board, which is defined by the number of board members. Corporate governance code of conduct of Kenya stipulate listed firms should have sufficient sizes and not large enough to impair two-way board discussion, or too small and incorporating a broad range of expertise undermined its effectiveness. Many studies conducted on influence size of board on corporate results, but findings are inconclusive. For example, Raymond et al. (2010); Wetukha (2013) argue that size of board had significant and positive correlation with company performance. These results also support the findings of Mahrous (2014); Ahmed & Hamdan (2015) in Bahrain which found positive and significant impact on board size and board independence; Muigai (2012) established negative effect, supporting the inference of Jensen (1983); Mehram et al. (2011) argues that a large board reduces the value of a company due to free rider problems; ; Kaid and Mohammed (2012) also came to the same conclusion based on Kuwait Stock Exchange, specifically that size of board had negative impact on ROA. Contrary; Hong-Vu and Nguyen (2017) in Singapore established negative correlation on size of board and company performance.

Most companies now realize the need of having independent directors after the failure of mega corporations like WorldCom and Enron. Independent board members have been lauded as essential in reports as diverse as 1992's Cadbury and 2003's Tyson report. The Cadbury report from 1992 praised the board of directors for its usefulness as a tool of corporate governance. The Tyson report from 2003 emphasized the need of having a diverse set of talents and experiences among the board's non-executive members.

Independent boards of directors are those in which the number of outside directors outnumbers the number of inside directors. This is because independent board members are more likely to exercise skepticism while reviewing the company's management practices and policy decisions. Independent boards have been shown to boost corporate performance, as shown by studies by Hu et al., (2022); Shan, (2019); Pucheta-Martnez and Gallego-lvarez, (2020). According to CMA (2012), a board of directors is considered independent if the board consists of a balance of executives and non-executives with diverse skills or expertise to make sure that no one person or small group of people can control how the board makes decisions. Also, Boards are required by law to have a non-executive chairperson and separate roles for the chairman and the CEO, in this case, the Board is considered independent, hence effective. Meme (2013). Board decisions that unfairly or unlawfully benefit management's interests may be more likely to be made by a board in which members are not independent. It's possible that these choices will hurt shareholders in the long run as well.

In a CEO duality, the same person serves as both CEO and board chair. Possessing too much control over the board and management by the same person creates different problems, for example, less effort, more conflict, and less use of resources, knowledge and skills. (Wang et al., 2011) When the same individual holds both positions, it has been proposed there will be conflict of interest and an increase in agency cost (Krause et al., 2013). (Amaral-Baptista et al.,2011; Dogan et al., 2013; Mohammadi et al., 2015; Shrivastav & Kalsie, 2016). demonstrated that if CEO and board chair are different people firm performs better. However, Krause et al (2013) supports Pepper & Gore's (2015) did not find a positive relationship in separating CEO and chairman positions. contrary; Hong-Vu and Nguyen (2017) in Singapore found CEO duality and board independence had no substantial association with company financial performance.

Previous studies examining independence of board on organizational performance have been inconsistent. Mahrous (2014) in research of 50 companies in Egypt, research established a positive association on both ROA & ROE with non-executive directors respectively. Likewise, subsequent studies by Victor et al., (2014); Waithaka, Gakure and Wanjau, (2014) showed board independence affected financial performance positively. A study by Olawale, Adamu, and Patience (2019) looked at how board independence and risk management affect Nigerian depository banks' financial performance from 2009-2018, results were significant and positive. Financial performance of non-financial firms listed on the Dhaka Stock Exchange was positively correlated with the proportion of independent board members, according to an evaluation by Rouf (2012). Mosai (2013) research on CEO duality and company performance. Finding showed mixed results. Minton et al. (2010) established on company performance and independence of board. Similarly,

Sekhar (2013) finds negative influence on external directors and financial results. Ongore, K'Obonyo, Ogutu and Bosire (2015) established insignificant effect on board composition structure and company performance. However, Armer, Ragab and Ragheb, (2014); Adams and Merha (2012). indicates no significant effect on board independence and company results. Armer et al. (2014) research, largely gravitates towards the perspective of agency theory while providing support for existing theories, studies also present conflicting evidence.

Board committees play a crucial role in addressing agency-related challenges and improving corporate governance mechanisms within a company. Specifically, the audit committee serves as an essential internal control mechanism that fosters effective communication between a company's management and external auditors. By bridging the information gap between management and shareholders, it helps alleviate principal-agency issues. One of its primary duties is to provide accurate financial information and ensure compliance with disclosure requirements. In a similar vein, the remuneration committee takes on the responsibility of crafting incentive contracts and compensation packages for top executives. A well-designed remuneration system is instrumental in aligning the interests of shareholders and managers, serving as an internal corporate governance mechanism aimed at mitigating conflicts of interest. Concurrently, the nomination committee is dedicated to safeguarding shareholders' interests by selecting directors with the requisite expertise to fulfill their roles effectively. Additionally, it plays a pivotal role in the ongoing assessment of the board's performance, with the aim of positively impacting the company's financial performance (Christensen et al., 2010; Berezinets & Ilina,2026).

In spite of the hypothetical fame of board committees in different corporate governance writings, hardly any past bits of exploration have acknowledged board viability for the structure and autonomy of board standing advisory groups particularly in supporting corporate monetary execution and investor esteem augmentation (Puni, 2015). Puni (2015) asserts that the type and composition of board committees improves board effectiveness because most decisions are initiated at the committee level. As a result, market regulators all over the world, including Kenya's Capital Market Authority (CMA), recommend that listed companies include standing committees of audit, compensation, and nomination on their boards as part of internal corporate governance mechanisms to help with the board's multiple functional responsibilities.

Practically, the audit committee in many jurisdictions comprises three distinct independent members who have no predetermined association with company. It is preferred that one of the members be familiar with finances in order to assist top management in scrutinizing the financial reports and posing appropriate queries in accordance with their oversight responsibilities (Sarbanes-Oxley, 2002, & Combine Code, 2009). Internal control issues, recommending external auditors for appointment, and reviewing the annual financial report are among the audit committee's primary responsibilities (Christensen et al., 2010). Anderson and Berezinets and Ilina, (2016) stated that the board of directors has a subcommittee called the pay committee that is responsible for determining and monitoring the executive compensation package. The hypothesis of agency theory confirms that management compensation should be proportional to investor value and should encourage maximum performance (Jensen & Meckling, 1976; Jensen & Murphy, 1990). According to the agency theory, the board needs to have a balanced number of outside and

inside directors in order to sustain its autonomy, openness, impartiality, and equality. The selection advisory directors help the board fulfill its responsibility of proposing and introducing newly appointed board members and incumbent directors for engagement and reengagement at the annual general meeting. Consequently, theory advocate executive management exhibit truthfulness, capability, responsible, and allegiance without compromise in order to safeguard the principal's interests at all times (Puni 2015).

To reiterate, previous research on the effectiveness of corporate boards has been biased toward variables such as board composition, board size, CEO duality, and the ratio of inside and outside director, without considering board committees, is largely replete with conflicting results (Christensen et al. 2010). Additionally, it can be challenging to effectively link the effectiveness of the board of directors and its standing committees due to the empirical literature on board committees, which frequently documented the impact of individual committees instead of all categories of committees in the company (Puni, 2015). According to Adams et al., (2010), the composition of an audit committee structure showed significant and positive influence on financial results. Adams et al., (2010), asserts that audit committees play an important function in resolving Sarbanes-Oxley Act's material weakness in internal control. In addition, in research conducted, Klein (1988) proposed that audit committee composition is crucial in predicting a company's financial performance. According to Christensen et al. (2010) study, a company's CEO remuneration was higher when the majority of the remuneration committee members were inside directors rather than outsider directors. In addition, Sun and Cahan (2019) found that companies having compensation committees had better financial results. However, Puni (2015) investigated

the impact of board committees on the financial performance of companies traded on the Ghana Stock Exchange and discovered a substantial impact. In particular, the audit committee has no impact, whereas the remuneration committee generates a positive result that lacks statistical significance.

Recent advancements in the realm of corporate governance, with a specific focus on board composition, independence, and committee structure, highlight the fundamental significance of these components in upholding effective governance practices. Contemporary research and emerging insights have underscored the value of cultivating boards that are both diverse and independent. This diversity encompasses not only gender and ethnic inclusivity but also entails a diverse set of competencies and expertise among board members. The accentuation of board independence has become increasingly pronounced, with a special emphasis on non-executive directors who can provide impartial oversight of management and make decisions that serve the best interests of shareholders and stakeholders. Furthermore, the paradigm of board committees, including those responsible for audit, risk management, and compensation, is evolving to amplify their roles in areas such as risk mitigation, financial supervision, and aligning executive compensation with long-term performance objectives. The emerging knowledge in this domain accentuates the critical role of well-structured boards, comprising both seasoned and autonomous directors, complemented by specialized committees. Together, these elements play a pivotal role in cultivating transparency, bolstering accountability, and contributing to the enduring success of organizations in an ever-evolving business landscape. (Barbosa, Anrafel & Silva, Maria & Silva, Luiz & Morioka, Sandra & Souza, Vinícius. 2023).

From above, its clear corporate governance measured based on board composition, board independence and board committees affect company's financial performance. The empirical literature all agree that efficient corporate governance is fundamental for all economic transactions involving business in emerging and transitioning economies. However, the available literature also shows no consensus on impact of practice of corporate governance against financial results. Current results are inconsistent; however, studies have shown positive or negative effect, while others claim no effect. The variation in results becomes the basis for further testing or investigation

Ownership concentration is an enabling mechanism which facilitates increase in efficiency in a firm and is believed to influence firm performance for many years (Chen, 2012). Owners can exert control and influence on firm management and safeguard their interests through concentration ownership, as stated by Madhani, P. M., (2016). Ng'ang'a, (2017) defined an ownership concentration distribution of shares in addition to the system by which shareholder identities and company performance are affected. Jensen & Meckling (1976) proposed agency theory where ownership concentration and firm performance are anchored on. According to Clarke & Branson (2012), agency theory holds that managers' decision to separate ownership and control of the business results in agency costs. According to Williamson (2011), concentration of ownership is likely to reduce agency expenses. The financial performance of the business will be significantly impacted by the strategic decisions made by owners. This is confirmed by the U.S.A Treadway Commission Report (1987) which resolves the issue of corporate monetary detailing extortion because of the breakdown of legitimate organizations like Enron and WorldCom in the US. Parmalat Company in Europe, Chuo Aoyama in Asia, JCI and Rand gold in South Africa, Cadbury

Company in Nigeria, Uchumi, Imperial bank, and Chase Bank in Kenya, among others, all fell victim to this pattern (Ongore & K'Obonyo, 2011). According to George and Nyambonga (2014), despite the NSE's impressive track record, NSE-listed companies still face ownership challenges because controlling shareholders have taken advantage of opportunities to use their power for their own benefit. Poshakwale and Thapa (2011), in their study discovered that concentration of ownership may lead to misuse of company resources. Financial irregularities have resulted as a result of this, as several well-known Kenyan businesses have failed. The ownership concentration of government, foreign, and local ownership are the primary study elements in the present research.

The empirical literature gives varied outcome with no clear boundaries if different levels of ownership concentration influence the economic performance of publicly traded companies worldwide or not. Study by Tobhaz and Fazlzadeh (2011) discovered a variety of outcomes in the Iranian market, at the same time Shira and Shahid (2013) found that ownership concentration affects only some aspect of the operation but do not affect the value of the company in the Egyptian stock market. On the other hand, Sirtaj Kaur (2016); Eriotis, Thanou, Daskalakis, and Vasiliou, (2014); Zahoor (2014); Ahmed and Ochieng (2014); Mei, (2013);Jagongo and Mokaya (2015); Ofori, Nyuur and S-Darko. (2014); established government ownership firms have positive influences; Uwuigbe and Olusanmi (2012) and Mishari et al. (2012), results indicate positive effect on relationship between institutional ownership and firm financial performance. Also, Boshnak and Helmi. (2023) the results show that government, institutional, insider and foreign ownership all positively affect both accounting and market-based performance measures, whereas family ownership exerts a negative impact across the models. Ongor et al. (2011) established shareholder

distribution has positive influence; however, Mei (2013) established adverse effect. Konijn et al. (2011) found that block holder dispersion hand negative relationship financial performance. Study by Ersoy (2015); Czarnitzki and Benjamin (2015); Nahila et al. (2016); Faisal, Hesham, & Mishari (2012); Namusonge (2011); Pervan, M. Todoric, & Pervan, I. (2012); established government owned firms have negative influences. However, Wei, Xie, & Zhang, (2015); Alipour and Amjadi (2011) presented negative influence on institutional ownership and financial results of a firm. Demsetz and Villalonga, (2011), Arouri, Hossain & Muttakin (2014) established ownership concentration has no significant effect. However, Kareem, Mawih Al Ani, Mawih & Mohammed, Asma & Kathiri, Al. (2019). found no influence at all on ROE. Kiruri (2013) established higher levels of domestic and foreign ownership result in increased firm value while government ownership led to lower profitability. Ongore, K' Obonyo and Ogutu, (2011); Alulamusi (2013), established that insider ownership, foreign ownership, corporate ownership, diverse ownership has significant positive effect, while government ownership had negative effect on organizational performance. Ng'ang'a (2017), demonstrated that government, foreign and local ownership concentration have significant positive effect on organizational performance. Raji (2012) established that ownership concentration and firm performance have significant negative effect.

The evolving landscape of corporate governance highlights a new knowledge gap pertaining to ownership concentration. In particular, the interplay between local ownership, government ownership, and foreign ownership on financial performance warrants further exploration. As ownership structures diversify, there is a growing need to understand how these ownership types influence a company's governance dynamics, strategic decision-making, and overall performance.

This knowledge gap underscores the significance of delving into the nuanced relationships between different ownership categories and their implications on financial performance, adding depth to the ongoing discourse in the field. The literature agrees that ownership concentration, among other factors, recognized as an important factor in describing corporate results. Financial results of organization are influenced by the type of shareholding it adopts. However, the available literature shows no general agreement how shareholding influences organization financial results. Results regarding the concentration of ownership on financial performance are mixed. However, results from empirical studies seem to be inconsistent on whether government shareholding, domestic or foreign shareholdings, statistically influences organization performance. Literature is still mixed on how financial performance responds to ownership concentration. This conflicting result provides the basis for further investigation on influence of ownership on financial results of companies at NSE.

The size of a company, encompassing both its production capacity and the range of services it can offer, plays a pivotal role in shaping its operational scale and ultimately, its financial performance (McWilliams & Siegel, 2010). Viewing this from the perspective of economies of scale, Kioko (2013) underscores the significant influence of a company's size on its profitability. Building on this, Kodongo et al., (2014), assert that a firm's financial performance is intricately linked to its organizational size, asset management practices, and operational efficiency. Additionally, studies by Sritharan, 2015; and Omondi and Muturi (2013), highlight the importance of economies of scale and other competencies, particularly in larger enterprises. As argued by Baumol (1967),

larger firms tend to derive advantages from their market influence and stronger connections to stock markets.

Firm size plays vital and essential role in describing how a firm interacts within and outside its business environment (Shaheen and Malik, 2012). According to Babalola (2013), the bigger the company, the more impact it has on its shareholders and therefore, big companies tend to perform better than small companies. In today's world, the phenomenon of economies of scale means that a company's size is key to its success. Awad, Erik, Abdurahman, and Jeffrey, (2013) established that the key determinant of corporate success, which can shed light on the factors' driving profitability is the type of relationship that occurs between firm financial performance and its size. According to Beard & Dess (2011), company size is most well-known element that influence financial results. Indeed, Beard & Dess, (2011) found that organizations with the largest assets and market share reported comparatively superior results. According to Amato and Wilder, (2012), Bigger organizations have more market power and easy access to capital market, hence they are able to get more opportunities for investments that small firms cannot take advantage of due to economies of scale. Stierwald, (2019) believes that company size is one of the specific company-level characteristics which can impact on the financial performance.

Globally, and regionally there are mixed and inconsistent findings in the literature on firm size and financial performance. Company's size affects its financial performance, regardless of industry or other microeconomic factors (Raheman, Afza, Qayyum and Bodla, 2010). The causal relationship among company size and financial performance has been extensively tested with a mixed bag of results. Several studies suggest that firm size on financial performance have a positive while other

support negative effect or no effect at all. Nigeria & Abdukadir (2016) and Mungai & Murithi (2017), established positive effect.Tarawneh, (2016); Sarkaria and Shergill, (2010) ;Liargovas and Skandalis, (2018); Merikas et al, (2016) established positive influence on financial performance.Tarawneh, (2016); Sarkaria and Shergill, (2010), Bisher (2011) ;Pervan and Višić (2012); Tamizhselvan and Vijayakumar (2010); Karaduman and Akbas (2012); Akinyomi and Olagunju (2013); Kaguri (2013); Ngahu and Mehrjardi, (2012); using various research design, regression models and accounting based or market based measure of financial performance demonstrated positive effect on company size and organizational performance. Mutunga and Owino (2017), Krasnikov and Jayachandran (2010), Lee (2009), Velnampy and Nimalathasan (2010), Banchuenvijit (2012) Vijayakumar and Tamizhselvan, (2010), Abdullah, (2015), Dogan, (2013), Ehikioya (2019), Guest (2018), also established a positive influence. Jonsson (2007), Ozgulbas et al. (2016) Large companies were found to perform better than small companies. On the other hand, studies by Jonsson (2017); Salawa, et al., (2012); Becker et al., (2010) established negative association on company size and firms' financial results. However, Velnampy and Nimalathasan (2010), Barret et al., 2010), Hall (2012) did not establish any association among company size and its performance in research of factors affecting the performance of firms operating in Vietnam. Niresh & Velnampy (2014) and Kumar &Kaur, (2016), Hagedoorn and Cloodt (2013) indicated that firm size does not affect the firm financial performance at all, this goes against the theory of economies of scale. While Goddard et al, (2016) and Mariuzzo et al, (2013) established mixed effects.

In Kenya, the findings are contradictory and inconclusive, Kithuka (2013); Njoroge (2014); Babalola (2013); Abdukadir (2016); Mahfoudh (2013); Mwangi (2014), the relationship of company size and performance of firms at NSE demonstrated positive relationship.; Amato and Burson (2007); Tale (2014) established negative influence on company size and company financial performance, while Lee (2009) found mixed results. The implication of firm size on financial performance in the current business environment is a critical area of concern globally. Smaller firms often face resource constraints, which can impact their ability to invest in technology, research, and market expansion. On the other hand, larger firms may grapple with issues related to agility and innovation. A significant gap in existing knowledge lies in understanding how different-sized firms can adapt and thrive in an environment characterized by rapid technological advancements and changing consumer preferences. Research addressing the specific strategies and practices that enable companies of various sizes to navigate these challenges effectively is essential to provide actionable insights for businesses and policymakers in fostering a resilient and competitive corporate landscape.

The literature seems to agree that firm size advantages can affect an organization's financial performance. Larger organizations are more competitive than their smaller firms through better access to resources, market power, and economies of scale. Larger companies outperform smaller companies due to economies of scale, but size is relative whether the company is small or large. because it has been evidenced even large firms have performed poorly globally. However, the existing literature reveals conflicting views on whether the size of the firm matters. There are conflicting views on how firm size influences the firm financial performance, some giving positive

influence, negative and other no or mixed influence. This has put the literature reviewed into sharp focus and subject of more research due to contradicting results.

A moderating variable, as described by Ghozali (2013), is an external factor that influences the relationship between an independent and a dependent variable. This study has identified firm size as a noteworthy moderator. The impact of firm size on this relationship is emphasized in studies conducted by Wang, Zhang, & Goh (2018). Muhindi and Ngaba's research (2018) underscores that the stability of a business's financial performance within an economy is intricately tied to the size of the firms, attributed to the benefits of economies of scale. This was particularly evident during the global financial turbulence of 2007–2008. Supporting this perspective, Vinals (2013) provides evidence that large corporations bear a disproportionate responsibility for economic turmoil. Given the substantial shifts in the financial landscape in recent years, owing to developments in financial regulation and corporate governance practices, this discussion has gained unprecedented momentum (Leaven, Ratnovski, and Tong, 2014).

Utilizing firm size as a moderator in the investigation of the intricate interplay between corporate governance, ownership concentration, and firm financial performance is substantiated by substantial empirical and theoretical support. Research indicates that larger firms may harness economies of scale and have better access to capital markets, positively influencing their financial performance (Kioko, 2013; Baumol, 1967). Furthermore, they can deploy greater resources for effective corporate governance and ownership structures, potentially leading to improved financial outcomes (Adams el al,.2010). The intricate nature of this relationship necessitates exploring how

the impact of governance and ownership concentration on financial performance varies across firms of different sizes. This approach enhances the comprehensiveness of the analysis and provides insights into whether these relationships exhibit consistent patterns or diverge based on the firm's size. In sum, employing firm size as a moderator is not only theoretically grounded but also empirically relevant for a comprehensive understanding of these complex interactions. The literature review pertaining to the moderating effect of firm size underscores the limited extent of research conducted in this specific domain. While certain scholars, including Gonzalez & Gonzalez (2012), Vithessonthi and Tongurai (2015), Abbasi and Malik (2015), Chao (2012), and Yung-Chieh (2013), have indeed identified positive influences in their investigations concerning the relationships under scrutiny, it is discernible that a comprehensive examination of this variable remains somewhat underrepresented in the existing body of knowledge. Consequently, there exists a notable gap in the literature, necessitating further inquiry and analysis in this area to enhance our comprehension of the implications of firm size as a moderator.

Empirical studies such as (Aggarwal, 2013); Darko, Aribi, Uzonwanne, Eweje, & Eweje (2016); Haniffa & Hudaib, (2006); Marashdeh, 2014) highlight studies that examined the direct association between board effectiveness and organizational results without moderator involvement, but their findings are still inconclusive and mixed. The lack of control factors or moderator variables may be to blame for the inconsistent and inconclusive results, as concluded by Garcia-Castro and Aguilera (2014) and Guo (2011). According to the literature (Al-Dubai, Ismail, & Amran, 2014; Amrah, Hashim, & Ariff, 2015; Campbell, Line, Runyan, & Swinney, 2016), a third variable (the moderator variable) may influence on such a link. (2010).

By using firm size as a moderator on corporate governance practices, ownership concentration, and financial results of listed companies at NSE, this study generally fills a knowledge gap. Research by Badara (2016), Abdullah (2015), Dulewicz and Herbert, (2004); Guest (2009); Ferrero Ferrero, Fernández- Izquierdo, & Muñoz-Torres (2012); Haniffa & Hudaib (2006); Hu & Izumida (2008); Kryvko (2012); Munisi & Randøy, (2013); Nodeh, Anuar, Ramakrishnan, Raftnia (2016); Ibrahim (2016) investigated practices of corporate governance element on financial results, but without a moderator such as firm size. Hudaib and Haniffa, (2016) study established positive corrretion, Al-Matari, Fadzil, & Al-Swidi, (2014); Velnampy (2013) established insignificant and positive association on all company characteristics, except board independence which give a negative result. Velnampy (2013) established no relationship; Marashdeh (2014) found mix results.

Literatures demonstrate and agree that firm size when used as a moderator influences the financial performance of a firm among other factors. However, the literature indicates there is no consensus when firm size is used as moderator on organizational performance. The results are mixed and contradicting. When examining the effects of ownership concentration or corporate governance practices on a company's finances, many studies have not taken into account the size of the company as a moderator. Firm size has been used as an intervening, meditating, or control variable alone or in conjunction with other variables, according to empirical literature. Therefore, present research will use firm size as moderator measured on log of total assets.

The primary purpose of stock markets, including the Nairobi Securities Exchange (NSE) and other international counterparts, is to facilitate the trading of various financial instruments, most notably stocks and securities. These markets serve multifaceted functions, encompassing capital formation, investment opportunities, liquidity provision, price discovery, risk management, and acting as crucial economic indicators. They provide companies with a means to raise capital by issuing shares to the public, offering a diverse array of investment options to both individual and institutional investors, and ensuring liquidity and price transparency for assets. Moreover, they assist in risk mitigation through various financial instruments and serve as barometers for overall economic well-being.

The justification for comparing data from 2016 to 2020 exclusively for the NSE, as opposed to other global stock markets, aligns with the specific research objectives of this study. The study's core focus revolves around examining the impact of corporate governance, ownership concentration, and firm size on the financial performance of firms listed on the NSE. By limiting the scope to this particular stock market, a more detailed and contextually relevant analysis can be conducted, given the availability of comprehensive data for the NSE during the selected period. Furthermore, the regional nuances and economic dynamics affecting the NSE differ from other markets, thus necessitating a concentrated study. While the study primarily scrutinizes the NSE, references and comparative analyses with other stock markets can still be employed to provide a broader context for the research findings. This approach allows for a more thorough understanding of how specific regional factors influence the NSE's financial performance, thereby fulfilling the research objectives effectively.

Nairobi, Kenya's capital, is home to the Nairobi Stock Exchange, the largest stock exchange in Africa. Kenya has one of the fastest-growing economies in sub-Saharan Africa. NSE has been around since 1954, making it a seasoned veteran of the stock and bond listing market. Self-listed and non-profit as of 2014, it offers a first-rate trading platform to local and foreign investors interested in Kenya's and Africa's rising economies. Leaders in Africa's capital markets serve on its Board of Directors and Management Team, and all are committed to the company's goals of driving market innovation, diversification, and quality.

By facilitating the access of local and foreign enterprises to lucrative financing, the NSE has a major impact on the development of Kenya's economy. The Kenya Capital Market Authority regulates the activities of the NSE. It was one of the first members of the African Securities Exchange Association (ASEA) and the East African Association of Stock Exchanges, and it is now a full member of the Global Federation of Exchanges (EASEA). NSE is an exchange partner of the United Nations' Sustainable Stock Exchanges project and a member of the Futures Market Association.

To provide investment services and effectively generate capital in Africa and around the world, and to be the exchange and investment partner of choice, in accordance with its objective of being the premier exchange and investment partner of choice. whereas honesty, precision, cooperation, longevity, and responsibility make up its bedrock principles. *(Retrieved from https://www.nse.co.ke/about-nse/march 2023)*

The consequences of the interest rate limiting law on the profitability of the banking industry and , by extension, their respective stock values, dampened the excitement of Kenya's stock market a head of the 2017 general elections. In 2017, the stock market's liquidity ratio fell from 2016's 7.6 2 percent to 2017's 6.81 percent. Market volatility and low liquidity exacerbated concentration pr oblems, with the top five (5) stocks accounting for 64.8% of market value in 2017, up from 63.8 6% in 2016. Stock market volatility increased as a result of the general election's proximity and t he aforementioned risks and uncertainties. The listed companies' liquidity issues from 2016 conti nued into 2017, making it difficult for them to raise capital and make interest and principal paym ents. As a result, their intentions to expand had to be scaled back, which resulted in a low leverag e ratio and ultimately

limited their potential to raise profits in 2017. (CMA annual report,2020).

According to the most recent numbers from the most recent annual report from Capital market authority 2020, the performance of the capital markets has been inconsistent with both high and low growth periods over the past five years. (see Annex Table 1). The 2020 market cap is projected to be only Ksh 2,336.70 billion, down from 2016's Ksh 2,631.61 billion. Decrease in revenue and the NSE 20 Share index (ksh 137,780 billion 3,186.21 billion and ksh 48,109 billion, ksh 1,868.39 billion) follow the same trend, as do the values of shares traded in 2016 (Ksh 5,813.49 billion) and 2020 (Ksh 5,264.05 billion). (CMA annual report,2020). Many listed companies in Nairobi Securities exchange have continued to confront various challenges extending from falling returns,

suspension from trading at 7.6% and/or being delisted from trading all together at 10.6%. This is inspite of their major contribution in the Kenyan economy.

The selection of the Nairobi Securities Exchange (NSE) as the focal point of this study is substantiated by several compelling reasons. Firstly, the NSE serves as a critical financial and capital market in East Africa, playing a pivotal role in the economic development and investment landscape of the region (CMA, 2021). The exchange's unique position in the East African Community (EAC) and its role as a major trading center make it a distinctive context for investigating corporate governance, ownership concentration, and their repercussions on firm financial performance. Secondly, Kenya, the home country of the NSE, has experienced significant economic growth and structural transformation over the years, reflecting the broader changes occurring in emerging economies (World Bank, 2021). Thus, examining the intricacies of corporate governance and ownership structures within the NSE contributes to a better understanding of corporate practices in such dynamic settings. Finally, the NSE encompasses a diverse array of listed companies, reflecting the multifaceted nature of the Kenyan and East African economies. This diversity, in conjunction with the distinctive characteristics of the region, forms a rich backdrop for analyzing the interplay of corporate governance, ownership concentration, and firm size in shaping financial performance. Therefore, by focusing on the Nairobi Securities Exchange, this study contributes to a more comprehensive understanding of corporate dynamics in emerging markets, with potential insights for regional and global contexts.

Table 1.0: Market Performance Indicators:2016-2020

Year	Equity Turnover (KShs. Bn)	Share Volume (Mn)	Revenue (KShs. Bn)	End Period NSE 20- Share Index	End Period Market Cap (KShs. Bn)
2016	147.18	5,813.49	137,780	3,186.21	2,631.61
2017	171.61	7,065.36	13,529	3,711.94	2,521.77
2018	175.66	6,335.82	57,060	2,833.84	2,102.02
2019	153.82	4,832.21	51,046	2,654.39	2,539.98
2020	148.68	5,264.05	48,109	1,868.39	2,336.70
(Decrease) /Increase	***1.5***	***(549.44)***	***(89,671)***	***(1,317.82)***	***(294.91)***

Source: CMA Annual Report (2020)

The selection of revenue, market capitalization, and the NSE 20 share index as key indicators for assessing the declining financial performance of listed firms at the Nairobi Securities Exchange (NSE) is well-founded and substantiated by existing research. Revenue is a fundamental metric for evaluating a firm's financial health, as it directly reflects its ability to generate income from its core operations (Liargovas & Skandalis, 2017). A decline in revenue indicates a potential reduction in a company's primary income source, which can lead to financial instability. Similarly, market capitalization serves as a crucial yardstick for assessing the overall value and growth potential of a firm in the stock market (Damodaran, 2012). A decrease in market capitalization signifies a reduction in investors' perceptions of the company's future prospects and financial stability. Lastly, the NSE 20 share index, which reflects the performance of the 20 most liquid and large-cap stocks

listed on the NSE, is a widely recognized barometer of market sentiment and overall market performance (NSE, 2021). A declining NSE 20 share index can indicate a collective lack of confidence in the financial health of the firms listed on the exchange. These three indicators, when used collectively, offer a comprehensive perspective on the financial performance of listed firms, making them a valuable set of metrics for this study.

1.2 Statement of the Problem

The financial results of companies that operated at NSE showed a decline in revenue of Ksh Approximate -90 billion, a decrease in market capitalization of Ksh-295 billion, and a decline in the NSE 20 share index of Ksh -1318 billion from 2016-2020.The practical problem addressed in this study pertains to the decline in financial performance of companies listed on the Nairobi Securities Exchange (NSE) from 2016 to 2020. This decline is evidenced by a significant reduction in revenue, market capitalization, and the NSE 20 share index, resulting in substantial economic losses. This issue has local and global significance, as the declining financial performance of companies operating in Kenya's NSE affects the local economy and also impacts international investor perceptions of the country's investment climate. Despite Kenya's efforts to create a conducive business environment, these results have been inconsistent and mixed, indicating that factors related to corporate governance practices, ownership concentration, and firm size might play a role in this financial performance decline. The theoretical foundation underlying this problem is based on empirical evidence and previous studies that have attempted to examine the relationships between corporate governance practices, ownership concentration, firm size, and financial performance. The study aims to contribute to this theoretical foundation by addressing the existing contradictory and inconclusive findings in the literature. Different scholars and

researchers have reported varying results on the impact of these variables on financial performance, creating a lack of consensus within the academic and business community. Therefore, the theoretical foundation rests on the need for a more comprehensive and nuanced understanding of how corporate governance, ownership concentration, and firm size affect a company's financial performance in the context of the NSE. The existing mixed results indicate the necessity of further investigation and analysis to provide clarity on these relationships and their practical implications.

1.3 General Objective

To investigate influence of corporate governance practices, ownership concentration and Firm size on financial performance of listed firms at NSE, Kenya.

1.3.1 Specific Study Objectives

1. To determine the influence of corporate governance practices on financial performance of listed firms at NSE;
2. To evaluate the influence of ownership Concentration on financial performance of listed firms at NSE;
3. To establish the influence of firm size on financial performance of listed firms at NSE;
4. To determine the moderating influence of firm size on the relationship between corporate governance practices and financial performance of listed firms at NSE;
5. To establish the moderating influence of firm size on the relationship between ownership concentration and financial performance of listed firms at NSE.

1.4 Research Hypotheses

Ho_1: There is no significant influence of corporate governance practices on Financial Performance of listed firms at NSE;

Ho_2: There is no significant influence of ownership Concentration on Financial Performance of listed firms at NSE;

Ho_3: There is no significant influence of Firm size on Financial Performance of listed firms at NSE;

Ho_4: There is no moderating influence of Firm Size on the relationship between Corporate Governance practices and Financial Performance of listed firms at NSE;

Ho_5: There is no moderating influence of Firm Size on the relationship between ownership Concentration and Financial Performance of listed firms at NSE.

1.5 Study Scope

Companies traded on the Nairobi Securities Exchange have their financial results examined in light of corporate governance practices, ownership concentration, and firm size. For the sake of consistency and reliability, this study only included businesses that were traded on the Nairobi Securities Exchange. It is a legal requirement under the Kenya company act, all registered firms at NSE file annual audited public financial statements reports to CMA, which allows this research to access necessary data for analysis. Study variable is, corporate governance practices based on board composition, board independence, board committees and ownership concentration as composite of foreign, government and local shareholdings ROA and ROE as financial performance measures, while size of a firm evaluated as log of total asset was moderating variable. Study targeted NSE firms existed from 2016 to 2020. The study included all 66 NSE listed companies as

this was deemed relevant because the study population was small. Those firms that were suspended /delisted or the listed after 2016 were not included, hence purposive sampling was used to get 55 firms with full data for analysis. The study utilized secondary data extracted from published reports readily available on websites as well as physical visit to the CMA library to retrieve information on all listed companies.

1.6 Justification of the Study

The investigation was prompted by global financial scandals and the recent collapse of several companies in Kenya, like Uchumi supermarket, Deacon plc, Marshall East Africa, among others, these has raised questions about practices of corporate governance, shareholding concentration of companies at NSE and Investors' lack of faith in the market (Ongore & K'Obonyo, 2011). The Wire card scandal in Germany is a prominent recent example of fraudulent financial reporting. The company falsely claimed to have €1.9 billion in cash that didn't exist, the Chinese coffee chain, Luckin Coffee faced allegations of fabricating sales figures, resulting in a significant loss of investor trust and a decline in the company's stock price. Also, one of the largest corporate scandals in South Africa involved Steinhoff International, the company faced allegations of accounting irregularities and fraud that led to a massive drop in its market value and eroded investor trust. According to Fung (2014), Kenya's listed companies' financial performance is declining, and there is growing trend of business failure from both global and regional perspectives. This failure is attributed to poor financial planning decisions, leading to agency theory problems due to poor practices of corporate administration. As a result, new insights are anticipated from the study's findings as it explores trading firms at Nairobi securities exchange. Consequently, investors, policy

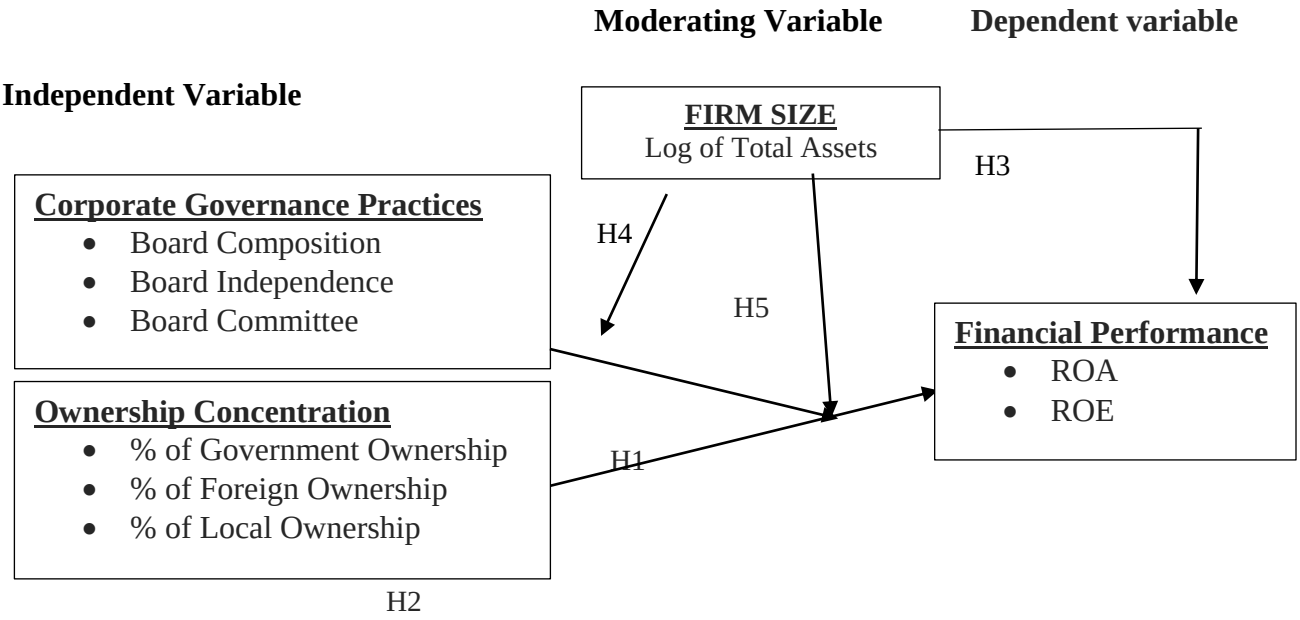
makers, government regulatory authorities and other researchers stands to benefit from the findings of this work. According to Tricker (2011), firm financial performance became more important in the 1980s. This is the period when stock markets crashed in various parts of the world and some companies went bankrupt occasioned by wanting corporate governance practices and issues of concentrated ownership (Tricker, 2011). According to Petra (2014); Reid (2012); Senge (2013), not only the globalization of companies, but also the large-scale corporate failures that have occurred in Africa, Asia, Europe and the USA over the past decade all have led corporate governance practice now an international issue of concern. It is acknowledged therefore, that corporate governance practices and ownership structure play an important function in governance of all enterprises (Coward, 2011).

The study would be beneficial in three dimensions: to begin with, it will help in managing the board composition and board committee where the decision made in the board affect the performance of the organization. Furthermore, the study provided new deposition on the role of firm ownership in relation to financial performance. Last but not least, it provides additional evidence of the coexistence of firm size as a moderator in ownership concentration, and practices of corporate governance on financial results.

1.7 Conceptual Framework

Figure 1.1 depicts the study's conceptual framework's which attempt to relate corporate governance practices, ownership concentration, and firm size to firms' financial performance. The influence of corporate governance and ownership on an organization’s success is investigated

under the agency theory. Corporate ownership concentration and corporate governance practices were the independent variables. Both ROA and ROE are examples of dependent variables. The size of the company is considered a moderating factor.



Source: *Adapted and modified from Ng'ang'a's (2017)*

Figure 1.1 Conceptual framework

The conceptual framework is adapted from Ng`ang'a. (2017) by modifying it to suit the research objectives. Ng'ang'a. (2017) employ panel methodology in examining ownership concentration, managerial shareholdings and financial performance of firms at NSE.This research is pertinent for design of the present study. Moderating variable Managerial shareholdings has been removed and replace with firm size. The restructured conceptual framework also removed his earnings per share as dependent variable, and also added corporate governance practices as independent variable.

Previous scholars, particularly Rauch, Wiklund, Lumpkin, Frese, (2009), Dess, Lumpkin, Covin, (1997); Zahra (1996) concluded that firm size is an important moderator, consequently it's inclusion as moderating variable in this study. It is proposed that the independent variable, corporate governance practices and ownership concentration, directly affects the two dependent variables, ROA and ROE. According to Al-Qudah (2016); Bigdeli and Bidgolo (2006) ROE and ROA are two key and best standard most commonly measures used to determine how efficiently a company generates profits. According to Ahamed et al. (2014); Ofori et al. (2014); Mujahid and Abdullah (2014); Bagshaw and Peters, (2014) concluded that ROA and ROE are important and key widely used measures of financial performance hence their inclusion in present research.

In the conceptual framework of this study, we interlink several fundamental theories to provide a comprehensive understanding of the dynamics at play within corporate governance, ownership concentration, and the moderating influence of firm size. Agency theory, rooted in Jensen and Meckling's seminal work (1976), serves as a foundational pillar, highlighting the principal-agent relationship within firms. This theory is closely tied to our examination of corporate governance practices, as it emphasizes the need for mechanisms that mitigate agency problems and ensure alignment between the interests of shareholders and managers.

Furthermore, we draw upon stakeholder theory, notably Freeman's work (1984), to shed light on ownership concentration. This theory underscores the significance of considering a broader array of stakeholders beyond shareholders, including government entities, foreign investors, and local owners. This theory enhances our understanding of how various stakeholders influence corporate decisions and financial outcomes.

The significance of firm size as a moderator cannot be overstated. Drawing from the work of Marshal (1984) on economies of scale, we examine how the scale and scope of a firm interact with corporate governance practices and ownership concentration to affect financial performance. This serves as a critical link in our conceptual framework, underscoring the moderating role of firm size in shaping these relationships.

Collectively, these interwoven theories and concepts offer an encompassing view of the intricate web of factors influencing financial performance at the NSE, providing valuable insights for investors, policymakers, and scholars.

CHAPTER TWO

LITERATURE REVIEW

This section begins with a discussion of the theoretical foundations upon which the research was conducted, and is followed by a literature review elaborating on the connections among corporate governance practices, ownership concentration, firm size, and financial performance.

2.1 Theoretical Literature

The study takes into account the relevant theories of agency, stakeholder theory, and economies of scale. These ideas provide the basis of corporate governance by demonstrating a relationship between ownership structure, firm size, and financial performance.

2.1.1 Theory of Agency

Berle and Means (1932) presented the agent theory and it was universally endorsed when Meckling and Jensen (1976) presented problem of agency in corporate governance. This concept asserts that the shareholders are the owners of company who hire agents to do the work. Clarke & Branson (2012), demonstrated that owners assign the management of the company to executive, who are representatives of owners. Leaders develop a workable leadership structure to avoid agency problems in order to develop mutual trust and teamwork between owners and agents. The decisions of the managers compromise the financial performance of the firm (Mallin, 2015).

According to Mallin (2015) Agency theory assert to identify association where one party fundamentally approves the work of the other, agent. According to research, the principal-agent model considers self-interest management behavior in a common principal-agent relationship to be the fundamental issue of corporate governance. The study also reveals that appropriate agency relationships at various levels, among other factors, limit and govern this separation, for example

senior management, subordinates, owners and the board. The study concluded that in the primary agency relationship; there is always the possibility of conflict within the company because agents frequently face different economic motivations than fiduciaries. To avoid any agency issues centered on corporate governance practices, the board must be independent and properly constituted.

In reference to the goal of the study, agency theory will be used since it is centered on the executive as corporate governance mechanism which the dominant the company management literature. The theory provides additional explanations for the connection that exists between corporate finance providers and those entrusted with managing the company's affairs. Those tasked with running the business finance have conflicting interest thus the decision they make have major influence on organization financial outcome. This also relates to the works of Fame (1980), Ross (1973); Anderson, Becher, and Campbell (2004), as well as Sanda, Mukaila, and Garba (2003). The use of external financing, the best structure for a company's capital structure, the best incentives for top executives, and the ideal composition of a company's board of directors have all been heavily influenced by agency theory. Therefore, agency theory appears to provide strong support for the broad and narrow aims of this research.

2.1.2 Stakeholders Theory

Freeman came up with this theory (1984). According to him, the company's goal extends beyond the financial well-being of its shareholders. He pushed for a concept that would later sweep the business world: corporate social responsibility (CSR). According to Clarkson (1994), it is the company's duty to create value for its various stakeholders, including the people and organizations that supply and manage the firm's resources. Keasey (1997) bolsters the theory by arguing that the

organization will benefit from treating all stakeholders ethically because it will foster a trusting relationship between them. Al Mamum et al., (2013); Keraro (2014); Mwithi (2016) found that stakeholder theory was incorporated into the management field in the 1970s and was progressively advanced by Freeman to attach corporate responsibility to a wide scope of associate. Freeman (1984) argued that stakeholder theory emerges from a merger of sociological and organizational disciplines. Freeman, (1984) advocate that you should give companies a direct say in corporate governance to explore lasting stakeholders' relationship and to appoint key customer, supplier, employee and community representatives to the board. This is because the success or failure of a corporation hinges on the board of directors' ability to establish and enforce sound policies of corporate governance.

Stakeholder theory, as proposed by Donaldson and Preston (1995), provides a framework for deciding the firm's structure and operation that takes into account the many stakeholders' multiple and often conflicting objectives. Sundaram and Inkpen (2014), however, warned that using overly broad terms to describe stakeholders can lead to confusion. Furthermore, the academics argued that there is a dearth of data connecting stakeholder theory and corporate success.

In conclusion, the Stakeholder's theory is significant to this investigation because it lends credence to the agency theory, which was deficient since it failed to recognize the full range of interested parties who use financial reports in strategic decision making. (regulators, creditors, employees, financial analysts, potential investors, etc.). The need for correct financial information among various individuals and entities inside and outside of listed firms can be theoretically explained by

the need for compliance with the Corporate Governance Code and other regulatory guidelines. Because if the board and management care deeply about their stakeholders, they will strictly adhere to the corporate governance code and guarantee that the audited financial reports they provide to stakeholders are truthful, up-to-date, and reflective of the true financial health of the listed firms. The theory is expected to provide a theoretical basis for each of the objectives. According to Choi, Lee, and Williams (2011), in order to avoid alienating any one group of stakeholders, the board of directors and management must be able to balance the needs of all of them.

2.1.3 Theory of Economies of Scale

Marshall's article (1980) attempts to explain increases in returns and competition by expanding on the economies of scale theory. Marshall made an effort to clarify the connection between rising and falling production costs. He thought about how the external and internal economies affected the smaller businesses. The lower cost per unit of production and the more evenly distributed fixed costs that result from increasing output and business size are what economists Borello et al. (2015) mean by the term "economies of scale." Because of economies of scale, expanding businesses are more productive and have lower variable expenses as they expand.

There are many different types of businesses and organizational structures, from individual factories to multinational conglomerates, that can all benefit from economies of scale. The cost per unit of output is anticipated to be lower in large manufacturing facilities than in smaller ones. When all else is equal, companies with multiple locations may have a lower total cost of operation than those with fewer locations (Isabella & Simiyu (2018). The economics of scale theory will be used to shed light on the impact that firm size has on bottom-line results in this investigation. In this sense, we can define "economy of scale" as the competitive advantage that larger companies

enjoy because of their size and scope both domestically and internationally (Krishnan et al., 2012). The research, production process aggregation, market power, and development efforts of large firms are all factors that contribute to their superior performance. Theories of economies of scale typically explain the cost advantages that firms achieve through the scale of their operations and production, which allows large firms to more evenly distribute their production costs (Shen et al. 2015).

This theory is useful because it explains why large corporations succeed where small ones fail. This is because large corporations can take advantage of perks like tax breaks, bulk-buying discounts, and economies of scale to boost their bottom line. As a result, they are able to reduce expenses and boost profits. Most large companies can be trusted to deliver on time and in full because they establish strong partnerships with their suppliers. This contributes to the company's credibility and, ultimately, its ability to gain customers' trust (North, 1991).

2.1.4 The Concept of Corporate Governance

The practice of corporate governance is the system of instructions, procedures, and processes for managing and controlling a company and for what purposes (The Chartered Governance Institute UK & Ireland 2022). Board composition, independence, diversity, committees, and corporate ownership structure are among the practices of corporate governance that are the subject of academic and public debate (Ibe et al., 2017). In this context, corporate governance practices are defined in terms of board independence, size and composition of the committee structure. Composition of boards typically addresses diversity, size, and CEO duality issues.

In relation to number of board members, board size is an important element in evaluating its effectiveness. Kenya's Corporate Governance Code of Conduct requires boards of listed

companies to be of sufficient size. The Boards should be of such a number that enables the requirements of the company's business to be met (CMA 2012). In addition, the board shouldn't be too big to prevent productive discussion during meetings or too small to prevent the participation of diverse perspectives and abilities that could boost performance (CMA 2012). According to Demirbas and Yukhanaev (2011), conventional wisdom regarding corporate governance generally holds that a board that is smaller and autonomous is more efficient at fulfilling their duty. The company and industry specific characteristics can be used to determine the ideal board size. Hazarika, Karpoff, and Nahata (2012) investigating the evolution of board composition 10 years after IPOs, demonstrated the increase in board and company size is related to the competitive business environment company operates in.

The effect of size of board and company's performance have been subject of numerous studies, but the findings are inconclusive. Raymond et al., (2010) for example found that size of the board is positively correlated with earnings. In addition, Muigai (2012) also established a negative correlation between board size and performance in a Kenyan study, consistent with Jensen's (1983) conclusion that a company should have a fairly smaller board size in order to be efficient at oversight. However, Mehram et al., (2011) contend broad boards reduce company value due to the free-riding problem. Kaid & Mohammed (2012) on their study at Kuwaiti Stock Exchange found the same conclusion, that size of board negatively impacts return on assets. However, there are research that back up the claim of a positive correlation. Wetukha (2013) conducted research in Kenya and discovered a correlation between the two. These findings corroborated those of Mahrous (2014), who used this same association to show that board size does, in fact, affect a

company's performance. Previous research has validated the connection between board size and firm outcomes in two ways: through a direct relationship and through a moderating method.

Diversity of the board is arguably the most crucial component of contemporary board structure and composition. According to Kenya's corporate governance code, listed companies must institute a policy to increase diversity on their boards (CMA2002). Furthermore, the law mandates that boards evaluate the efficacy of their size and diversity. Academic credentials, technical proficiency, industry-specific knowledge and experience, country of origin, age, race, and gender are all examples of dimensions on which diversity can be measured (CMA ,2002). Therefore, a diverse Board can make fair and impartial decisions (CMSC,2014). The Chartered Financial Analyst Institute (CFA) 2005 states that this is so because "individual board members often have the knowledge that is required to advise management in light of the particularities of the company, its business, and the competitive environment."

The law mandates that boards of publicly traded companies have a mix of internal and external directors with different backgrounds and areas of expertise to prevent any one person or small group of people from dominating board deliberations. (CMA, 2012). A non-executive chairperson and distinct duties for the chairman and the chief executive officer are also mandated by law (CMA, 2012). The Board's effectiveness stems from its independence in this case. However, decisions that unfairly or improperly benefit management's interests may be more likely to be made by a Board that is not predominantly independent. It's possible that these choices will hurt shareholders in the long run as well (Meme 2013).

CEO duality is where one individual holds position of CEO and chair of the board, while non-duality means that these positions are filled by different people. Having a person with an extreme degree of control over boards and managers leads to other problems, for instance, delay in decision making, delay in providing relevant information and data, less motivation, more conflict, less use skills and expertise, in boards and management (Wang et al., 2011). The study further points out that proponents of duality believe that: Corporate-wide duality adversely affects the independence of the board and prevents it from overseeing the establishment of governance roles. To survive in a competition, decision-making and control management must be separated. Duality causes future organizational repercussions by hindering the integrity of uncertain directors when evaluating company performance. Kiyoung, Junyoup, and Hyeongsop (2018); Wijethilake, and Ekanayake (2020), showed that having a different CEO and chair of the board increases firm value. Chandren, Qaderi and Ghaleb (2021) found negative relationship with firm profitability between the split of chairperson and chief executive positions. Yasser, Q. R., Al Mamun, A. & Suriya, A. R. (2014). CEO duality structure and firm performance in Pakistan echoed the same sentiment of negative relationship. Mosi (2013), found both positive and negative relationship.

In spite of the board's committee theoretical popularity in several studies on organization management and control, very few previous studies have credited board effectiveness, particularly in supporting organizational performance and the maximization of shareholder value (Puni, 2015). For instance, the functioning of autonomous board committees with the appropriate mixture of skills and knowledge is largely responsible for resolving issues of information failure that are likely to influence board verdicts. Board committees are consistently credited with providing corporate boards with crucial support in a variety of technical and functional areas, including

executive compensation, quality financial reporting, and succession planning. In accordance with Puni (2015), the type and composition of board committees improve board effectiveness because the majority of decisions are initiated at the committee level. In this regard, regulators of the global market, including Capital Markets Authority (CMA) of Kenya, are calling for an ongoing review of the firm's board as part of company's internal governance mechanism in order to contribute to the multi-function of compensation, audit and nomination committee's structures.

The agency theory posits that it is essential for principles to be provided with reasonable and satisfactory information regarding the financial status of the corporation. The theory proposes that because management oversees the company's day-to-day operations and is therefore more knowledgeable than other directors about sensitive financial information, there should ideally be a controlling decision body on the board to keep an eye on executive management's financial and control activities and minimize conflicts of interest arising from ownership and control distinctions (Fame &Jensen, 1983; Beasley el at 2009; Jensen & Meckling 1976). Practically, the audit committee in many jurisdictions consists of three autonomous members who have no association with the company. One member should ideally have some familiarity with finance to help with the scrutiny of the financial report presented by senior management and to help with asking suitable questions in line with their oversight responsibilities (Sarbanes-Oxley, 2002; & Combine Code, 2009). Audit committees are responsible for recommending the appointment of external auditors, examining financial statements, and resolving risk management issues, as stated by Mintz (2008). It's essential to note that perceptions about CEO and board behavior can vary greatly and are often context-dependent. However, some studies have explored the perception that CEOs and boards might prioritize their individual interests over those of shareholders, despite incentive mechanisms

designed to align these interests (Gabaix, & Landier (2018); Bebchuk & Fried (2016). According to Edmans, Gabaix and Jenter (2017); Bertrand and Mullainathan (2017), remuneration committee is a subcommittee of the board in charge for preparing and overseeing the remuneration package and procedures of executive and non-executive directors. Agency theory proposed that management package be attached to investor worth and be sufficiently satisfactory to prompt greatest performance (Jensen & Meckling,1976; Jensen & Murphy,1990). As a result, management compensation is proposed to be based on company results and shareholder wealth. The remuneration committee is in charge of ensuring that the alignment theory-based remuneration policy is adopted and implemented According to Stelzer (2010), the remuneration committee's responsibilities have increased recently, but executive compensation is excessive and frequently does not align with shareholder value.

According to the agency theory, the board's independence, accountability, transparency, objectivity, and fairness can only be maintained by ensuring a balanced representation of executive and non-executive directors. The nomination committee assists the board in carrying out its obligation of proposing and presenting newly appointed directors as well as existing directors for approval and re-appointment in the annual general meeting. Agents must also exhibit truthfulness, competence, and allegiance in order to safeguard the principal's interests at all times. According to Puni (2015), this will be accomplished when the board nomination, employment, and choice procedures are open and free of any top management tampering or influence from mainstream owners.

According to agency proposition, non-executive directors should be chosen based on their independence and availability, while executive management should be chosen based on

qualifications, experience, and skill. The annual review of the board's composition structure and the planning of the CEO's and other directors' succession should be the significant duties of the nomination committee. According to the agency theory, the majority of the nomination committee should be made up of independent member with the appropriate skills, capability and knowledge of human resource planning effect operation of the board. Bertrand and Mullainathan (2017) proposed the board must consider how a candidate for directorship is concerned about their reputation when selecting directors for the nomination committee.

2.1.5 The Concept of Ownership Concentration

According to agency theory, ownership and control segregation causes agency costs, so if concentration of ownership reduces this separation, as opposed to distributed ownership, then concentration of ownership is likely to reduce agency expenses. According to a number of studies Ferreira, Kershaw and Kirchmaier (2019); Groh, Liechtenstein and Canela (2017), Blockholders are often seen as key shareholders who can influence a company's long-term performance and hold managers accountable. However, there has been a general lack of consistency and mixed empirical evidence regarding the effects of ownership concentration and indicators of good corporate governance practices. According to Ng'ang'a (2017), a number of studies, ownership concentration has no effect on company performance. However, several of these studies have shown that distributed ownership increases agency problems despite its equivocal effect on general performance of the firm (Williamson, 2011).

According to Masulis and Mobbs (2019)), investors have become interested in ownership concentration and corporate results relationship over the past two decades. It has also received a lot of attention from the financial industry and other interested parties. The Sarbanes-Oxley Act

was created owing to failure of well-known companies like Enron and WorldCom in the United States. The issue of fraudulent corporate financial reporting was the focus of the 1987 Treadway Commission report in the United States. Parmalat-Europe, Chuo Aoyama-Asia, JCI and Rand Gold-South Africa, Cadbury-Nigeria, Euro Bank, Trust bank, Charter house, Imperial Bank, and Chase Bank in Kenya are all examples of this pattern (Ongore & K' Obonyo 2011). The collapsed of firms has been largely due to fraud and insider dealings. A company's financial performance is highly dependent on the carefully planned strategic decisions of its owners (Ng'ang'a, 2017).

Separation of owners and management is the key element of the ownership concentration in modern corporate governance practices Jiang (2015). The business owner retains only the ability to transfer the goodwill of the company to a professional manager to manage it and acquire a right to the remaining worth of the organization in order to facilitate growth of the firm. Wangjugu et al. (2016) impugned state-owned enterprises are considered counterproductive due to the widespread split of management and ownership, making management oversight challenging. Agency theory holds that individual shareholders control performance by overseeing management and protecting investments, which state-owned enterprises lack. Estrin, Pelletier and Shapiro (2019) demonstrated that government-owned firms underperformed private firms and associated this to the corporate relationship with the government and the business environment they operate in. According to Boubakri and Guedhami (2018) state-businesses are not straight accountable to capital market regulation laws and that politics rather than the market drives their decisions. However, Faccio and Lang (2018) contends that capital markets are always on the lookout for inefficient resource use by private businesses. Capital market may employ several tactics if they

sense misuse of resources e.g., withdraw capital, acquiring the company, rerouting resources, and sometime close the firm.

2.1.6 The Concept of Firm size

Economics of scale and firm agency theory provide a thorough description of the correlation between a company's size and its financial success. It argues that business leaders are biased in favor of the company's bottom line. Managers often seek to expand their companies in order to further their own personal empire building goals. The basic premise is that company executives aim to expand the company's size so they can obtain higher salaries and perks and gain personal status as a result. Managers may be tempted to adopt an aggressive market strategy for their personal gains, such as increased prestige, enhanced amenities, higher compensation, and staff share options, if they are not subject to oversight by shareholders (Muhindi & Ngaba 2018). Investors can accomplish this by appointing management who possess the relevant expertise and abilities. Managers who are not firm owners may operate in a way that is detrimental to the business, as suggested by Jensen & Meckling (1976). As a result, several distinct factors influencing corporate governance and the financial performance of businesses can be explained by this hypothesis.

Ferreira, Matos, and Pires, (2017); Kusnadi, and Yang (2019) Firm size has become routinely used as a moderator in empirical studies of corporate finance, but despite being one of the most important it’s not expressly discussed in may academically papers. Various firm sizes singled out themselves along different observable and unobservable measurements. Firm size has been measured as natural logarithm of total assets by many scholars globally Ferreira, Matos, and Pires, (2017)Other studies measure firm size by the number of employees (Raymond et al.,2010), sales

or market capitalization (Baptista,2010) while other uses ownership structures of the firm (Kioko,2013). According to the resource dependency theory, a company's access to resources improves in proportion to its growth. (Waithaka,2013). In addition, research by Fame and Jensen (1983) shows that a larger company may require more stringent monitoring due to the increased complexity inherent in its operations.

2.1.7 The Concept of Financial performance

Income generation from core business assets is an intangible indicator of a company's financial performance. By comparing how different companies in the same industry or sector manage their resources, we can draw conclusions about their collective performance. As an added bonus, this can be used as a stand-in measure of an organization's sustainability. George and Karibo (2014) define financial performance as the degree to which objectives are met within a given time frame. It is important to consider both the time frame and the point of reference when attempting to define performance. It's been shown that you can tell the difference between past and future performance, and that a good track record is no guarantee of continued success (Santos & Bristo, 2012).

How well managers have made use of the firm's available resources to increase the firm's value is typically how financial performance is measured. When a company is doing well, its shareholders have an opportunity to reap financial rewards from their investment. The price of a publicly traded company's shares or debts reflects the value investors place on the company. Although an increase in the value of securities is not always the result of improved performance, the literature demonstrates a positive relationship between financial results and securities (Fung 2014; Jahanshad et.al, 2014). A firm's credibility is bolstered when its performance is predictable and can be traced back to movements in the market value of its securities.

This research is centered on metrics that are purposefully significant to business success. From the research examined, it is very clear many researchers use different metrics to evaluate the financial results of companies, for instance; Mujahid and Abdullah (2014) ROA, ROE, EPS, and stock price; Morais (2014) firms stock return; Cherobon (2014) used volume of sales, no of employees retained and number of customers respectively. Singh (2014) employed measure of ROA, Tobin's Q, and total shareholder returns**,** while Ofori et al. (2014); Bagshaw and Peters (2014); Ahamed et al (2014); used ROA, and Return on Equity in their studies respectively. Return on Asset is an important measure used to evaluate how managers are effectively using the Assets of the firm to generate returns. It is a critical mark of how beneficial the firm is relative to the total value of assets used. ROA is determined by taking earnings generated in specific time period divided by the total Assets employed. In most instances it is referred to as Return on investment and it is shown as percentage. Return on equity, on the other hand, is a metric used to assess a company's profitability by showing how much money the company is making from the investments of its shareholders. Al-Quah (2016) says that the best standard for determining whether or not a company's management has succeeded or failed in achieving its financial goal is measured using ROA and ROE ratios. These ratios emphasize that return on earning depends on the amount invested by shareholders. This study therefore uses the profitability ratio of ROA and ROE to assess the financial health of companies at NSE.

2.2 Empirical Literature

This part talked about the relevant prior research that helped solve the study problem. This ensures that the research content has been informed by previous research in relation to the current study.

2.2.1 Influence of Corporate Governance practices on Firm Financial Performance

Any company's financial performance is a direct result of good corporate governance practices, which guarantees healthier management as well as impartial, well-organized, and open management that enables the company to achieve its stated goals (Wangui, 2017). Corporate governance practices which have become a public and academic subject of discussion, focuses on Board diversity, independence, committees and business ownership structures (Ibe et al,2017). Board's performance is influenced by factors such as board size, diversity, ownership, CEO duality, and board culture, and that these factors impact the board's ability to perform its supervisory duties effectively (Dabbagh,2020; Gholamreza, 2019; Kusnadi & Yang 2019).

Ongore, K`obonyo, Ogutu and Bosire (2015) investigating how board composition structure affects firm results. The exploration investigated 46 organizations on the Nairobi Stock exchange in 2001. ROA, ROE, and dividend price ratio were utilized. The results demonstrated size of board had negative impact, while gender diversity showed significant and positive impact. Independent of the board, board diversity, and size of board are a range of significant board variables that are linked to company financial performance in developed countries, but unfortunately, this has not aroused much scientific interest and special attention in third world countries. The research has discovered inconsistent outcomes, usually as a result of associated elements and the various roles played by the board of directors in numerous operational environments.

Dogan and Karayel (2016) examined how board composition affects firm performance. The study used board size, independent directors, female directors, and foreign directors as independent variables. A sample of 100 businesses from the BIST 100 Index was used for the study's analysis over a three-year period from 2012 to 2014. Additionally, the market value indicator and

profitability indicators of ROA and ROE were utilized in the study. Findings revealed that BIST 100 companies' financial results are positively influenced by board composition. In terms of examining the effects of Capital Boards of Turkey's 2012 regulation requiring a minimum of one female director on BIST 100 company boards and mandating a minimum of one independent director, this study was one of a kind.

Mosai (2013) The effect of having two CEOs on a company's performance. The major goal was to determine if having a CEO serve in a dual capacity affected business outcome. Secondary data from Romanian firms traded on the Bucharest Stock Exchange formed the basis of this agency-theory-informed study. Sixty-two companies trading on the Bucharest Stock Exchange made up the sample. The regression analysis found evidence of both positive and negative associations.

Erach,Eyenubo and Izedonmi (2012) investigated CEO duality firm financial results in Nigeria. The study was cross section of study population of several firms that was drawn from different industries in Nigeria. The utilized secondary data came from the Nigeria Stock Exchange. The information was from the period 2001 to 2010.Regression examination was applied to gauge the connection and it showed that CEO duality was significant to firm financial results of a firm.

Kang, Ness, and Miesing (2010) looked at how financial performance is affected by board composition in the new Sarbanes-Oxley (SOX) era. Since 1934, when the Securities and Exchange Commission was established, these are significant securities legislation that have an impact on publicly traded companies. The institution of the unified state regulation on July 30th, 2002 was a reaction to various organization indecency. The CEO duality, proportion of outside directors, gender, age, occupational expertise, and tenure were the study's independent variables. ROA was used to evaluate financial performance. The control factors included firm size slacked financial

performance. The study found that the organization's financial performance was significantly influenced by board tenure, CEO duality, occupational expertise, and board size.

Rodrigner (2014) The effect of board size on firm success was studied. This study set out to answer the question, "Does the size of a company's board of directors affect its financial performance?" Fifty European businesses were used as a sample for the study. Research relied on the rate of accumulation of ROA. According to the survey's findings, a larger board is associated with better financial performance. While Liu et al., (2013) used information from companies that were operating at China Stock Exchange from 1999-2011 to examine association between financial outcome and gender diversity. The company's performance was found to be positively correlated with the female directors in the study.

Nyamongo and Temesgen (2013) examined the corporate governance practices and financial performance of Kenyan commercial banks. Sample size was of 37 respondents from 2005-2009.Results indicated presences of independence directors improves financial performance of Kenyan banks. Finding supports views of the study by Ameer, Ramli and Zakaria (2010) that pointed firms with outside directors were associated with better financial performance. Furthermore, the proportion of external director and nonduality was negatively related with estimation of corporate and industrial weaknesses (Zhang, 2012).

Olawale, Adamu and Patience (2019) Investigated the effects of firm risk management and independence of board on financial outcome of Nigerian deposit-taking banks. Correlation research design was employed, and data were extracted from annual published audited financial statement for period of 10 years from 2009 to 2018.The target population comprised 14 listed banks, and 12 banks were identified for study arrived at using a 3-point filter. The study came to

the conclusion that listed banks' financial performance improves when the board of directors is independent.

Rouf (2012) Evaluated the role of the Independent Director and CEO in relation to corporate performance of nonfinancial firms that are traded on the Dhaka Stock Exchange. Sample size was 93 companies trading on Dhaka Stock exchange Bangladeshi in 2008. Research established a significant positive relationship between the firm results of non-financial Bangladeshi firms and the separation of CEO and board independent director.

Cook (2013) evaluated the effect of corporate management features firm financial results by using an example of sixty-two firms on Canada's TSX Adventure Trade between December 2012 and March 2013. The research used, Tobin's Q as dependent variable. Study employed, logistic regression, ANOVA and t-test methods to analyze data. The study's results revealed negative correlation on board size and firm financial results, while board independence had little negative effect. This implies keeping many external directors in place has little effect on organization's performance. Furthermore, if there is a rise in the number of external directors the company's performance may deteriorate. Liao and Young (2013) empirically tested effect of corporate management on company performance on securities exchanges of China, Shanghai and Shenzhen. Analysis of results shows that companies with more independent board members have lower market value

Sanda, Garba, and Mikailu (2013) analyzed the performance of companies listed on the Nigerian Stock Exchange and the autonomy of their boards of directors from 1996 to 2004. According to the findings, there was a significant concentration of share ownership on the Nigerian stock exchange, which may have resulted in board structures with strong familial ties, in which CEOs

played an active role in audit committees. Although the study found that board members' familial ties contributed to the company's success, it also found that CEO participation in audit committees has a significant impact on financial outcomes. In addition, the study shows that CEOs from other countries perform better than their domestic peers. These findings highlighted the need for Nigerian businesses to adopt more effective corporate management in order to increase board independence, decrease CEO involvement in key committees, and boost financial performance.

Rutledge, Karim, and Lu (2016) The study analyzed the effects of a CEO-COO partnership and board independence on the performance of 100 NASDAQ-traded firms between 2010 and 2014. The researchers found that only taking into account independent-director committee overlaps and interlocks was a more appropriate and useful definition of committee overlap and board interlock. The method employs a treatment effect strategy to account for the possibility of confounding endogenous factors in the results of previous studies. Independent director committee overlaps and board interlocks have a significant positive relationship, while CEO duality has a negative effect on firm results, according to the three measures of board independence used.

Puni (2015) using quantitative research design, investigated the link between committees' structure on companies' performance at Ghana Stock Exchange from 2006-2010.The firms that were stopped from trading during study period were removed from the analysis. Data was collected from published accounts reports then analyzed using static panel regression model. Results shows board committees structure do not have significant effect on firms trading at Ghana Stock Exchange. Specifically, nomination committee indicated insignificant and negative impact, while audit committee indicated no effect, however remuneration committee showed positive but significant effect on company results. Findings indicate weak internal functioning of committees,

and expectations of these board committees regarding internal controls, effective financial reporting, executive compensation decisions, recruitment, and succession planning. It shows a lack of effective oversight. The study suggested to strengthen board committees with competent non-executive directors with experience in a variety of technical areas, and establish a transparent selection process to help the committees carry out their duties.

Prior empirical investigations literature reviewed found a contradicting and inconsistent results whether corporate governance practices affect the company's financial results. In these contexts, corporate governance is evaluated on; board composition structure, independence, and board committees. Many research has been conducted on effect on size of board against company performance, but findings are incomplete. For instance, Raymond et al., (2010) and Muigai (2012) assert that board size and revenue have positive relationship; which supported conclusion of Jensen (1983); Mabrouk, Regaieg, and Derouiche, (2020); and Wagner, (2017) argued that broad boards devalue companies due to the free-riding problem. Kaid & Mohammed (2012), study of firms at Kuwait Stock Exchange, drew same conclusion that board size negatively impacts company performance.

To the contrary, numerous studies have shown that an increase in company size improves financial results. Wetukha (2013) found that larger boards were associated with better performance on the NSE. This finding also lent credence to Mahrous's main conclusion (2014). It has been proposed that the two positions should be held by different people because having the same person in both roles increases the likelihood of bias and the amount of money spent on intermediaries (Brickley et al., 1997). Research by Gabaix and Landier (2018); Kiyoun, Junyoup, and Hyeongsop, (2018); Wijethilake, and Ekanayake (2020), demonstrates that splitting the chairman and chief executive

officer roles increases a company's value. Separating the roles of board chair and chief executive officer is often advocated, but Yasser, Mamun, & Suriya, (2014) find no such correlation.

The literature on the topic of board independence and its effect on company performance is mixed. For instance, in 2014, Armer, Ragab, and Ragheb; in 2012, Adams and Mehram found no significant. While studies like that by Armer et al. (2014) provide support for existing theories, they also produce contradictory evidence. Both Minton et al. (2010) and Sekhar (2013) found a negative effect, with the proportion of independent directors having a negative impact on return on investment (ROI). Mahrous (2014) found a positive correlation between the percentage of independent directors and ROE and ROA in a study of 50 Egyptian companies. Independent board members have been shown to have a positive impact on a company's bottom line in subsequent studies (Victor et al., 2014; Waithaka, Gakure & Wanjau, 2014). The implication of Agency theory literature is supported by these findings. There are very few empirical evidences to support the idea that many important board decisions are made by board committees and affect corporate financial performance. Most of these decisions are made in advanced economies, and there is little evidence from developing economies. In their study, Gabaix and Landier (2018) found that when the majority of directors on the compensation committee were insiders rather than outsiders, CEO compensation was higher than the company's financial performance. Additionally, firms with independent remuneration committees had a stronger positive correlation with accounting earnings than firms without, as demonstrated by Kaplan and Rauh (2016). According to Shahmohammadi, Kamaru, and Rahman, (2017) audit committee composition is consistently linked to high-quality financial reporting, and Chen, Kang, and Wu, (2017) asserts that audit committees play a significant role in resolving the Sarbanes-Oxley Act's material weakness in internal control. In

addition, the study conducted Alali, Gorman, & Cullinan (2018) found that the composition of the audit committee is crucial for predicting a company's financial performance. As per Kaplan and Rauh (2016) these advisory groups ought to work autonomously from each other and they are responsible to the board. There are few evidences that independent board committee composition is linked to firm performance, despite the agency's recommendations regarding their resourcefulness (Alali, Gorman, & Cullinan (2018); Carter et al. (2010). When it comes to the inner workings of the board, Alali, Gorman, & Cullinan (2018) argues that there is little major evidence that board committees are crucial to corporate performance. Direct evidence, however, reveals that board committee composition is more important than board composition with regard to financial performance. Additionally, the literature on board committees usually investigates the impact of each board committee rather than focusing on the standing board committees as a whole. (Puni, 2015). Therefore, it becomes difficult to assess the board's performance.

The reviewed literature indicates no consensus regarding the influence of practices of corporate governance on firm financial performance. The outcomes are mixed and inconsistent. As a result, effective practices of corporate governance practices are crucial for the company's success. However, the results from empirical literature do not seem to agree as to whether there is any significant influence on financial performance. Some have indicated positive or negative influence, while other has found no influence or mixed results. Taking the importance and prominence the concept of corporate governance practices has been considered by many countries globally, Kenya is not an exceptional. This is in realization of many corporate failure and poor financial performance which has led to collapse of many listed companies which has been attributed to weak corporate governance practices. Finally, considering that Kenya is a developing business sector

and the world economy is becoming more globally integrated, this is a major gap in the literature. This is even more important as corporate governance practices are supposed to demonstrate direct effect on the listed Companies results.

2.2.2 Influence of Ownership Concentration on Financial Performance

Ownership concentration is a mechanism which facilitates to increase efficiency in a firm and is believed to influence firm performance for many years (Chen, 2012). Ng'anga (2017) defined concentration ownership structures as shareholder identities and the distribution of shares in addition to the system of corporate management that influences the firm performance. The financial performance of a company is primarily dependent on the owners carefully planned key decisions. Jensen& Meckling (1976) proposed agency theory where ownership concentration and firm performance are anchored on. Agency theory argues that agency costs are the result of managers separating ownership and control of a company (2012). Williamson (2011) established that concentration of ownership is expected to reduce agency costs. According to Faccio and Lang (2018) ownership concentration is a crucial corporate governance instrument that helps to reduce agency issues brought on by differences between the interests of owners and management.

George and Nyambonga (2014) found that although the NSE's notable performance, companies listed on the NSE still face ownership structure issues. The majority shareholder had the privilege to exercise power and pursue deal for personal benefit at minority shareholder expense. Financial wrongdoing has resulted to collapse of reputable businesses like Chase Bank, Marshall East Africa Limited, Hutchings; Athi River Mining Cement PLC, and Deacons Plc.

Aneta and Kubíková (2016) The effect of the degree of foreign ownership on firms' performance. The study attempts to fill gap in the literature by conducting research that distinguishes not only

between domestic and foreign-owned firms, but also between wholly and partly foreign-owned firms. Also examined the possible non-linearity of the performance-ownership relationship. We divide the firms in our study into three groups by their ownership - domestic, foreign, and joint ventures. Study used a regression analysis to explore whether foreign ownership influences the firms' performance, measured by several variables such as profitability, innovation performance (measured by gross expenditures on research and development activities), numbers of employees involved in research and development, production, value added, leverage and net working capital intensity. The results research indicates that there is a statistically significant difference in firms' performance as a result of foreign ownership in all variables except the number of research and development employees and leverage. Moreover, we show that foreign ownership and performance are linked by an inverted U-shaped relationship. A firm's performance increases with greater foreign ownership up to the range of 61-65 %, and declines thereafter. Greenaway, Guariglia and Yu (2014); in their study made the same conclusion

Waseemullah et al. (2020) examined the comparative performance effects of ownership structures of companies in Pakistan and their subsidiaries. A regression model of treatment effect was used in this study to address endogenous issues and reverse causality. Ownership is positively correlated with company performance, according to the findings. However, comparative analyses results show independent company have a positive relationship and negative for group companies. The positive results of this study support the debate that concentrated ownership strengthens the company's internal oversight and acts as an alternative to an uncertain foreign governance system in emerging economies.

Ongore, K`Obonyo, and Ogutu (2011) investigated the financial performance and ownership concentration of 42 NSE-listed companies. State; Foreign; Agency; Diversity; and management ownership were used as proxies of ownership concentration. The findings indicate, managerial ownership, foreign ownership, institutions, diversification on financial performance are positive. Also, state ownership has negative outcomes, Alulamusi (2013) finds similar results.

Fazlzadeh and Tobhaz (2011) The study yielded mixed results between institutional and ownership concentration. Concentration of ownership had a positive effect, whereas corporate ownership had significant and negative effect on corporate financial results. Daskalakiset et al. (2014) examined ownership concentration on firm size. The study found that company size matters and is definitely related to company performance. The research was supported by theoretical assumption that bigger companies are related with higher results. Research noted company size is an indicator of financial resilience. Bigger companies are highly diverse hence are less likely to experience financial difficulties.

Kiruri (2013)The effect of consolidated ownership on the bottom lines of Kenyan banks traded on the Nairobi Securities Exchange. The analysis relied on annual reports found on the websites of Kenyan commercial banks and the Central Bank of Kenya. The percentage of commercial banks owned by the government, foreign investors, and domestic investors served as the independent variables, while the banks' profits served as the dependent variable. High levels of government ownership were shown to be negatively correlated with bank performance, whereas foreign and domestic ownership were found to be positively correlated with bank performance. The analysis concluded that commercial banks with a higher concentration of both foreign and local ownership fared better than those with a higher concentration of government control.

Ongore and K'Obonyo (2015) used data from 54 NSE-listed firms to analyze the effect of ownership, board, and management characteristics on corporate performance. We looked at how management characteristics including board effectiveness, managerial discretion, and ownership concentration compare. Firm performance was found to be strongly and favorably connected to the presence of foreign, insider, institutional, and varied ownership structures. However, the study's authors concluded that financial outcomes were negatively impacted by government ownership. Managerial discretion was found to have a favorable effect on financial outcomes for organizations, according to the study.

Raji (2012) investigated effect of ownership on company financial outcome at Ghana Stock Exchange. Initial results suggested negative result on ownership concentration and organizational outcome. However, positive correlation between company performance and insider ownership. The study comes to the conclusion that proper diversification is required to attract more shareholders with skills and competencies that can be used to improve corporate performance. Consequently, for managers to work independently and achieve the firm objectives they ought to be shielded from the shareholders' direct and unnecessary interference.

Literature agrees that ownership concentration among other factors is recognized as important element in describing company financial outcome. The type of ownership firm adopt determines its ultimate results However, the available studies show there is no common agreement between ownership concentration and company financial outcomes. The results are conflicting and mixed. However, the results from empirical literature do not seem to agree as to whether, ownership

concentration as significant influence on company financial results. The inadequacy of unanimity on literature reviewed is not extraordinary since performance is subject to the efficiency of ownership structure adopted and can vary not only between organizations but also with institutional characteristics. Prior studies indicate positive or negative influence, while other has found no influence. The literature on how Kenya's stock market responds to ownership concentration is incomplete. This conflicting result forms the basis for further inquiry to determine how concentrated ownership influence NSE trading companies' performance.

2.2.3 The influence of Firm size on Financial Performance

Numerous research has examined the effects of firm size. Theoretically, economies of scale are a benefit that larger companies can leverage to improve their bottom line. Due to advantages such as higher market power, economies of scale, and more access to resources, large enterprises appear to be able to create stronger rivalry than their smaller competitors. (Kioko, 2013).

Mule et al. (2015) investigated how Kenya's listed companies' profitability and market value were affected by corporate size. They used information from businesses that were on the NSE from 2010 to 2014. Finding from unit root test demonstrates study elements were stationary at levels and are therefore integrated of order zero ($p=0.000$). They used panel correlation and multiple regression methods. According to their findings, profitability and firm size are positively correlated.

Wayongah (2019) examined the financial outcome and size of nonfinancial firms trading at NSE. The economic, trade-off, and signaling theories served as the study's foundation. Using a collection sheet, secondary data from 2010 to 2016 were derived from financial reports. The stationarity of the data was verified using the unit root test. The study utilized a sample of 28 companies which

created 196 observations over 7 years period. Finding showed company size had insignificant positive impact on business performance composite index (BPCI).

Gohand and Simanjuntak (2018) At the Indonesian Stock Exchange, conducted research to investigate the effect of manufacturing company size, earnings variability and export rates, on financial performance. Exposure to the economy was used as a moderating variable. Purposive sampling was used to collect the data from 132 businesses over the course of five years, from 2011 to 2016. According to the findings, earnings variability and the export ratio demonstrated significant and positive effect on financial outcome. Firm Size has indirect positive influence on Firm Value.

Eyigege (2018) looked into the impact of company size on the stock market performance of Nigerian banks. Taro Yemeni sampling was used to select five deposit money banks as a representative sample of Nigeria's banking sector as a whole. The ROIA was used as the dependent variable in the study. The need to understand what influences the success or failure of Nigerian banks on the stock market prompted this study. The diseconomies of scale, according to the research, cause a negative but negligible effect of firm size on financial outcomes. Getting the most out of economies of scale while keeping expansion costs low was a major recommendation of the study for the manufacturing sector. Additionally, the firm size that indicates insignificant negative effect should be disregarded in favor of other factors that may improve firm financial performance.

Symeou (2012) investigated the connection between financial outcomes and company size. To find out if there was a connection between performance and company size, a descriptive survey design was used. The data were analyzed over a five-year period using a regression model. The

results of the analysis indicated that there was a correlation that was positive and significant between the company's financial performance and its size.

Njoroge (2014) investigated impact of size of company on financial results of pension schemes in Kenyan. The audited financial reports of 30 registered Kenyan workplace pension schemes were used to compile the data. and descriptive survey design was used in the study. The results indicates that company size and performance of workplace pension schemes had a significant and positive relationship. Additionally, the NSE index, fluctuations in the interest rates on Treasury Bills, and offshore indices all point to significant market volatility.

Babalola (2013) conducted research on how manufacturing firms at Nigerian Stock Exchange financial performance is affected by company size. A descriptive research design was used, and a panel data set covering nine years, from 2000 to 2009, was used to analyze the data. Profitability of the firm was measured by ROA, while total assets and total income are used as an indicator of company size. Empirical evidence shows that Firm size has been deliberated as an important determinant of firm profitability. The findings demonstrate that manufacturing firms at Nigerian stock exchange benefit financially from firm size.

Abdukadir (2016) looked into how company size, liquidity, and financial leverage affected the bottom lines of NSE companies that weren't in the financial sector. The research spanned the years 2009-2013 and made use of panel data. The purposes were to examine effect of financial Leverage, company size, Liquidity, Day’s accounts receivables and accounts payables and non-financial firms’ performance listed on NSEAs financial performance indicators, were ROA and ROE were utilized. Study found financial results of non-financial firms at NSE were positively impacted by company size and liquidity. Additionally, Risti, Indiastuti, and Agusman (2020); Abor and Adjasi

(2019) discovered a positive association on firm profitability and size of firm, while Borokhovich, Brunarski, and Harman (2019); Amore and Schneider (2017) found negative relationship.

Review of literature demonstrates mixed results across different firms globally between size of the company and its financial performance, as evidenced by; Babalola (2013); Njoroge (2014); Kithuka, (2013); Mule et al, (2015); Bisher (2011); Višić and Pervan (2012); Olagunju and Akinyomi (2013); Abor and Adjasi (2019) indicated positive effect. Whilst Study by Salawu, et al., (2012); Eyigege, A.I, (2018); Jonsson (2007); Becker et al., (2010), demonstrated negative relationship. However, others have shown mixed effects or no effects at all, eg Goddard et al, (2016); Mariuzzo et al, (2013) thus this findings contradicts the theory of economies of scale.

The available empirical literature appears to support the idea that a larger company may have greater financial success. Larger businesses have an advantage over their smaller rivals because of their greater market power, economies of scale, and access to resources. Large companies performs better than small companies due to economic of scale but the size whether firm is small or large is relative, because it has been evidenced even large firms have performed poorly globally. However, the existing literature reveals conflicting views on whether the size of the firm matters. There are conflicting views on how firm size influences the firm financial performance, some giving positive influence, negative and other no or mixed influence. This has put the literature reviewed into sharp focus and subject of more research due to contradicting results.

2.2.4 The Moderating influence of Firm size on relationship between and Corporate Governance Practices on Financial Performance

One most well-known factors that influences a company's performance is its size, which is a component of the company's characteristics (Beard & Dess, 2011). Indeed, Beard & Dess, (2011)

The most successful businesses have the largest assets and the largest market share. Greater companies' access to securities markets and market influence can provide access to investment avenues not feasible to smaller companies due to economies of scale (Amato & Wilder, 2012). Okyere, Andrews, and Appiah (2020); Makki, Lodhi, and Aktan, (2019) Company size is one of the specific characteristics at the company level that can affect company performance. Sethi, Martell and Demir (2018) company size influences option of financing that a company may go for. Equity capital is used by smaller businesses more frequently than debt capital is used by larger businesses. Independent of industry and other microeconomic factors, a company's financial performance is significantly affected by its size. (Raheman, Afza, Qayyum, & Bodla, 2010).

Firm size was found to be a significant moderator by studies of Okyere, Andrews, and Appiah (2020); Chen, Lee and Yen (2021); Wang, Zhang and Wan (2019); Mensah, Danso and Adegbite (2018); Meyer, Oded and Johnson (2017). These studies highlight the significance of considering firm size as a moderator in various corporate governance, firm value, and social responsibility contexts. The interactions between firm size and other factors are crucial in understanding their combined impact on company outcomes. A moderating variable is a factor that moderates the effect of a set of independent factors on a set of dependent variables. (Ghozali, 2013). Thus, firm size was considered an important moderating factor in this study, hens its adoption in current study. Economies of scale make firm size a critical factor in ensuring the financial stability of an economy (Muhindi, & Ngaba, 2018). Firm size was front and center during the global financial turbulence of 2007–2008. Vinals (2013) found that it was clear that large enterprises were responsible for a disproportionate share of the harm to the economy. Given the dramatic shifts in the financial

landscape over the past few years due to developments in financial regulation and corporate governance procedures, this debate is at an all-time high. (Leaven, Ratnovski, and Tong, 2014).

Meme (2017) looked into how NSE-listed Kenyan manufacturing firms' bottom lines were affected by their corporate governance practices. The objective was to learn whether or not a board's independence, diversity, or size had any bearing on its financial results. The association was moderated by the firm's characteristics. A descriptive survey method was used for this study. The financial records of 13 manufacturing businesses listed on the NSE were mined for information between 2009 and 2013. The findings showed that Kenyan industrial firms trading on NSE benefited significantly from good corporate governance. Furthermore, firm characteristics moderated the association, as shown by the data. Based on the study's findings, the authors urge that Kenya's publicly traded manufacturing companies maintain the optimal board size, diversity, and independence.

Badara (2016) evaluated effect of composition of board on depository banks financial results in Nigerian. Bank size was used as a moderator in the relationship. The study's data came from financial reports that were published from 2005 to 2015. The findings indicate that the firm financial results are positively correlated with board composition. Additionally, association of board composition on financial results of a company was positively moderated by bank size. Because size bank moderated association of board composition on company results, research suggests bank size ought to be taken into consideration when evaluating DMBs' financial performance.

Bashir and Asad (2018) looked into how corporate governance affected the success of Pakistan's textile industry. The study's findings were moderated by the presence of financial leverage. The

number of board members and frequency of board meetings were representative of good corporate governance. Thirty textile companies' 2015-2017 performance has been analyzed, and the multiple regression method has been used to analyze the data. The results show that the textile firm's financial outcome was significantly impacted by the size of the board and the frequency of board meetings. It was also shown that the impact of leverage as a moderator was favorable on the correlation between board size and textile company success but had no effect on the correlation between the frequency of board meetings and textile company performance. This research can assist regulators and textile company management make better decisions on corporate governance in the future.

Mutunga and Owino (2017) examined the impact of company size moderation on the connection between micro factors and financial result of Kenyan manufacturing enterprises. The study relied on agency theory as its theoretical foundation, supplemented with wealth maximization and resource-based theories. This study employed a descriptive methodology. Using a self-administered questionnaire, 180 manufacturing firms in Kenya were questioned. Nearly everyone who was asked participated. According to the findings, the correlation between micro factors and financial outcomes for enterprises is tempered by the size of the firm. Results also indicate significant positive direct link on micro-factors and financial results Additionally, research discovered positive correlation on company results and size. Research came to the conclusion that manufacturing companies' financial performance is positively correlated with the moderating influence of company size on micro-factors. Study recommends manufacturing companies to consider firm size as important factor that influences their performance.

Iqbal and Javed (2017) Capital structure's effect on a company's profitability, good corporate governance was adopted as moderator. Financial performance was evaluated based on ROA and ROE. Data was collected from 173 manufacturing companies traded on Pakistan's KSE between 2009 and 2014. The researchers here employ a multiple regression strategy within a framework of a fixed effect regression model. Financial performance and capital structure are found to have a stronger relationship when the corporate governance index (CGI) is included as a moderator. The study found that publicly traded manufacturing companies in Pakistan largely adhere to best practices in corporate governance and employ an appropriate level of Capital Mix. Both ROA and ROE tend to rise in tandem with improvements in corporate governance measures like board structure (BOD-I) and transparency & disclosure. (DISC-III). Financial results are not significantly affected by the ownership structure sub-index (OWS-II). The capital structure does, in fact, have an impact on the bottom line. Interestingly, stock accounts for 70% of funding while debt accounts for only 30%.

Norlina, Marlia, and Nurhayati (2018) Examining how Malaysian companies' board sizes affect their financial performance and board independence. Corporate governance frameworks and other management structures within businesses are essential. The vast majority of studies have shown that organizations with good governance are more likely to boost their performance, competitive advantage, and ROI. Tobin's Q, return on equity, and return on assets were used to assess financial performance; these metrics are congruent with those used in similar studies. (Rashid, 2018; Sakawa and Watanabel, 2018). To show how the corporate governance code in Malaysia changed between 2007 and 2012, this study examined data from 85 firms listed on the Malaysian stock exchange (Bursa Malaysia) between 2008 and 2016. The sample includes companies from a wide

range of industries as it was drawn in large part from the stock market. Thomson Reuters Data stream provided the financial information used in this analysis. Board-related information was extracted from the audited financials. There were 765 businesses included in the initial sample, of which 85 were excluded because of their inability to comply with the study's inclusion criteria due to regulatory differences (Abdifatah, 2014). Financial data that was not available during the time period was not included in the analysis. A total of 641 firm-year observations made it through the initial screening process, which took place over a period of nine years. Performance was modeled as a function of explanatory variables using a multiple regression model for this research. Board independence (BIND) and board size were also investigated in this study as independent variables (BSIZE). Company attributes such as firm size (SIZE) and leverage (LEV) were measured with two independent variables (LEV). The term "leverage" refers to the level of debt that a company has taken on in order to operate. The study's findings lend credence to the hypothesis that larger and more diverse boards have a beneficial effect on a company's bottom line. It was also found that board size plays a positive moderating role in this association. This research, which primarily examines corporate governance practices in Malaysia, provides policymakers with valuable information about the impact that board characteristics can have on a company's future activities, affairs, and performance.

The extensive examination of a causal relationship between company size and financial success has produced contradictory results. Several studies suggest there a positive effect, while other support negative effect or no effect at all. Mutunga & Owino (2017), Krasnikov, and Jayachandran (2010), Chen, Lee and Yen (2021); Velnampy and Nimalathasan (2010), Banchuenvijit (2012) (Vijayakumar and Tamizhselvan, 2010), Abdullah, (2015); Dogan, (2013); Demonstrated a

positive. Xu and Wu (2021); Molla and Zalata (2020); Nivorozhkin (2018) demonstrated that large firms showed better performance than small firms. Velnampy and Nimalathasan (2010), Barret et al., 2010) established no relationship. Other researchers have looked at the link between corporate governance practices and financial performance without a moderator (Aggarwal, 2013; Darko and co-authors, 2016; Haniffa and Hudaib, 2006; Marashdeh, 2014), their results have been inconsistent. The lack of control factors or moderator variables may be to blame for the inconsistent and inconclusive results, as concluded by Garcia-Castro and Aguilera (2014) and Guo (2011). Put another way, it presupposes the existence of a third variable (the moderator variable) that may influence on such a relationship, such as the effect of firm size, as proposed by Al Dubai et al. (2014), Amrah et al. (2015), and Campbell et al. (2016) may exist. The effect of company size on the relationship between corporate governance procedures of NSE-listed enterprises and financial success is not well-studied and the results are contradictory and inconclusive. In addition, there are no known studies that include corporate governance practices, ownership concentration and firm size all three factors together.

2.2.5 The Moderating influence of Firm size on relationship between Ownership concentration and financial performance

Corporate ownership structures include investors, financial institutions, mutual funds, international corporations, block owners, and managers (Abu & Adejoh 2022). The influence of concentrated ownership on the company's financial results is deduced from agency proposition. The detachment among administration and owners conceives the "principal-agent problem" where administrators' decision is not consistent with the owner's interest. Sometimes, due to asymmetric

information, executives may be tempted to use private company information to the detriment of owners for their own gain. According to agency theory, managers will not be restrained from exercising their discretion to maximize their personal benefits unless suitable incentives or adequate monitoring are in place. Concentrated ownership is crucial as it can influence the capacity of company managers from translating company's profits into monetary benefits for themselves or as corporate interests which can lead to a reduced business value (Abu, E., S., & Adejoh, E.,2022).

In accordance with the neo-classical perspective on companies, Niresh and Velnampy (2014) propose that firm size holds a paramount role in determining a company's profitability, primarily driven by the concept of economies of scale. Conversely, Ramasamy et al. (2005) introduces a nuanced view, asserting that the relationship between firm performance and size is multifaceted. They advocate for careful consideration of industry-specific dynamics, urging researchers to approach the issue on a case-by-case basis rather than relying on sweeping generalizations. Babalola (2013) conducted a study that concluded that a company's size, in terms of both total assets and revenues, positively affects the competitiveness of manufacturing firms in Nigeria, a finding corroborated by Olawale et al. (2017). Furthermore, Ali (2017) underscores the importance of exploring the nature of the connection between firm size and profitability, as it could provide valuable insights into the factors that drive profit generation in firms.

The relationship between firm size and performance has been a topic of debate since Gibrat (1931) posited that a company's growth rate is unrelated to its size. Palangkaraya et al. (2005) found in their analysis that both larger and older companies demonstrated less success, although the evidence remained inconclusive. However, recent studies have revealed a positive association

between company size and income. Akinyomi et al. (2013) found that firm size positively affected the profitability of Nigerian manufacturing companies, encompassing both total assets and sales. Notably, Cabral and Mata (2013) examined Portuguese manufacturing firms and emphasized that the availability of more precise and comprehensive data contributed to the shift in perspective. They moved away from the previously assumed independent relationship between firm size and growth to recognizing a positive correlation. Ali (2017) contends that larger firms outperform smaller ones due to their enhanced access to resources. Similarly, Ali et al. (2016) explored firm size as a moderator in the relationship between functional integration and firm performance, concluding that it does not regulate this relationship. Likewise, Kannadhasan (2019) investigated the moderating role of firm size in the relationship between performance and strategy, identifying a statistically significant connection between strategy, firm size, and performance in Indian automotive companies. Firm size's moderating role was also explored in a study of joint marketing alliances and firm performance in retail firms in Nairobi County, Kenya.

Ng`ang`a (2017) study research, the impact of ownership concentration and financial performance using cross-sectional survey method, used 39 firms drawn from a target population of 61 companies at NSE. Management ownership was used as a moderator, while ownership concentration comprised government, domestic, and foreign ownership. The study results designated influence of ownerships concentration on financial performance was positive. Foreign ownership and management ownership are the top important contributors to a firm’s financial results. This may be because foreign shareholders have the capacity to regulate and overseer the management decisions, while managers are able to work best when they have a share of the

company and freedom to make their independence decisions without interference from the owners, while public ownership enhances investor confidence.

Makhlouf et al. (2018) The influence of the board on firm performance on the Jordan Stock Exchange, the study used family control as a moderator. This study used panel data from the Amman Stock Exchange for the years 2009-2013. Two indicators of a healthy economy were the Tobin's Q and the return on assets (ROA). A strong negative moderating influence of family control was observed in the relationship between Tobin's Q and other variables. However, a little positive correlation was discovered with ROA.

Zango (2021) study in Nigerian, impact of corporate governance characteristics and IFRS 7 of firms in the financial sector in Nigeria. Block holder was used as moderator. Research used panel data from published statements of 50 financial institutions surveyed between 2012 and 2014.The conclusion, among other things, is that the interaction between major shareholder ownership and the independence of the risk and audit committee compliance with IFRS showed significant and positive effect. Recommendation where Nigerian policymakers develop forward-looking policies that strengthen audit committee independence to enable them put in place strong internal control mechanisms.

Dakhlallh, et al. (2019) study in Jordan, Concentration of Ownership in Jordanian Listed Companies and Impact on Corporate Performance. Board independence was used as moderator. Research employed sample of 180 companies published statements from a target population of 1,620 firms at Amman Stock Exchange from 2009 and 2017.Research concluded; board independence large shareholders have a significant positive relationship.

Guizani and Kouku (2015) Study in Tunisia, effect of independence directors on firm financial outcome. The moderating variable were leadership structure and board ownership. The study analyzed data from 42 non-financial firms from 2004 -2010, obtaining 294 observations across the companies. Results consistent with agency theory proposition suggest that board ownership and leadership structure negatively moderated the association of independence directors and firm financial outcome.

Guizani (2013) impact of board composition on financial outcome of non-financial listed companies. Large shareholding employed as moderating variable. independent variable were ownership concentration, family, and institutional ownership. The sample size was 30 non-financial corporations at Tunisian Stock Exchange from 2004-2010, making 210 observations about the years of a company's operations. The findings demonstrated that association on board independence, board size and firm results is positively moderated by ownership concentration and management ownership. However, family ownership demonstrated negative moderating influence. The study recommends separating chairman and chief executive officer due to the size of the board and the small amount of family control that affects the appointment and replacement of independent members.

Uwuigbe and Olusanmi (2012) Ownership concentration and firms' financial performance in Nigerian. Research sampled 31 publicly traded financial sector firms representing 13.5% of the total population over the period 2006-2010. Results shows institutional investors had positive impact on financial results of selected companies in Nigeria, and that monitoring institutional investors to improve company performance is a Valuable in buying companies with a sizable stake. Also, foreign ownership had positive influence on the relationship. Among other things, research recommends encouraging foreign owners as they have a positive impact on the working environment due to the managerial efficiency and professional skills and technological know how

they bring to the workplace. The survey only referred to financial institutions and had no moderating factor.

Abu & Adejoh (2022) The study determined impact of characteristics of board on company financial results in Nigerian. Block-shareholding was used as moderator, while independent variables composition was board size, independence and gender diversity and Tobin`s Q was used performance indicator. The study employed a post hoc study design. The survey covered 18 banks at Nigerian Stock Exchange, only 9 banks were selected based on the study's four filter criteria covering the period 2009-2020. The results also show that while large shareholders have negative impact between size of board and financial outcome, board independence is slightly positive, and board gender diversity is significantly positive. Among other things, this study finds that the size of boards of banks in Nigeria should be limited to the minimum permitted by law, that non-executive directors should not exceed regulatory requirements. Ratio of women in the Board of Banks in Nigeria needs to increase as this will give them greater overall control and lead to enhanced financial results.

Wayongah and Mule (2019) Examined how financial leverage influenced financial performance of non-financial companies at NSE. As a moderator, firm size was used. Financial performance indicators were ROE and Tobin's Q. A correlation study design was used in the study. The total units of observation consisted of 47 non-financial corporations at NSE from 2012 - 2018, with 28 of which were sampled and pooled over seven years, to obtain 196 observational data points. Research established company size had significant and positive impact on ROE and tobin Q, respectively. Consequently, research resolved company size moderated association of financial leverage and financial outcomes. However, business size negatively moderates this association,

thus executives of non-financial corporations should take this into account when deciding how much leverage to use.

According to the literature review, little or no study concerning moderating role of firm size on ownership concentration and financial performance has been done. Ng'ang'a (2017); Uwuigbe and Olusanmi (2012); Abu and Adejoh (2022); Guizani (2013); Wayongah & Mule, (2019); found positive impacts on their relationships. The researcher noted that all these studies did not use firm size as their moderators, and if they used firm size it was used with other variables not ownership concentration. However, Guizani and Kouku (2015) found negative effect and Abu and Adejoh (2022) found mixed results on characteristics of board and financial outcomes of Nigerian trading companies. This creates a gap for further analysis using firm size as moderator in the current study. Previously, most studies surveyed the direct connection between ownership concentration on financial performance, but few articles considered moderating factors other than firm size. It has been argued that studying the direct link between ownership concentrations and firm financial performance is pointless since it relies on other underlying factors beyond our control. (Farooq et al., 2014). As such, these unforeseen factors may change the strength and direction of ownership concentrations and firm financial performance. After looking over the empirical research, using firm size as a moderator, there are no known studies of this type of relationship from the researchers' perspective between ownership concentration and financial performance with firm size as moderator.

CHAPTER THREE

RESEARCH METHODOLOGY

This section introduces study methodologies helped to solve problem statement and achieve research purposes. These include research design and philosophy, population, sample size. Data collection tools, methods and procedures, data analysis, presentation, and hypothesis testing.

3.1 Study Design

A research design guides the choice of population, sampling procedure methods of measurement and plan for data collection processing and analysis (Khalid, Abdullah & Kumar, 2012). This study used descriptive research design. Trobia and Lavrakas (2018) describes a descriptive research design as a systematic research method for collecting data from a representative sample of respondents. Kariuki, Namusonge and Orwa (2015) stated that descriptive research design is suitable where the researcher is attempting to expound on how the phenomenon operates by identifying the underlying factors that produce change in it in which case there is no manipulation of the independent variable. The corporate governance, financial decisions, and performance of companies traded on Kenya's Nairobi Securities Exchange (NSE) have all been the subject of similar research (Tarus and Omandi, 2013; Ndili and Muturi, 2015; Wangechi and Nasieku, 2015).

3.1.1 Study Philosophy

This research is anchored on the positivist philosophical model. According to Robson and McCartan (2016), the introduction part of research is to choose a research model, including the theory and methods used in the research. There are two main models applied to the research; quantitative and qualitative Crewell (2014). While qualitative research is said to be constructivist and empirical, quantitative modeling is classical and positivist. This study made use of a

quantitative model as it sought to resolve causal relationships between quantitative variables. Mwaniki (2015), Bryman (2015) and Levin (2013) have conceptualized research on a positivist conventional relies on information learned from positive attestation observed experience rather than contemplation. May (2013) argues that positivist philosophy is based on the presumption that there is an objective realism that people can understand and that this objective realism can be precisely defined and explained by elements. According to Creswell (2013) and Cohen & Crabtree (2015), positivism's general models of cause and effect can be used as a foundation for anticipating and regulating ordinary phenomena, with the goal of identifying this phenomenon. In addition, research can be free of subjective biases and achieved objectivity by relying on perception of world observations or measurements to provide authentic data and a stringent methodological code. According to Mwaniki (2015), Keraro (2014), and Schiffman & Kanuk (2012), statistical analysis is frequently used in the main positivist methods to test hypotheses.

3.2 Study Area

The study area was Nairobi City County, which is Kenya's capital and commercial center and home to most publicly traded companies. Since data will be available and these businesses are considered to be a representative sample of other Kenyan businesses, the survey was carried out on firms that are listed at NSE. This study only investigated five variables, namely: The corporate governance practices, ownership concentration structure, firm size, and firm financial performance of the 66 companies at NSE are constructed within the conceptual framework in Figure 1.1. The scope of each of these variables is described in detail in Section 1.7. According to Yabei & Izumida (2005), data collection for small firms is very difficult, so most studies use data for large

firms, especially listed firms. Additionally, firms at NSE were selected for this investigation as they exhibit distinct aspects of their governance structures relevant to this study.

3.3 Target Population

According to Otwani (2018), target population can be considered as to any association of organizations, persons or elements with equal attributes. The relevant population for research includes all companies that were trading at Nairobi securities exchange from 2016 to 2020 and have prepared their annual published accounts for the applicable study period. A population should have some noticeable attribute that researchers want to conclude their findings to (Mugenda & Mugenda, 2003). The period of study 2016 to 2020 was chosen because it's a very significance period where new companies Act No.17 of 2015 was enacted and faced off old act Cap 486, which has been in operation for 50 years. This was a new dispensation; a game charger in companies' corporate governance structure. Companies Act No.17 of 2015 puts the directors on hot seat, where the act now requires at least one director will be a natural person to ensure that if a company is to be sanctioned, somebody can be held accountable. These changes were followed by more amendment in companies Act in 2017, and statute Law (miscellaneous Amendment) Act 2019(disclosure of beneficial ownership) which come into force on 23 July 2019. Hence, it's very important period of study to establish how NSE listed firms perform under new corporate governance structure. However, the five-year period was chosen because it was seen as an appropriate period to address the first challenges companies face after going public or adopting new changes, Ng'ang'a, (2017). According to NSE/CMA Report (2020) on performance of listed

companies, there were 66 companies at NSE (Appendix III). Number of firms in each sector of the Nairobi Security Exchange form total population from 2016 to 2020. Study used data from firms that were consistently listed in NSE from 2016 – 2020 the ones that were delisted and or suspended and that were listed after 2016 were not included.

The firms listed in NSE are required by Companies Act and capital market authority to publish their financial reports on yearly basis. However, this firms are subject to the mandatory audit by recognized audit firms, and continues monitoring and evaluation by the regulators (KNBS,2017). For this reason, the financial reports are authentic, accessible, reliable and available to extract the required data for this research. Publicly traded companies are also preferred because they have a clear structure, are likely to show intricate relationships within study elements, and provide a solid foundation for objectively judging market value and performance.

Table 3.1: Target Population

	Categories	**Target population**
1	Commercial and services	**13**
2	Banking	**11**
3	Manufacturing and allied	**12**
4	Agricultural	**6**
5	Insurance	**6**
6	Investments	**6**
7	Construction and allied	**5**
8	Energy and petroleum	**5**
9	Automobiles and accessories	**1**
10	Telecommunication and Technology	**1**
	TOTAL	**66**

Source :(CMA Quarterly Statistical Report Dec, (2020)

3.4 Sampling Design and Study Sample size

Sampling is the process a specialist uses to collect data objects, or elements for review (Meme, 2017; Kombo & Tromp, 2006). Thus, a specific strategy for obtaining a sample is called a sample design for a given population (Mugenda &Mugenda, 2003, Meme, 2017). Those firms suspended or delisted from 2016-2020 were excluded from the study. The study adopted quota sampling approach, since it satisfied those criteria of the study. Quota sampling is a non-probability sampling technique where researchers select a convenience sample of people who are representative of the population. These people were selected by researchers based on certain characteristics (Bhardwaj, 2019). Therefore, sampling frame includes 55 companies at Nairobi Securities Exchange from 2016 to 2020 respectively creating 275 data points of study in a period of five years.

Table 3.2 Sample size

	Categories	**Target population**	**Sample size**
1	Commercial and services	**13**	**10**
2	Banking	**11**	**10**
3	Manufacturing and allied	**12**	**9**
4	Agricultural	**6**	**6**
5	Insurance	**6**	**6**
6	Investments	**6**	**6**
7	Construction and allied	**5**	**5**
8	Energy and petroleum	**5**	**1**
9	Automobiles and accessories	**1**	**1**
10	Telecommunication and Technology	**1**	**1**
	TOTAL	**66**	**55**

Source :(CMA Quarterly Statistical Report Dec, (2020)

A total of 11 firms were either suspended or delisted from NSE during the period of study hence excluded from the research study (*see appendix iv*). Therefore, the sample size was 55 companies at Nairobi Securities Exchange from 2016 to 2020 respectively.

3.5 Data type

This study utilized secondary data type since it can be examined over a longer period of time.

3.5.1 Data Collection Method and Procedure

A research permit was first secured from the Ministry of Education, Science, and Technology prior to any data collection. The researcher also creates an online account with the NSE, CMA, and the Kenyan Investors website so that he may obtain the annual reports and financial statements for all sixty-six Kenyan companies that are publicly traded from 2016 to 2020. The study source secondary data on financial performance, size of the firm and practices of corporate governance from submitted and approved audited financial statement of listed firms which entail the annual financial reports and statistics. For the purposes of this research data collection sheet was prepared for recording board composition structure, ownership concentration, board independence, board committee structure, firm size, ROA and ROE data respectively. Audited financial statements from 55 publicly traded companies provided the data from 2016-2020.The audited financial statements were obtained from NSE and Capital market Authority to supplement published annual financial statements extracted on their websites.

3.6 Data Analysis Methods and Presentation

According to Sigmund et al. (2010), data analysis is using logic to make sense of the data that has been collected, find logical patterns, and summarize relevant research findings. Kombo & Tromp

2011, Oso & Onen (2011), Mugenda & Mugenda (2012), Cooper & Schindler (2011), and Kothari (2011), contend that analyzing data involves scrutinizing already collected data and drawing evidence and interpretation, including exploring underlying structures, extract significant variables, identify any inconsistency, and verification hidden assumptions. This involves carefully examining the information obtained and making interpretation.

First, the data was entered into an Excel spreadsheet and cleaned up until it was in a form that STATA could use for analysis. The information was initially gathered in Excel before being transferred to the statistical package STATA. As this research utilized panel data throughout a five-year time frame, STATA was used for data analysis because of the software's flexibility in analyzing panel data over numerous time periods. (Cameron &Triredi, 2009, Meme, 2017).

Researchers then calculated descriptive statistics such as minimum and maximum values, mean, and standard deviation for each study variable. The pairwise correlation matrix was then obtained by a Pearson correlation analysis in STATA. This allowed us to evaluate the nature and strength of the connections between our various study variables. The researchers next used the F-statistic to examine the interdependence of the OLS regression models developed for ROA and ROE, finding evidence for both direct and moderating effects. Researcher used the F-statistic results to assess whether the OLS model was suitable for our analysis.

After that, the researchers performed diagnostic tests on all of the OLS regression models to ensure that they were consistent with standard econometric theory. Tests for normality, homoscedasticity,

multicollinearity, and autocorrelation were built without using graphs. The OLS regression models for the direct influence were found to have heteroscedasticity, but this was addressed by employing the Robust Standard Errors Technique. After that, the OLS regression models were estimated for both the direct and moderating influences, and the results were tabulated for easy reading.

At last, the estimated OLS regression model was put to use to verify or disprove study hypotheses. The researchers used direct and adjusted OLS regression models to test hypotheses about the strength of the relationships between the study variables. The estimated regression results were then summarized in a table for the researcher's convenience.

3.6.1 Model Specification

This study employed a general panel data regression model, like those developed by Thao et al. (2014) and Meme et al. (2015), to explore the association between corporate governance practices, ownership concentration, firm size, and financial performance (2017). Panel data allows researchers to analyze both the cross-sectional variation (differences among entities) and the time-series variation (changes within entities over time) simultaneously. This is in contrast to cross-sectional data, where observations are collected at a single point in time, and time-series data, where observations are collected on a single entity over multiple time periods. In this investigation, we used regression equation 3.1 to examine series of constant-unit observations. (Pennings, Keman & Kleinnijenhuis, 1999).

A dataset of n*t observations was generated by using the regression model to combine cross-sectional data on the 55 listed firms in Kenya (n) and the five-year period from 2016 to 2020 (t). Instead of testing a cross-section model for all 55 listed firms at once or a time series model for a single firm with time series data, the Panel Data Regression Model is tested (Pennings et al., 1999, and Meme, 2017). The research developed Panel Data Regressions for ROA and ROE Models based on the standard regression model 3.1.

According to Chege (2013), because the study included a moderator, a formula was designed to regress the independent variable against the dependent variable using the firm size moderator to determine the moderator effect. Similarly, a study by Ongore et al., (2015) included a moderator variable in the regression model to determine the moderator effect on association of explanatory and responding variables. Given preamble, this research designed panel data regression model to help assess the moderating influence of size of firm. Similar to the regression model in 3.1, the regression model in this study helped combine both time series and cross-sectional data.

To reveal effect of corporate governance practices, Ownership concentration and firm size on financial performance, and to conform to previous moderating studies, this study will adopt and modify the model used by Wayongah, (2019), Nyongesa (2017) and Ng'ang'a, (2017). Using panel data estimation, which included features of both cross sectional and time series research methods, this study analyzed the impact of corporate governance, ownership concentration, and firm size on the financial performance of Kenyan companies listed at NSE. In this focus, we employed a board relapse model, pooling data from 55 companies over a 5-year period to obtain 275 data points of

relevance for each variable. By appending (i, t) to each variable, its condition can be distinguished from the more common cross-sectional or time-series condition.

In this study's fixed effects Econometric model was expressed as follows:

General Model: $Y_{it} = \beta 0 + \beta_i X_{it} + \varepsilon_{it}$ ***.....Eq 3.1***

(Wayongah,2019, Nyongesa,2017, and Ng'ang'a,2017)

Where;

Y_{it} *=Financial Performance measured by ROA&ROE at time* $_i$ *in period* $_t$

β_0 *= The intercept,*

β_i = Regression *Coefficients*

X_{it} = *Independent variables (corporate governance practices and ownership concentrations)*

ε_{it} *=Error term*

The following mathematical model will be used to evaluate the impact of corporate governance practices, Ownership Concentration, and firm size on the financial performance of listed firms at the NSE based on the aforementioned general model:

Model 1: Influence of corporate governance practices on financial performance.

$Y_{it} = \beta 0 + \beta_1 X_{1it} + \beta_2 X_{2\,it} + \beta_3 X_{3\,it} + \varepsilon_{it}$ *.....Eq 3.2*

Model 2: Influence of Ownership concentrations on financial performance.

$Y_{it} = \beta 0 + \beta_4 X_{4\,it} + \beta_5 X_{5it} + \beta_6 X_{6it} + \varepsilon_{it}$ *.....Eq 3.3*

Model 3: Influence of Firm sizes on financial performance.

$Y_{it} = \beta 0 + \boldsymbol{F Z_{it}} + \varepsilon_{it}$ *.....Eq 3.4*

To confirm that the fourth variable has a moderating influence on the association between the two explanatory variable (EV) and the responding Variable (RV), we need to show that the nature of this relationship changes when the value of the moderating variable (MV) changes. This, in turn, is done by introducing an interaction effect into the model and testing whether the interaction is really important and helps to better explain the change in the response variable (Baron et al. and Kenny, 1986). The firm size is introduced as moderator to assess moderating effect on corporate governance practices, ownership concentration and financial performance of companies at NSE. Baron and Kenny (1996) approach of moderation was applied in the study.

Model 4: Moderating effect of firm size on the relationship between corporate governance practices on financial performance.

Step one: $Y_{it} = \beta 0 + \beta_1 X_{1it} + \varepsilon_{it}$.....*Eq 3.5*
Step two: $Y_{it} = \beta 0 + FZ_{it} + \varepsilon_{it}$.....*Eq 3.6*
Step three: $Y_{it} = \beta 0 + \beta_1 X_{1it*} FZ_{it} + \varepsilon_{it}$.....*Eq 3.7*

Model 5: Moderating effect of firm size on the relationship between Ownership concentration on financial performance.

Step one: $Y_{it} = \beta 0 + \beta_4 X_{2it} + \varepsilon_{it}$.....*Eq 3.8*
Step two: $Y_{it} = \beta 0 + FZ_{it} + \varepsilon_{it}$.....*Eq 3.9*
Step three: $Y_{it} = \beta 0 + \beta_4 X_{4it*} FZ_{it} + \varepsilon_{it}$.....*Eq 3.10*

Where;

Y_{it}	*= Financial Performance measured by ROA and ROE at time i in period t*
ε_{it}	*=are the error terms for equations 3.2,3.3,3.4 and 3.4, respectively.*
$_{it}$	*=The subscripts i and t represent listed firm and time respectively.*
X_1	*= corporate governance*
X_2	*= Foreign ownership*
FZ_{it}	*= is a vector of moderating variable firm size i at time period measured by log of total assets. The researcher assumes more specifically that firm's size is likely to influence firm's financial performance.*

Nyongesa (2017) used regression models for data analysis to look at how financial management practices affected the financial performance of insurance firms in Kenya. Aduda (2011) in a review investigation the connection between bank management pays and company results in the Kenyan. Regression analysis was used by Khawaja and Mulesh (2007) to determine the factors that influence Pakistan's interest rate spreads. Previous research such as Htay (2012) and his Bino & Tomar (2007) used these variables investigate the association between governance practices and corporate results. These studies are similar to the current study in that they were based on public companies. The study variables also showed linear relationships. This is also expected in the current study.

3.7 Measurement and Operationalization of Research Variables

The operationalization of the independent, moderator, and dependent variables is depicted in Table 3.2. This table was adopted and modified from Iqbal & Javed, (2017), to suite the current study.

Table 3.3 Variable operationalization

Type of Variables	Variables Name & Indicators	Operationalization	Scale
{Corporate Governance Practices}	**Board composition structure**		
	Board size-Number of Board member	Total Board Members at firm i in period t - *Muhammad, R., Humera A. r, Noman A. S, and Waqar U. U. (2016). Nguyen, Locke & Readdy (2015)*	Numerical
	Board independence		
	Non-executive directors-CEO duality	If at least half are non-executive directors and positions of CEO and Chairperson at firm i, in period t, are separated = 2 Otherwise = 1 *Muhammad, R., Humera A. r, Noman A. S, and Waqar U. U. (2016); Nguyen, Locke & Readdy (2015)*	Categorical

{Ownership concentration}	**Board committees Structure**		
	Audit, Remuneration and Nomination committees	If at there is Audit,Remu,tn,Nomi,tn committee at firm i, in period t, = 2, Otherwise = 1 *Puni (2015), Aggarwal (2013);Ammari, mdouni; Zemzem, &Ellouze (2016);*	Categorical
	Government ownership	Proportion of shares held by government, should be among the top five shareholders of firm i, in period t (%) *Ng'ang'a (2017);Mule, Mukras, & Oginda (2013); Chege (2013); and Otieno (2017)*	
	Percentage of Government Ownership		Ratio
	Foreign ownership	Proportion of shares held by foreigners, should be among the top five shareholders of firm i, in period t (%) *Ng'ang'a (2017);Mule, Mukras, & Oginda (2013); Chege (2013); Otieno (2017)*	
	Percentage of Foreign Ownership		Ratio
	Local ownership	Proportion of shares held by Locals, should be among the top five shareholders of firm i, in period t (%) *Ng'ang'a (2017); Mule, Mukras, & Oginda (2013); Chege (2013); Otieno (2017)*	
	Percentage of Local Ownership		Ratio
Moderating Variable	**Firm Size**	Log of Total Assets *Amarjit, (2013); Nadeem, (2008); Bokpin, (2007); Chege (2013); Otieno (2017)*	Ratio
Financial performance Indicators	Return on Asset (ROA)	Profit After Tax *100 Total Assets *Kharatyan, Lopes, Nunes & Aghababyan (2016); Ahsan (2012); Ng'ang'a (2017); Ebaid, (2014) Nasreen & Khanam, (2014),*	Ratio
	Return on Equity (ROE)	Earning After Tax (EAT) Shareholders' Equity *100 *Al-Quah (2016); Jufri, S.A(2021); Ng'ang'a (2017); Nasreen & Khanam, (2014); Ebaid, (2014)*	Ratio

Adopted and modified from Iqbal & Javed, (2017)

3.8 Diagnostic Tests

To guarantee reliable, accurate, and efficient regression results, diagnostic tests help evaluate the data type and guide selection of the appropriate framework for the study (Yihua, 2010). Before beginning model estimation, relevant diagnostic tests were conducted in this study. The diagnostic tests were made to check whether the OLS panel regression model's assumptions were correct. This study's diagnostic tests were those that looked for deviations from panel error assumptions about normality, heteroscedasticity, autocorrelation, multicollinearity, stationarity tests and hausman tests

3.8.1 Normality Test

The standard operating residual is an assumption of the ordinary least squares (OLS) regression model that might affect the reliability of any given evaluation (Meme.2013; Oscar, 2007). To check for normality in residuals, this study used Shapiro Wilk's test, a non-graphical normality test. The normality of the residual distribution can be tested for using Shapiro Wilk's test. (Oscar, 2007). If the p-value ($p>0.05$) is greater than 0.05, researcher will not reject the null value (at the 95% level) and will then conclude that the residuals are normally distributed Kilungu et al., (2015).

H0 will not be rejected if the p-value is greater than 0.05, while H1 will be accepted if the p-value is lower than 0.05. Here two tests of normality are run. For dataset small than 2000 elements, we use the Shapiro-Wilk test, otherwise, the Kolmogorov-Smirnov test is used.

Table 3.4: Normality Test

Variable	Obs	Wilk test statistic	covariance matrix (V)	Z score	Prob>z
ROA	275	0.801	44.237	8.916	0.060
ROE	275	0.180	0.370	5.120	0.500
Board Composition structure	275	0.977	5.142	3.852	0.060
Board independence	275	0.992	1.689	1.233	0.109
Board committee structure	275	0.963	8.173	4.943	0.070
Local Ownership	275	0.866	29.744	7.982	0.120
Government Ownership	275	0.923	17.147	6.686	0.099
Foreign Ownership	275	0.854	32.472	8.189	0.120
Firm size	275	0.959	9.054	5.184	0.067

Source: Field Data ,2023

W (W statistic), is a statistic used to test for normality. It is the Shapiro-Wilk statistic, which assesses how well the data's distribution fits a normal distribution. Smaller values of W indicate a departure from normality. V (V statistic), is a transformation of the W statistic, and it is often used in the Shapiro-Wilk test. Like the W statistic, smaller values of V suggest non-normality's (z statistic), measures how many standard deviations an observed value is from the mean of a normal distribution. In this context, it's used to assess the significance of the departure from normality. While, Prob>z (Probability of z): This column indicates the p-value associated with the z statistic. A low p-value (typically below a chosen significance level, such as 0.05) suggests that the data significantly departs from a normal distribution. A higher p-value indicates that the data follows a normal distribution. So, in summary, the W and V statistics provide a measure of how well the data fits a normal distribution, while the z statistic and its associated p-value tell you whether the departure from normality is statistically significant

The Shapiro wilk results for the variables ROA, ROE, board composition, board independence, board structure, local ownership concentration, government ownership concentration, foreign

ownership concentration and firm size was 0.060, 0.500, 0.060, 0.109, 0.070, 0.120,0.099,0.120,0.067 respectively. The results therefore indicated that all variables were normally distributed. This implied that further regression analysis could be conducted since the data is normally distributed (Shevlin & Miles, 2010).

3.8.2 Multicollinearity Test

In statistics, multicollinearity refers to the presence of a linear relationship between independent variables (Kumari, 2008). Multicollinearity occurs when two or more independent variables in a regression model are highly correlated with each other. This can lead to difficulties in interpreting the individual contributions of these variables to the dependent variable. It can also result in unstable coefficient estimates and inflated standard errors. Large forecasting errors can be the result of multicollinearity, and it can be difficult to determine which model variables are most crucial. To check for multicollinearity, this research used both the tolerance and the Variance Inflation Factor (VIF). Tolerance Statistics values of below 0.10 (1/vif< 0.10) would indicate a problem with multicollinearity (Ayako &Wamalwa, 2015; Oscar, 2007). The study also opted for reciprocal of Tolerance also known as Variance Inflation Factor (VIF) to check multicollinearity. The variance inflation factor indicates how much the fluctuation of the coefficient estimate is being inflated by multicollinearity (Belsley, Edwin and Roy, 1980).

Therefore, according to Oscar (2007), a Variance Inflation Factor greater than 10 (vif> 10) indicates multicollinearity issues. Results were shown in Table 3.5.

Table 3.5: Multicollinearity Test

Variable	VIF
Foreign Ownership	5.39
Government Ownership	4.35
Local Ownership	3.04
Board Composition structure	1.17
Firm size	1.12
Board committee structure	1.11
Board independence	1.03
Mean	2.46

Source: Field Data ,2023

The variance inflation factors result presented in Table 4.5 were determined to be between 1.03 and 5.39 which is less than 10 and thus there is no Multicollinearity between the variables. Field (2009) states that VIF values greater than 10 indicate the presence of multicollinearity. This implied that there was no multicollinearity among the regressors thus implying that further correlation can be conducted.

3.8.3 Heteroscedasticity Test

Regression disturbances with non-constant variances across observations are said to be heteroscedastic (Greene, 2008). It occurs when the spread of the residuals changes as the values of the independent variable(s) change. Heteroscedasticity can violate the assumptions of many statistical tests and lead to inaccurate or biased parameter estimates in regression analysis. Inefficient estimation results due to heteroscedasticity arise in a wide variety of contexts, for both cross-sectional and time-series data (Baltagi, 2005). In order to check for heteroscedasticity, the Breusch-Pagan test was used. The assumption of homoscedasticity for the residuals is the null

hypothesis. If the F statistic rejects the null at the 95% or 90% level of significance, then heteroscedasticity is present. Results were shown in Table 3.6.

Table 3.6: Heteroscedasticity Test Results

Breusch-Pagan test
Ho: constant variance
Variables: Fitted values of ROA
chi2(1)=0.07
Prob > chi2=0.7936

Source: Field Data, 2022

Results showed that all the variables had p value of 0.7936 which was above 0.05. This indicate there was no heteroscedasticity. This shows that the regression model chosen between corporate governance, ownership concentration, size of the firm and financial performance was appropriate.

3.8.4 Autocorrelation Test

Disturbances in time-series data tend to show autocorrelation or serial correlation over time (Green, 2008). Autocorrelation, also known as serial correlation, occurs when the residuals of a time series or panel data model are correlated with their own lagged values. This violates the assumption of independent errors, which is crucial for obtaining valid hypothesis tests and accurate standard errors. For linear panel data models, the presence of serial correlation is problematic because it leads to biased standard errors and produces consistent but ineffective projections of regression coefficients (Baltagi, 2005, & Drukker,2003).

The Wooldridge test for autocorrelation was used in the study to determine whether or not the residual was serially correlated over time, or whether autocorrelation existed in the data. The

results are presented in Table 3.7. This test's null hypothesis was that the data did not contain any first-order serial or autocorrelation.

Table 3.7: Test for Autocorrelation

Wooldridge test for autocorrelation in panel data
H_0: no first-order autocorrelation
F (1, 251) = 9.394
Prob > F = 0.451

Source: Field Data ,2023

The F-test with one and 1251 degrees of freedom and a value of 9.394 is the test statistic that was reported. The P-worth of the F-test is 0.451 for NSE firms demonstrating that the F-test isn't genuinely significant at 5% level. As a result, the study concludes that there was no autocorrelation in the residuals and supports the null hypothesis of no autocorrelation. This implied that the assumption of the independence study of independent variable in a regression model was met for all the study independent variables.

3.8.5 Stationarity Test

Table 3.8 displays findings.

Table 3.8 Outcomes for Unit Root Test

Variable	Statistic	Prob.*	Decision
Board size	-17.369	0.000	The variable is stationary
CEO duality	-5.371	0.000	The variable is stationary
Board committee	-7.987	0.000	The variable is stationary
Government ownership	-7.717	0.000	The variable is stationary
Foreign ownership	-6.789	0.000	The variable is stationary
Local ownership	-6.987	0.000	The variable is stationary
Firm size	-6.908	0.000	The variable is stationary
ROA	-7.789	0.000	The variable is stationary
ROE	-6.890	0.000	The variable is stationary

Source: Researcher (2023)

The state of significance for this examination was 0.05 for each variable, as demonstrated in table 3.8. Since all of the variables encompassed in the investigation had values of p being less than 0.05, the alternative hypothesis, which states that the info than does not have a unit root (is motionless), was preferred to the null hypothesis

3.8.6 Hausmann Test for Model Specification

Shown in table 3.9 were results:

Table 3.9 Outcomes for Hausman Test (ROA)

	(b) fixed	(B) Random	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
board Size	1.041667	1.162343	-0.1207	.
ceo duality	-1.00498	-0.90261	-0.1024	.
Board committee	1.537012	1.180456	0.35656	.
government ownership	-0.00278	-0.06353	0.06074	0.07637
foreign ownership	-0.02625	-0.11444	0.08819	0.10349
local ownership	-0.18058	-0.10357	-0.077	0.02514
firm size	-1.56E-09	-2.64E-09	1.08E-09	1.09E-09

chi2(6) = (b-B)'[(V_b-V_B)^(-1)](b-B)
= 0.95
Prob>chi2 = 0.9874
(V_b-V_B is not positive definite)

Source: Researcher (2023)

With Prob>chi2 = 0.9874, the Hausman test showed a significance level above the 0.05 level. Therefore, the researchers' null hypothesis (H0) is not refuted. This demonstrates that the used Random effects panel data model offers the greatest fit for the data. Random Effects regression analysis was then conducted.

Table 3.10 Outcomes for Hausman Test (ROE)

	(b) fixed	(B) Random	(b-B) Difference	sqrt(diag(V_b-V_B)) S.E.
board Size	0.017199	0.005454	0.01175	0.00798
ceo duality	0.029186	0.032388	-0.0032	0.00513
Board committee	0.013575	0.012306	0.00127	0.00941
government ownership	0.001662	0.002144	-0.0005	0.00484
foreign ownership	-0.0003	2.26E-05	-0.0003	0.00633
local ownership	0.00417	0.001332	0.00284	0.002
firm size	2.09E-10	1.01E-10	1.08E-10	1.03E-10
chi2(6) = (b-B)'[(V_b-V_B)^(-1)](b-B)				
= 3.15				
Prob>chi2 = 0.7901				
(V_b-V_B is not positive definite)				

Source: Researcher (2023)

With Prob>chi2 = 0.9874, the Hausman test showed a significance level above the 0.05 level. Therefore, the researchers' null hypothesis (H0) is not refuted. This demonstrates that the used Random effects panel data model offers the greatest fit for the data. Random Effects regression analysis was then conducted.

3.9 Hypothesis Testing

Hypothesis testing is performed to assess influence of each explanatory variable on the response variable as follows:

Ho₁: There is no significant influence of corporate governance practices on financial performance of listed firms at NSE.

Ho_2: There is no significant influence of ownership concentration on financial performance of listed firms at NSE

Ho_3: There is no significant influence of firm size on financial performance of listed firms at NSE

Ho_4: There is no moderating influence of firm Size on the relationship between Corporate Governance and Financial Performance of listed firms at NSE

Ho_5: There is no moderating influence of firm Size on the relationship between ownership concentration and Financial Performance of listed firms at NSE

The goodness of fit of the regression models was examined. Estimating the model's completeness is done with the coefficient of determination, which describes how well the predictors account for variations in the dependent variable. Additionally, the implications of each independent variable were investigated. The hypothesis and each individual predictor or independent variable are tested for significance using the t-test. Each t-test's p-value will be used to determine whether the null hypotheses should be rejected or accepted.

The 5% significance level was used in this study to determine whether the null hypothesis was accepted or rejected. Accept the alternative hypothesis and reject the null hypothesis if the p-value is less than 5%. Despite the fact that the p-value was greater than 5%, the alternative hypothesis was rejected and the null hypothesis was accepted. The F-test, a Fisher distribution test, was used in a similar manner. The ratio of the model mean square to the mean square error is what it means. At the 95% confidence level, the significance of the model as a whole was evaluated with an F-test. The p-worth of the F-measurement was utilized to decide the vigor of the model.

P-values were used to draw conclusions; when the null hypothesis of beta was rejected, the overall model was found to be significant, whereas when the null hypothesis was accepted, the overall

model was not found to be significant. This means that the result was not due to chance if the p-value was less than 0.05, the dependent variable had good predictors, and the model was significant. The model was not significant and could not be used to explain the variation in the dependent variable if the p-value was greater than 0.05.

Table 3.11: Test for Hypothesis

Hypothesis Statement	**Significance P-Value**	**Comparison**	**Decision**
Ho1(a): There is no significant influence of corporate governance practices on **ROA** of listed firms at NSE. ***Ho1(b):*** There is no significant influence of corporate governance practices on **ROE** of listed firms at NSE.	0.006 0.009	0.05 0.05	Accept ***Ho1(a)*** *Accept* ***Ho1(b)***
Ho2(a): There is no significant influence of ownership concentration on **ROA** of listed firms at NSE ***Ho2(a):*** There is no significant influence of ownership concentration on **ROE** of listed firms at NSE.	0.000 0.0437	0.05 0.05	Accept ***Ho1(a)*** *Reject* ***Ho1(b)***
Ho3(a): There is no significant influence of firm size on **ROA** of listed firms at NSE ***Ho3(b):*** There is no significant influence of firm size on **ROE** of listed firms at NSE.	0.000 0.12	0.05 0.05	Accept ***Ho1(a)*** *Reject* ***Ho1(b)***
Ho4(a): There is no moderating influence of firm Size on the relationship between Corporate Governance and on **ROA** of listed firms at NSE ***Ho4(b):*** There is no moderating influence of firm Size on the relationship between Corporate Governance and **ROE** of listed firms at NSE.	0.002 0.766	0.05 0.05	Accept ***Ho1(a)*** *Reject* ***Ho1(b)***
Ho5a): There is no moderating influence of firm Size on the relationship between ownership concentration and ROA of listed firms at NSE ***Ho5(b):*** There is no moderating influence of firm Size on the relationship between ownership concentration and **ROE** of listed firms at NSE.	0.002 0.102	0.05 0.05	Accept ***Ho1(a)*** *Reject* ***Ho1(b)***

Source: Field Data ,2023

CHAPTER FOUR

RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter discusses results patterns and their analysis in relation to objectives and hypotheses. According to the specific objectives, the findings are presented in the form of narratives and tables. The pre-estimation and post-estimation tests, descriptive statistics, and trend analysis are all discussed in this chapter. In addition, regression analysis before and after moderation are discussed in this chapter.

4.2 Descriptive Statistics

Table 4.1 displays descriptive statistics for companies listed on NSE from 2016-2020.

Table 4.1: Descriptive Results

Variable	Obs	Mean	Std. Dev	Minimum	Maximum	Skewness	Kurtosis
ROE	275	0.206	0.216	-0.473	1.628	0.243	3.083
ROA	275	5.164	6.442	-0.357	27.580	0.175	2.987
Board Composition structure	275	0.838	0.369	0.000	1.000	0.170	2.345
Board independence	275	0.733	0.443	0.000	1.000	0.300	3.123
Board committee structure	275	0.879	0.326	0.000	1.000	1.124	4.345
Local Ownership	275	22.939	19.131	0.000	90.560	0.304	3.456
Government Ownership	275	46.977	26.018	0.010	86.753	0.249	3.100
Foreign Ownership	275	27.449	27.748	0.040	99.900	0.230	3.345
Log of firm size	275	7.223	0.917	5.405	9.054	1.345	5.987

Source: Field Data, 2023

The results showed that the mean of ROE of firms listed in NSE for the period of 2016 – 2020 was 0.206. In addition, the lowest ROE was -0.473, and the highest ROE was 1. 628.The standard deviation is 0.216, implying that the ROE of listed companies is consistent with the mean. The

skewness value was 0.243 which is excellent while the kurtosis's value was 3.083 which shows that the distribution is too peaked.

However, the results showed that the mean of ROA of firms listed in NSE for the period of 2016 – 2020 was 5.164. Additionally, the lowest ROA was -0.357 and the highest was 27.580. The standard deviation was 6.442 implying that ROA of various listed firms was not varied from the mean. The skewness value was 0.175 which is excellent while the kurtosis's value was 2.987 which shows that the distribution is too peaked.

The board composition structure was measured by the board size. The survey showed that in the period 2016-2020 the mean of board composition of NSE-listed companies was 0.838 standard deviation. Also, the composition of the board was lowest at 0 and highest at 1. The is 0.369 standard deviation indicating that the board composition of various listed companies is consistent with the mean. The skewness value was 0.170 which is excellent while the kurtosis's value was 2.345which shows that the distribution is too peaked.

The board independence was measured by the CEO duality. The study therefore showed that the mean of board independence of firms listed in NSE for the period of 2016 – 2020 was 0.733 with the maximum and minimum being 0.100 and 0.000. Additionally, the minimum board independence was 0 and the maximum was 1. The standard deviation was 0.443 implying that board independence of various listed firms was not varied from the mean. The skewness value was 0.300 which is excellent while the kurtosis's value was 3.123 which shows that the distribution is too peaked.

Conforming to previous research (Njuguna & Obwogi, 2015; Abeysekera, 2010; Chemweno, 2016; Dunstan et al., 2011), One way to evaluate board impartiality is to look at the number of independent directors compared to the number of directors who are also the CEO. This demonstrated that, on average, 73.3% of listed businesses have an independent board of directors. According to Kenya's Guidelines for Practices of Corporate Governance, at least one third of the directors of listed corporations must be non-executive. (GoK, 2003). The outcomes indicate that listed businesses adhere to this policy and are independent.

The board committee structure was measured by the audit, nomination and remuneration committee. Thus, results showed mean of board committees of NSE-listed companies in the period 2016-2020 was 0.879. In addition, minimum board committee was 0 and a maximum of 1. This indicates that many listed firms with 87.9% have audit, nomination and remuneration committees. The standard deviation was 0.326 implying that board committee of various listed firms was not varied from the mean. The skewness value was 1.124 which is generally acceptable while the kurtosis's value was 4.345 which shows that the distribution is too peaked.

Local ownership was measured by the proportion of locals-owned shares in firms listed on the NSE. Results also showed that the mean of percentage of shares owned by locals in firms listed in NSE for the period of 2016 – 2020 was 22.939%. In addition, minimum percentage of shares owned by locals was 0 and the maximum 90.560%. The standard deviation was 19.131. This means that the concentration of local ownership of various listed firms was varied from the mean. The

skewness value was 1.124 which is excellent while the kurtosis's value was 4.345 which shows that the distribution is too peaked.

The government ownership was measured by proportion of government-owned shares in firms listed on NSE. Further results showed that the mean of percentage of shares owned by government in firms listed in NSE for the period of 2016 – 2020 was 46.977%. In addition, minimum percentage of shares owned by government was 0.010 and the maximum of 86.753%. The standard deviation was 26. 018.This implies that percentage of shares owned by government of various listed firms was varied from the mean. The skewness value was 0.249 which is excellent while the kurtosis's value was 3.100 which shows that the distribution is too peaked.

The foreign ownership was determined by proportion of foreigners-owned shares in firms listed on NSE. Further results showed that the mean of percentage of shares owned by foreigners in firms listed in NSE for the period of 2016 – 2020 was 27.449%. In addition, minimum percentage of shares owned by foreigners was 0.04 and the maximum of 99.90%. The standard deviation was 26.018. This means that percentage of shares owned by foreigners of various listed firms was varied from the mean. The skewness value was 0.230 which is excellent while the kurtosis's value was 3.345which shows that the distribution is too peaked.

Using data from the NSE, the researchers calculated the percentage of shares held by local, government, and foreign enterprises. The results show that the average mean of ownership concentration at NSE for the period 2016-2020 was 32.455%. In addition, minimum percentage of ownership concentration was 0.0167 and the maximum of 92.41%. The standard deviation was 24.

299.This implies that ownership concentration of various listed firms was varied from the mean. The skewness value was 1.345 which is generally acceptable while the kurtosis's value was 5.987 which shows that the distribution is too peaked.

Firm size is determined based on log of total asset of NSE listed companies. In accordance with previous research, Njuguna and Obwogi, (2015); Ayot, (2011), The ratio of sales to total assets is what determines a company's size, and a value of 1.00 indicates sales equal total assets. Further results showed that the mean of firm size at NSE for the period of 2016 – 2020 was 46. 977. This demonstrates that businesses typically have sales that are 47 percent of their total assets. In addition, minimum log of total assets of small firms was 5.405 and largest firms a maximum of 9.054 of assets total. This value is inconsistent with mean value of 1.091 that was obtained by Ayot (2011). The standard deviation was 0.917 implying that log of total assets of various listed firms was not varied from the mean.

4.3 Trend Analysis

This part presents trend analysis of variables. Researcher carried out trend analysis to investigate the movement of study variables within the period of study.

4.3.1 Trend Results for Financial Performance

The trend results for return on assets were shown in Figure 4.1.

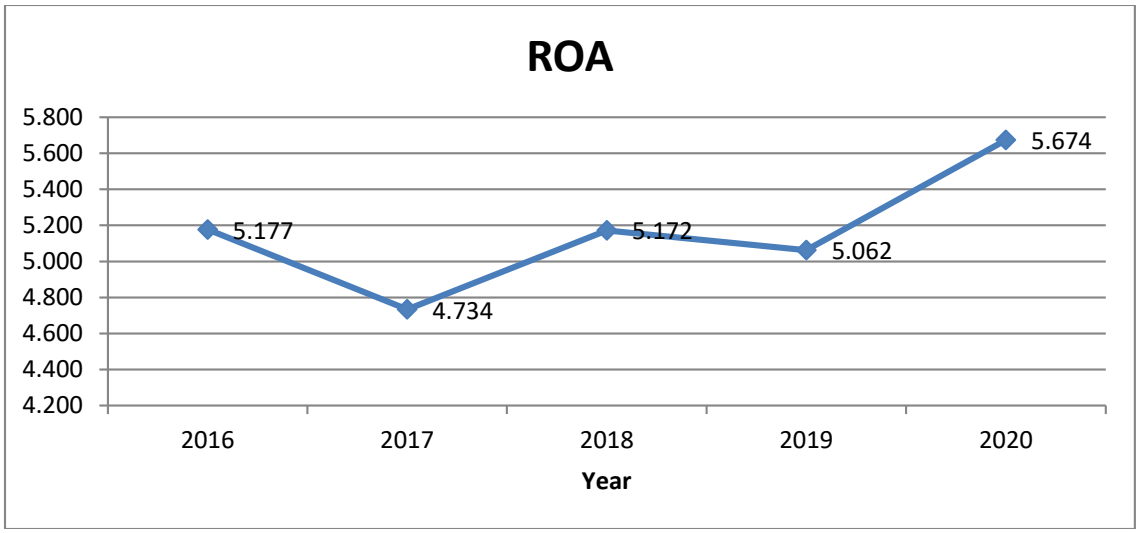


Figure 4.1: Return on Assets
Source: Field Data, 2023

The 2016 results showed that the average ROA for NSE-listed companies was 5.177 percent. However, ROA as a whole fell to 4.734 in 2017 before rising to 5.172 in 2018. The average ROA fell to 5.062 in 2019, but it is expected to rise to 5.674 in 2020. This indicated that most NSE firms' ROA was erratic between 2016 and 2020. The sharp decreases in ROA in the NSE firms for the year 2019 can be attributed to the instability in the markets as a result of the Covid 19 and fear of economic instability due to general election, hens' investors scaling down investments.

The trend results for return on equity were shown in Figure 4.2.

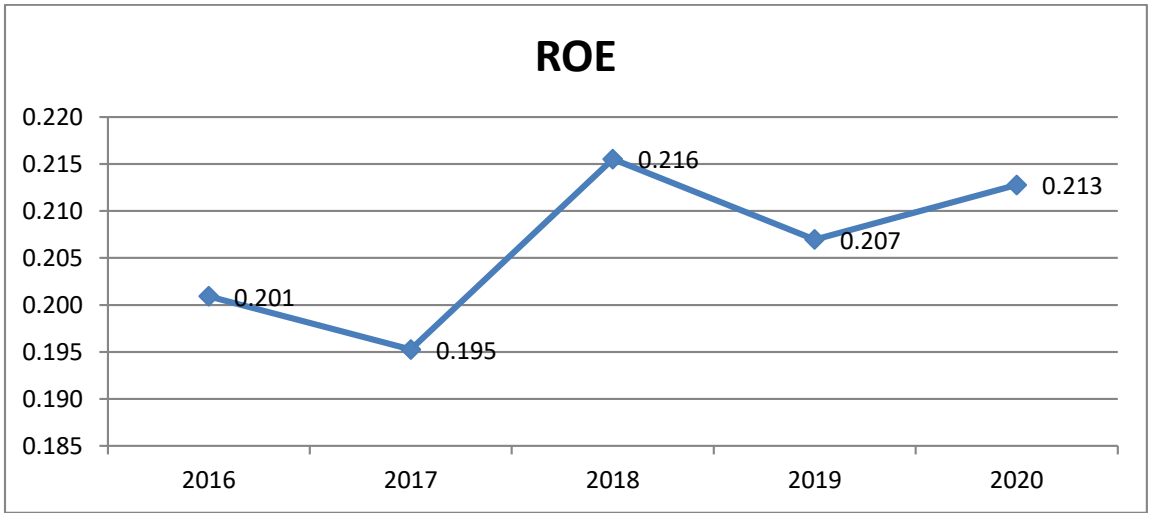


Figure 4.2: Return on Equity
Source: Field Data ,2023

Results showed that the mean of ROE of firms listed in NSE was 0.201 in the year 2016. However, the mean of ROE of firms listed in NSE declined to 0.195 in the year 2017 but further increased to 0.216 in 2018. Mean of ROE declined to 0.207 in 2019, further increased to 0.213 in 2020. This implied that the ROE of most NSE firms was irregular across 2016 – 2020. The sharp decreases in ROE in the NSE firms for the year 2019 can be attributed to the instability in the markets as a result of the Covid 19. and fear of economic instability due to general election, hens' investors scaling down investments.

In summary, the findings indicate that the Return on Assets (ROA) for NSE-listed companies fluctuated over the years, with an average of 5.177% in 2016, declining to 4.734% in 2017, rebounding to 5.172% in 2018, dropping to 5.062% in 2019, and showing an expected increase to 5.674% in 2020. This suggests that NSE firms experienced erratic ROA performance between 2016 and 2020.

Similarly, the Return on Equity (ROE) for these firms had an average of 0.201 in 2016, declining to 0.195 in 2017, increasing to 0.216 in 2018, decreasing to 0.207 in 2019, and then rising to 0.213 in 2020. This signifies irregular ROE performance across the same period. The practical implication is that the financial performance of NSE-listed firms exhibited variability during this time frame, and further analysis is needed to understand the factors driving these fluctuations and their impact on corporate governance, ownership concentration, and firm size.

4.3.2 Trend Results for Board Size

The trend results for board size were shown in Figure 4.3.

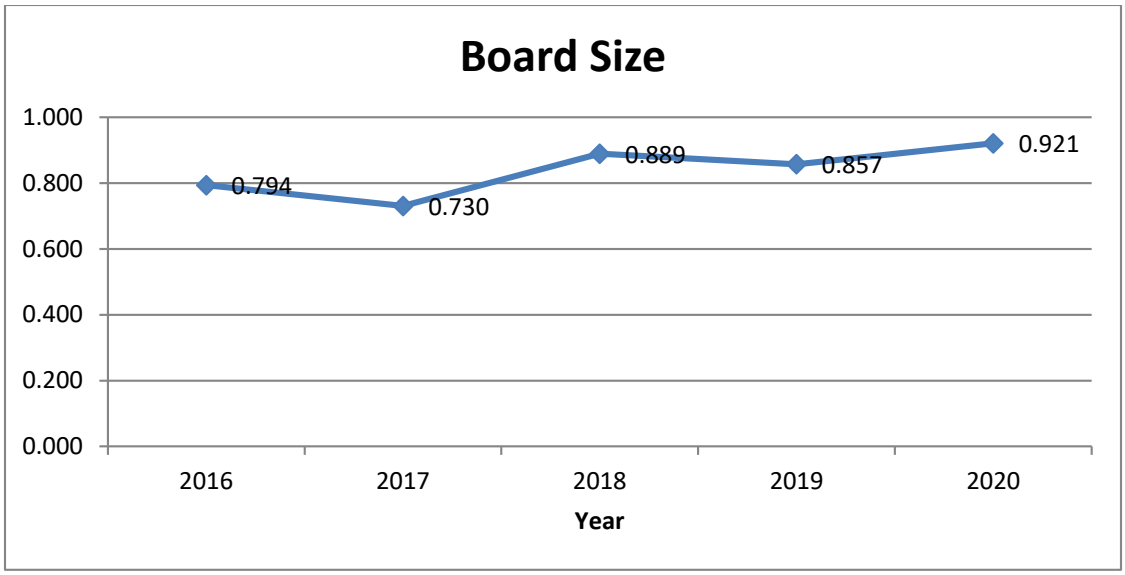


Figure 4.3: Board Size

Source: Field Data ,2023

The results showed that the mean of board size of firms listed in NSE was 0.794 in the year 2016. In the year 2017 the mean of board size declined to 0.730 and further rose to 0.880. In the year 2019 the mean of board size rose to 0.857 and further rose to 0.921 in the year 2020. This implied that the board size of most NSE firms was irregular across 2016 – 2020. This could have been attributed to the irregularity in the performance of the NSE firms. Ongore et al. (2015) did a study also found of some inconsistency of board size amongst NSE firms across the years.

4.3.3 Trend Results for CEO Duality

The trend results for CEO duality were shown in Figure 4.4.

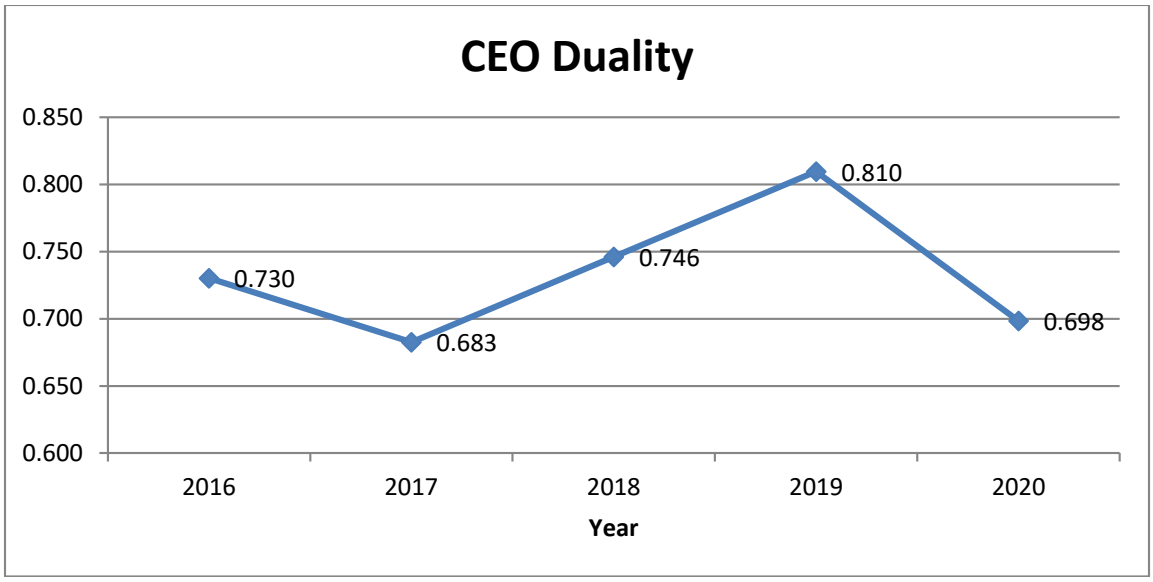


Figure 4.4: CEO Duality

Source: Field Data ,2023

The results showed that the mean of CEO duality of firms listed in NSE was 0.730 in the year 2016. In the year 2017 the mean of CEO duality declined to 0.683 and further rose to 0.746. In the year 2019 the mean of board size rose to 0.810 but declined to 0.698 in the year 2020. This implied that the CEO duality of most NSE firms was irregular across 2016 – 2020. This could have been attributed to the irregularity in the performance of the NSE firms. Ongore et al. (2015) did a study also found of some inconsistency of CEO duality amongst NSE firms across the years.

4.3.4 Trend Results for Board Committee

The trend results for board committee were shown in Figure 4.5.

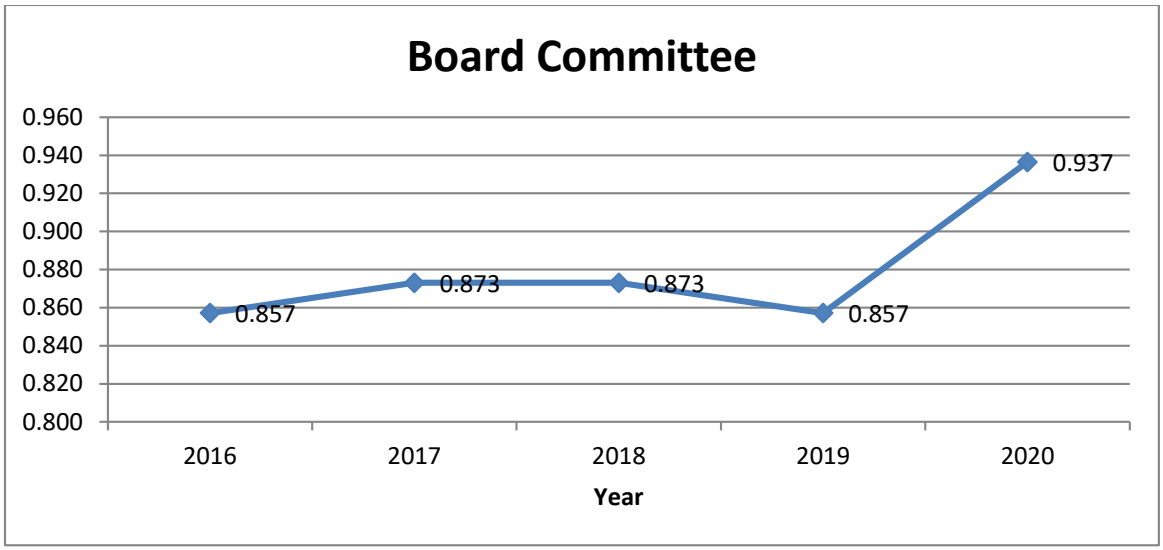


Figure 4.5: Board Committee

Source: Field Data ,2023

The results showed that the mean of board committee of firms listed in NSE was 0.857 in the year 2016. In the year 2017 the mean of board committee rose to 0.873 and further rose to 0.873. In the year 2019 the mean of board committee declined to 0.857 but rose to 0.937 in the year 2020. This implied that the board structure of most NSE firms was improving across 2016 – 2020. The study findings were consistent with Atosh and Iraya, (2018) board committees of listed firms at Nairobi securities exchange were increasing over time.

In summary, the practical implication is that, the fluctuation in board size among NSE-listed firms from 2016 to 2020 suggests that these companies experienced changes in their governance structures. The irregularity in board size may reflect adjustments in board compositions, including the appointment or resignation of directors. For investors and stakeholders, it implies that the governance dynamics within these firms are not static. Understanding the variations in board size

is essential for assessing the diversity of expertise and perspectives available within the boards of these companies.

The variations in CEO duality, where an individual serves as both the CEO and the chairperson of the board, indicate changes in corporate leadership structures. The irregularity in CEO duality might be associated with shifts in leadership roles and corporate governance practices. This finding highlights the importance of monitoring governance structures and leadership configurations within NSE-listed companies. It may have implications for governance transparency, accountability, and decision-making processes.

The improvement in the board committee structure across the years suggests that NSE-listed firms have been enhancing their governance mechanisms. This indicates a proactive approach to governance, including the establishment of specialized committees such as audit, compensation, or nominating committees. Firms that adapt their governance structures to align with best practices and regulatory requirements may be better equipped to address emerging challenges and opportunities.

In summary, these findings underscore the dynamic nature of corporate governance within NSE-listed firms. Governance structures evolve over time, which can impact decision-making, oversight, and overall firm performance. For investors, policymakers, and corporate leaders, understanding these fluctuations is crucial for assessing the effectiveness of governance practices and their influence on the firms' operations and financial outcomes.

Practically, these results suggest that board-related variables like size, CEO duality, and committee structure have experienced varying levels of stability and change among NSE-listed firms during the studied period. Further analysis is necessary to understand the implications of these fluctuations on financial performance and corporate governance.

4.3.5 Trend Results for Government Ownership

The trend results for government ownership were shown in Figure 4.6.

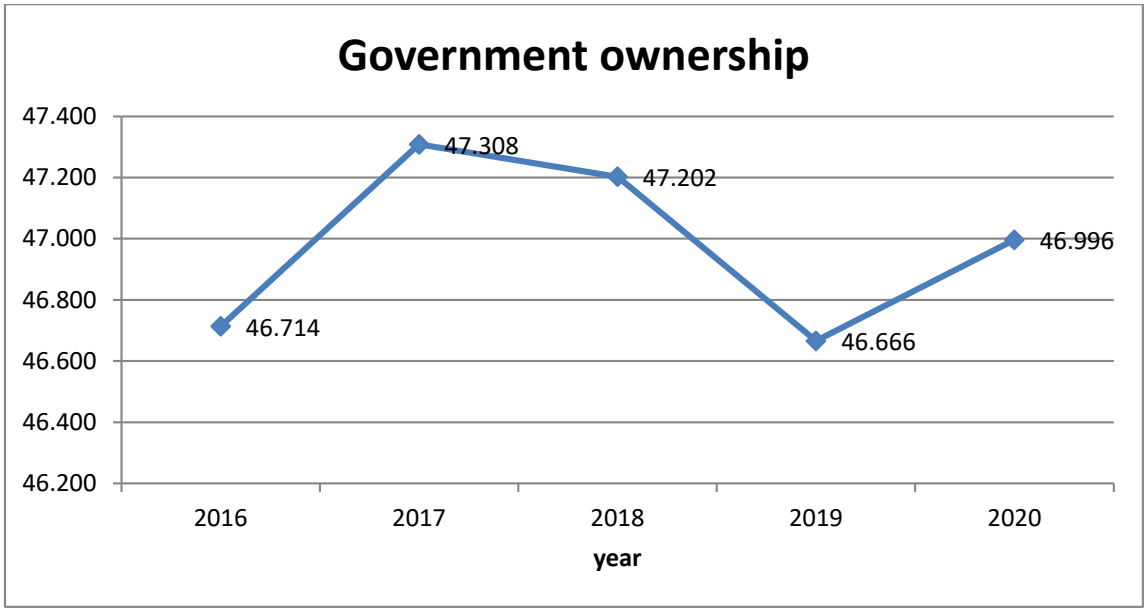


Figure 4.6: Government Owership

Source: Field Data ,2023

The results showed that the mean of government ownership of firms listed in NSE was 46.714 in the year 2016. In the year 2017 the mean of government ownership rose to 47.308 but declined to 47.202. In the year 2019 the mean of government ownership declined to 46.666 but rose to 46.996

in the year 2020. This implied that the shares owned by government in NSE firms were irregular across 2016 – 2020. This could have been attributed to the irregularity in the performance of the NSE firms. Outcomes also agreed with Muriungi et al. (2021) who indicated that the ownership concentration of the firms listed in NSE was not regular over the years.

4.3.6 Trend Results for Foreign Ownership

The trend results for foreign ownership were shown in Figure 4.7.

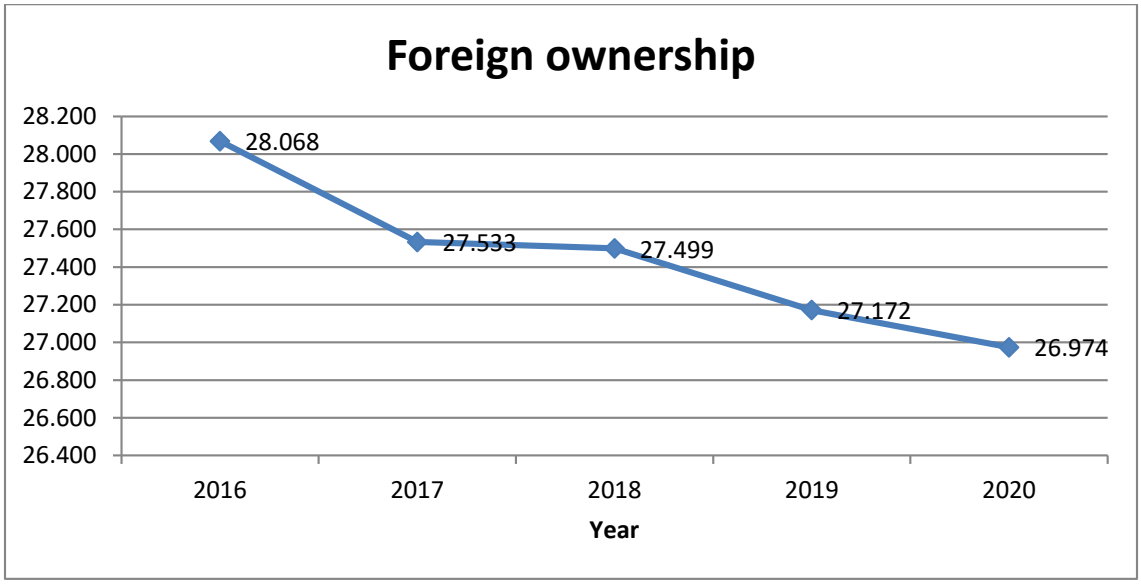


Figure 4.7: Foreign Owership

Source: Field Data ,2023

The results showed that the mean of foreign ownership of firms listed in NSE was 28.068 in the year 2016. In the year 2017 the mean of foreign ownership declined to 27.533 and further declined to 27.499. In the year 2019 the mean of foreign ownership declined to 27.172 and further declined to 26.974 in the year 2020. This implied that the shares owned by foreigners in NSE firms were

declining across 2016 – 2020. Outcomes also agreed with Muriungi et al. (2021) who indicated that the foreign ownership concentration of the firms listed in NSE was declining over the years.

4.3.7 Trend Results for Local Ownership

The trend results for foreign ownership were shown in Figure 4.9.

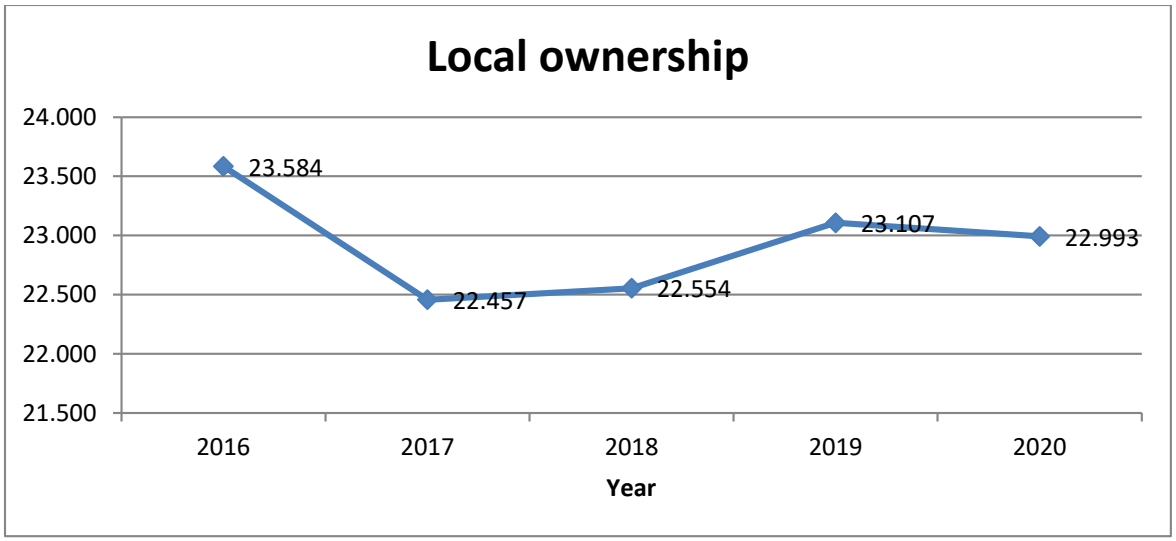


Figure 4.8: Local Owership

Source: Field Data ,2023

The data showed that in 2016, the average percentage of local ownership among NSE-listed companies was 28.068 percent. 2017 saw a decrease in average local ownership to 22.457, and it fell even further to 22.554 in 2018. The median share of local ownership peaked at 23.107 in 2019, rising to 22.993 in 2020 before falling to 22.993 the following year. This indicated that the residents' shareholdings in NSE companies were erratic between 2016 and 2020. Outcomes also

agreed with Muriungi et al. (2021) who indicated that the ownership concentration of the firms listed in NSE was not regular over the years.

In summary, the practical implication of these findings is that local ownership in NSE-listed companies has shown fluctuations over the years, with periods of decline followed by slight increases. This suggests that the local residents' interest in owning shares in these companies may vary and is not on a consistent upward trajectory. It could be indicative of changing economic conditions, investor sentiments, or government policies affecting local ownership patterns.

On the other hand, government ownership in NSE-listed firms also exhibited irregularities. While there was an initial increase, it later declined and then rose again. This fluctuation could reflect changes in government policies, public-private partnerships, or varying government involvement in the corporate sector. The irregularity in government ownership indicates that government influence in these firms is subject to change, which may have implications for the firms' governance and strategic decisions.

Foreign ownership, as indicated by the decline in the mean of foreign ownership percentages, implies that there might have been a reduced interest or investment from foreign stakeholders in NSE-listed companies during the specified period. This can be attributed to global economic conditions, geopolitical factors, or specific industry dynamics affecting foreign investments. The declining trend in foreign ownership underscores the sensitivity of these investments to external factors.

Overall, these findings highlight the dynamic nature of ownership patterns in NSE-listed firms, which can be influenced by various external and internal factors. Understanding these fluctuations is essential for stakeholders and policymakers to make informed decisions regarding corporate governance, investment strategies, and economic policies.

4.3.8 Trend Results for Firm Size

The trend results for log of firm size were shown in Figure 4.9.

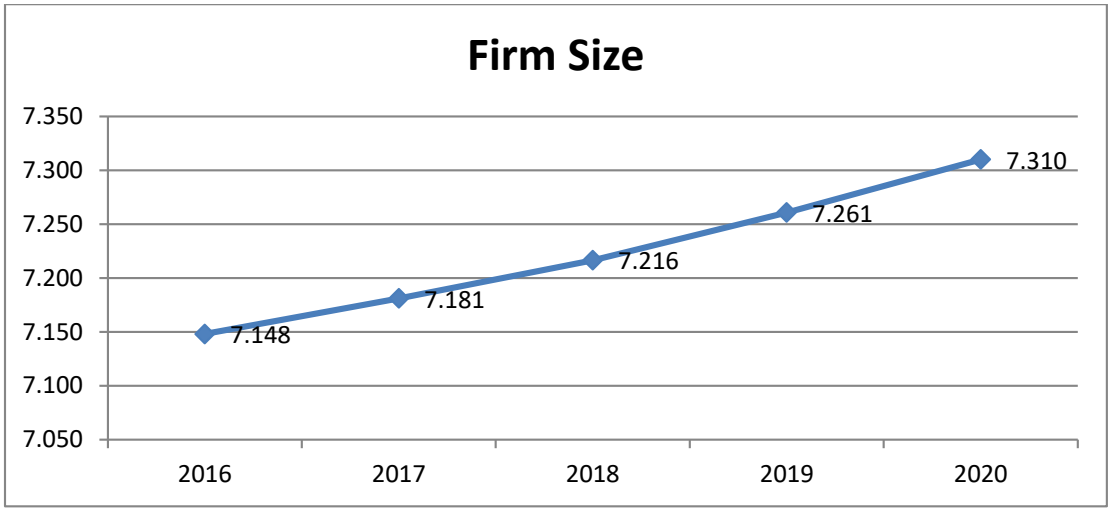


Figure 4.9: Firm Size

Source: Field Data, 2023

The results show that the average log of total assets of NSE-listed companies was 7,148 in 2016. In the year 2017 the mean of log of total assets increased to 7.181 and further increased to 7.216. In the year 2019 the mean of log of total assets further increased to 7.261 and further increased to 7.310 in the year 2020. This means an increase in the company's opportunities in maintaining its growth.

In summary, the practical implication of these findings is that, over the years, NSE-listed companies have experienced a consistent increase in the average log of total assets. This indicates growth in the size and scale of these companies. Such an upward trend suggests expansion and increased economic activities within these firms, which can be seen as a positive sign for their financial health and overall performance. The growth in total assets can be associated with improved capacity, resource utilization, and potentially enhanced financial performance, making these companies more attractive to investors and stakeholders.

4.4 Correlation Analysis

The researcher carried out the Pearsons correlation analysis on corporate governance, ownership concentration, firm size and financial performance using ROA and ROE to determine the nature of each pair of variables' statistical relationship.

Pearson correlation analysis was employed in this study to investigate the strength and direction of the relationships between key variables. As stated by Niu, Jia, & Bai (2020), Pearson correlation is a suitable statistical method for determining the degree of linear association between variables. By calculating correlation coefficients, we can better understand the extent to which changes in one variable correspond to changes in another, which is essential for examining the research hypotheses.

The use of Pearson correlation analysis is essential to quantify the magnitude of association between variables, which is in line with recommendations from Devlin and Gammage (2014). This analysis allows us to not only identify whether a relationship exists but also to measure how strong

or weak the association is. By doing so, we can provide a more precise and quantifiable assessment of the variables under investigation, contributing to the robustness of the study's findings.

Table 4.2: Correlation Matrix Using ROA

		ROA	BCS	BI	OMS	LOW	GOW	OW	FZ
ROA		1							
BCS	r	0.037	1						
	p	0.509							
BI	r	0.068	0.125	1					
	p	0.028	0.027						
BCOMS	r	0.242	0.155	0.041	1				
	p	0000	0.006	0.467					
LOW	r	0.055	-0.273	0.065	-0.012	1			
	p	0.334	0	0.249	0.835				
GOW	r	-0.107	0.117	-0.004	0.219	-0.17	1		
	p	0.008	0.038	0.95	0	0.003			
FOW	r	0.072	0.052	-0.068	-0.214	-0.45	-0.692	1	
	p	0.205	0.361	0.227	0	0	0		
FZ	r	0.008	0.204	0.003	-0.112	-0.231	0.034	0.067	1
	P	0.005	0	0.962	0.047	0	0.54		

ROA-Return on Asset**; BCS**-Board Composition structure**; BI**-Board Independence**; BCOMS**-Board Committee structure**; LOW**-Local Ownership**; GOW**-Government Ownership**; FOW**-Foreign Ownership**; FZ**-Firm size

Source: Field Data ,2023

The results in Table 4.2 show that board composition had a negative and insignificant correlation with financial performance (r=-0.037, p=0.509). This infers that increase in board composition would decline the return on assets of the firms listed in NSE. The findings agreed with Ongore et al., (2015) and Mohammed (2012) who indicated that board composition had a negative relationship with financial performance. Combining these concepts, when we say that "board composition has a negative and insignificant correlation with ROA," we are stating that changes

in the composition of the company's board of directors do not have a consistent or significant impact on the company's Return on Assets, and any observed relationship between the two is more likely due to chance rather than a meaningful cause-and-effect relationship.

Further, results revealed that board independence had a positive and significant correlation with financial performance (r=0.068, p=0.028). This infers that increase in board composition would increase in the return on assets of the firms listed in NSE. The findings agreed with Ebrahim (2014) who found a positive relationship between CEO duality with ROA. When we say that "board independence has a positive and significant correlation with financial performance," it indicates that there is a statistically meaningful trend in which companies with a higher proportion of independent directors on their boards tend to have better financial performance. This implies that having a more independent board is associated with improved corporate governance practices and potentially more effective oversight, which can positively impact a company's financial outcomes.

Results also showed that board committee structure had a negative and significant correlation with financial performance (r=-0.242, p=0.000). This infers that increase in board committee would decline the return on assets of the firms listed in NSE. The findings disagreed with Ebrahim (2014) who found a positive relationship between board committees with ROA, while Mohammed (2012) found significant negative relationship. When we say that "board committee structure had a negative and significant correlation with financial performance," we are stating that there is a statistically meaningful trend where certain aspects of the company's board committee structure are associated with poorer financial performance. This could imply that the way committees are

composed or the decisions they make might have a detrimental effect on the company's financial outcomes. It's important to investigate the specific factors within the committee structure that might be contributing to this negative correlation in order to better understand the underlying dynamics.

Further, results revealed that local ownership concentration had a positive and insignificant correlation with financial performance (r=-0.055, p=0.334). This infers that increase in local ownership would decline the return on assets of the firms listed in NSE. These findings were not in agreement with Ongore et al. (2011) who found a significant positive relationship between insider ownership and firm performance. Combining these concepts, when we say that "local ownership concentration had a positive and insignificant correlation with financial performance," we are suggesting that there is a statistical trend suggesting that higher local ownership concentration might be associated with better financial performance, but this relationship is not strong enough to be considered meaningful. The relationship might be influenced by various other factors, and changes in local ownership concentration do not consistently lead to significant changes in financial performance across different companies.

In addition, results revealed that government ownership concentration had a negative and significant correlation with financial performance (r=-0.107, p=0.008). This infers that increase in government ownership would decline the return on assets of the firms listed in NSE. These finding was supported by Alulamusi (2013) that government ownership had a negative relationship with firm financial performance. When we combine these two concepts, and we say that "government ownership concentration had a negative and significant correlation with financial performance,"

we are stating that there is a statistically meaningful trend where companies with a higher concentration of government ownership tend to have poorer financial performance. This implies that the presence of government ownership might impact the company's decision-making, management efficiency, or other factors that affect its financial outcomes in a negative way. The observed relationship is not just coincidental and has implications for how government ownership might influence the financial success of a company. Further, results revealed that foreign ownership concentration had a positive and insignificant correlation with financial performance (r=-0.072, p=0.205). This infers that increase in foreign ownership concentration would decline the return on assets of the firms listed in NSE. These findings agreed with Lee (2008) who found that foreign ownership is insignificant to firm's financial performance. These findings were inconsistent with Douma et al. (2006) who concluded that foreign ownership by foreign corporations has a positive and significant effect on both financial performance measures. When we say that "foreign ownership concentration had a positive and insignificant correlation with financial performance," we are suggesting that there is a statistical trend that implies companies with higher foreign ownership concentration might have better financial performance, but this relationship is not strong enough to be considered meaningful. The relationship might be influenced by various other factors, and changes in foreign ownership concentration do not consistently lead to significant changes in financial performance across different companies. Results also showed that firm size had a positive and insignificant correlation with financial performance (r=0.008, p=0.005). These findings agreed with Goh and Simanjuntak (2018) who found that firm size has direct positive influence on Firm Value. Combining these concepts, when we say that "firm size had a positive and insignificant correlation with financial performance," we

are suggesting that there is a statistical trend that larger firms might tend to have better financial performance, but this relationship is not strong enough to be considered a significant or reliable predictor of financial success. Other factors beyond firm size likely play a significant role in determining a company's financial performance, and variations in firm size do not consistently result in notable changes in financial outcomes.

The study conducted a spearman's correlation analysis for the corporate governance, ownership concentration, firm size and financial performance using ROE in order to examine the nature of the statistical relationships between each pair of variables. Table 4.3 shows the correlation matrix of all the variables.

Table 4.3: Correlation Matrix Using ROE

		ROE	BCS	BI	BCOMS	LOW	GOW	FOW	FZ
ROE		1							
BCS	r	-0.066	1						
	p	0.244							
BI	r	0.124	0.125	1					
	p	0.028	0.027						
BCOMS	r	-0.026	0.155	0.041	1				
	p	0.651	0.006	0.467					
LOW	r	0.109	-0.273	0.065	-0.012	1			
	p	0.033	0	0.249	0.835				
GOW	r	-0.146	0.117	-0.004	0.219	-0.17	1		
	p	0.01	0.038	0.95	0	0.003			
FOW	r	0.036	0.052	-0.068	-0.214	-0.45	-0.692	1	
	p	0.525	0.361	0.227	0	0	0		
FZ	r	-0.195	0.106	0.042	-0.037	-0.057	-0.129		1
	p	0.001	0.061	0.456	0.509	0.313	0.175	0.355	

Source: Field Data, (2023)

ROE-Return on Equity**; BCS**-Board Composition structure**; BI**-Board Independence**; BCOMS**-Board Committee structure**; LOW**-Local Ownership**; GOW**-Government Ownership**; FOW**-Foreign Ownership**; FZ**-Firm size

The structure of the board's composition has a negative and insignificant correlation with financial performance (ROE) (r=-0.066, p=0.244), as shown in Table 4.3. Implying a change in board composition structure in a firm would not have any influence on ROE. Study results agreed with Ongore and Bosire (2015) who indicated that size of the board had negative effect of return on equity. Combining these concepts, when we say that "board's composition has a negative and insignificant correlation with financial performance," we are stating that changes in the composition of the company's board of directors are not significantly related to its financial performance. While there might be a slight negative trend, this trend is so weak that it cannot be considered statistically meaningful or reliable for predicting financial outcomes. The changes in board composition do not consistently lead to notable changes in financial performance across different companies.

In addition, board independence had significant and positive correlation with financial performance (ROE) (r=0.124, p=0.028). This means a positive change in board independence in a firm would enhance ROE. Results agreed with Waithaka et al. (2014) findings of positive influence. By saying that "board independence had a significant and positive correlation with financial performance (ROE)," we are stating that there is a statistically meaningful trend where companies with a higher proportion of independent directors on their boards tend to have better ROE figures. This implies that having a more independent board is associated with improved corporate governance practices and potentially more effective oversight, leading to positive impacts on a company's profitability as measured by ROE. Additional findings indicate board committee composition has insignificant and negative correlation with financial performance (ROE) (r=-0.026, p=0.651). This indicates a change in board committee structure in a firm would

not have any influence on ROE. Results disagreed with Ebrahim (2014) who found a positive relationship between boards meeting with ROE. Combining these concepts, when we say that "board committee composition has an insignificant and negative correlation with financial performance (ROE)," we are stating that there is very little statistical evidence to support a significant link between the characteristics of the company's board committee composition and its financial performance as measured by ROE. While there might be a slight negative trend, this relationship is so weak that it cannot be considered statistically meaningful or reliable for predicting financial outcomes. The variations in board committee composition do not consistently lead to notable changes in financial performance across different companies.

Furthermore, local ownership was significantly and positively correlated with financial performance (ROE) ($r = 0.109$, $p = 0.033$). This change in the number of shares owned by locals in a firm would enhance ROE. These results agree with Ng'ang'a (2017) and Alulamusi (2013), who found that a more ownership structure is more concentrated it improves firm performance. When we say that "local ownership was significantly and positively correlated with financial performance (ROE)," we are stating that there is a robust statistical trend indicating that companies with a stronger concentration of local ownership tend to have better ROE figures. This implies that having significant local ownership could be associated with better financial performance, potentially due to increased alignment of interests between the company and its local stakeholders, fostering support for growth and profitability.

Further results showed government ownership has significant and negative correlation with ROE (r=-0.146, p=0.010). This means decrease in the number of shares owned by government in a firm would enhance return on equity of the firms. This finding was supported by Alulamusi (2013), who found that state ownership is negatively related to firms' financial performance. Combining these concepts, when we say that "government ownership has a significant and negative correlation with ROE," we are stating that there is a strong and statistically meaningful trend indicating that companies with higher levels of government ownership are associated with lower ROE figures. This implies that government ownership might have an adverse impact on a company's profitability and financial performance, possibly due to factors such as government influence, bureaucratic processes, or political considerations affecting the company's decision-making and operations.

Furthermore, foreign ownership was non-significantly positively correlated with financial performance (ROE) (r = 0.036, p=0.525). Implying a change in number of shares owned by foreigners in a firm would not have any effect on ROE. These results agree with Lee (2008) finding that foreign ownership is irrelevant to a company's financial performance, but with conflicting findings by Douma et al. (2006) that foreign ownership by foreign companies had significant and positive impact on both financial indicators. Combining these concepts, when we say that "foreign ownership was non-significantly positively correlated with financial performance (ROE)," we are indicating that there is a weak trend suggesting that companies with more foreign ownership might have slightly better ROE figures, but this trend is not statistically meaningful or reliable. The variations in foreign ownership do not consistently lead to notable changes in financial performance as measured by ROE across different companies.

Further findings showed company size has significant and negative correlation on financial performance (ROE) ($r = -0.195$, $p = 0.061$). This means a positive change in company size does not lead to significant change in ROE. Results of this study are agreeing with Eyigege (2018), that firm size has insignificant and negative effect on firm performance due to diseconomies of scale. Combining these concepts, when we say that "company size has a significant and negative correlation on financial performance (ROE)," we are stating that there is a robust statistical trend indicating that larger companies tend to have lower ROE figures. This suggests that as companies grow in size, their efficiency in generating profits from their shareholders' equity tends to decline. This could be due to challenges such as increased bureaucracy, reduced agility, and diminishing returns as a company expands.

4.5 Panel Data Regression Analysis Results

This section presents regression analysis useful for examining how the values of the output variable change when one of the input variables is changed (Mugenda & Mugenda, 2010). Similarly, according to Wan (2013) findings regression analysis supports to construct equations that describe statistical relationships between one or more dependent and independent variables.

4.5.1Effect of Corporate Governance Practices on Financial Performance

The first objective was to determine influence of corporate governance practices on the financial performance of firms listed at NSE.A regression analysis was performed to determine corporate governance practices and financial performance nature of relationship using ROA and ROE. Table 4.4 shows corporate governance practices and ROA regression model.

Table 4.4: Corporate Governance Practices on ROA

Fixed-effects regression		**Number of observations = 275**				
Firm variable		**Number of firms = 55**				
R-sq:						
Within	=	0.390		F(3,201)	=	34.150
Between	=	0.498		Prob > F	=	0.000
Overall	=	0.429				
ROA	**coef.**	**Std.Err**	**Z**	**P>|z|**	**(95% conf. interval)**	
Board Composition structure	0.782	0.410	1.91	0.047	0.022	0.158
Board independence	-0.912	0.366	-2.490	0.013	-1.634	-0.191
Board committee structure	0.107	0.033	3.210	0.001	0.042	0.172
_cons	0.263	0.055	4.770	0.000	0.155	0.372
sigma_u	6.398					
sigma_e	2.263					
Rho	0.889					

Source: Field Data ,2023

As displayed in the table 4.4, the overall R-squared coefficient of determination is 0. 429.

This implied corporate governance practices explain 42.9% of the variation in return on assets. This result further confirms practices of corporate governance had an overall significant influence on ROA {F (34.150, p=0.006)}. This show that the results are statistically significant with p-values less than 5% ($p < 0.05$). Therefore, corporate governance practices account for a significant percentage change in Return on Assets of the firms. From these values, its confirmed that unit change in corporate governance practices. would lead to unit change in return on asset. These findings agreed with Wangui (2017) who indicated that effective corporate governance practices are essential to a company's financial success because they guarantee improved management and transparent, fair, and effective administration that enables an organization to achieve its stated objectives.

This analysis was designed to use ROA to evaluate null hypothesis (Ho_1) that corporate governance practices have no influence on the financial performance of firms listed at Nairobi Securities exchange. With a p-value of 0.006, which is less than the significance level (alpha), which is usually set at 0.05 the study typically rejects the null hypothesis, indicating that the practices of corporate governance have a statistically significant influence on ROA (Return on Assets). Therefore, this study accepts the alternative hypothesis that corporate governance practices have a statistically significant effect on the financial performance of companies listed on the NSE and rejects the null hypothesis using ROA. It is possible to draw the conclusion that corporate governance practices have a significant impact on the return on assets of Kenyan companies listed on the Nairobi Securities Exchange. These findings agreed with Wangui (2017) who indicated that effective corporate governance practices are essential to a company's financial success because they guarantee improved management and transparent, fair, and effective administration that enables an organization to achieve its stated objectives.

The results also showed that board composition have significant and positive influence on ROA (β=0.782, p=0.047). This meant that there are 0.782 changes in the return on asset for companies at NSE as board composition increased. Results were consistent with Ongore et al. (2015) suggested that financial performance is positively correlated with board composition.

In summary, based on the analysis, changes in board composition are associated with a significant and positive influence on Return on Assets (ROA). Specifically, for each unit of change in board composition, there is an expected increase of approximately 0.782 units in ROA. The relationship is not likely due to chance, as indicated by the low p-value of 0.047. This suggests that board

composition plays a meaningful role in influencing the financial performance of the company as measured by ROA.

Further results indicated board independence had negative influence on ROA (β=-0.912, p=0.013). This meant that increasing board independence would change the return on asset by 0.912. This result was inconsistent with Ebrahim (2014) who discovered a positive connection between ROA and CEO duality. In summary, the statement means that, based on the analysis, higher levels of board independence are associated with a statistically significant negative influence on Return on Assets (ROA). For each unit of increase in board independence, there is an expected decrease of approximately 0.912 units in ROA. This suggests that while independent boards might be considered good for governance, they are associated with lower financial performance as measured by ROA. The relationship is not likely due to chance, as indicated by the low p-value of 0.013.

Additionally, results further indicated that board committee composition had a positive impact ROA (β=0.107, p=0.001). This means that an increase in board committee would change the return on asset for companies listed on Kenya's Nairobi Securities Exchange by 0.107. The results were consistent with Ebrahim (2014) who found a positive relationship between boards meeting with ROA. In summary, the statement means that, based on the analysis, certain characteristics or aspects of board committee composition are associated with a statistically significant positive impact on Return on Assets (ROA). When these features of board committee composition change, there is an expected increase of approximately 0.107 units in ROA. The relationship is not likely due to chance, as indicated by the low p-value of 0.001. This suggests that specific attributes of

the board committee composition contribute positively to the financial performance of the company as measured by ROA.

$Y = 0.263 + 0.782X_1 - 0.912X_2 + 0.107X_3$

Where: *Y = Financial Performance (ROA)*
X_1 = Board Composition
X_2 = Board Independence
X_3 = Board committee structure

The equation derived, $Y = 0.263 + 0.782X_1 - 0.912X_2 + 0.107X_3$, represents a multiple linear regression model where Y is the financial performance measured by Return on Assets (ROA), and X1, X2, and X3 are the independent variables representing different aspects of corporate governance related to the board of directors. This equation has practical implications in the context of understanding how these corporate governance factors influence a company's financial performance (ROA). Board Composition (X1): The positive coefficient of 0.782 for X1 suggests that an increase in board composition, which might involve having more diverse skills and expertise on the board, is associated with higher financial performance (ROA).

Practical Implication: Companies may consider diversifying their board composition to potentially improve their financial performance. A well-composed board with a variety of skills can provide valuable insights and strategic guidance, leading to better ROA.

Board Independence (X2): The negative coefficient of -0.912 for X2 implies that higher levels of board independence (perhaps having more independent directors) are associated with a decrease in financial performance (ROA).

Practical Implication: While board independence is important for good corporate governance and oversight, the results indicate that an excessive focus on independence might negatively affect financial performance. Striking a balance between independence and industry expertise on the board may be necessary.

Board Committee Structure (X3): The positive coefficient of 0.107 for X3 suggests that a more structured and possibly specialized board committee system is associated with improved financial performance (ROA).

Practical Implication: Having well-structured board committees, such as audit or compensation committees, can contribute to better financial performance. Companies should consider establishing and maintaining effective committee structures to enhance governance and financial outcomes.

In summary, this equation helps to quantify the relationships between board-related corporate governance factors and financial performance (ROA). It provides practical insights into how board composition, independence, and committee structure can impact a company's financial performance, offering guidance for organizations looking to optimize their governance practices to enhance financial results.

Table 4.5 show corporate governance practices and ROE regression model.

Table 4.5: Corporate Governance Practices on ROE

Fixed-effects regression	**Number of observations = 275**					
Firm variable	**Number of firms = 55**					
R-sq:				F(3,201)	=	9.67
Within	=	0.218		Prob >F	=	0.009
Between	=	0.258				
Overall	=	0.207				
ROE	**Coef.**	**Std.Err**	**z**	**P>|z|**	**(95%conf. interval)**	
Board Composition structure	0.289	0.067	10.35	0.000	0.558	0.820
Board independence	0.148	0.030	4.970	0.000	0.206	0.089
Board committee structure	0.011	0.032	0.350	0.724	-0.052	0.075
_cons	0.170	0.036	4.750	0.000	0.099	0.240
sigma_u	0.183					
sigma_e	0.130					
Rho	0.664					

Source: Field Data ,2023

As displayed in the table 4.5, the overall R-squared coefficient of determination is 0.207. This implied corporate governance practices explain 20.7% of the variation in ROE. The results further confirm practices of corporate governance had an overall significant effect on ROE {F = 9.67, p = 0.009)}. This show that the results are statistically significant at p-values less than 5% ($p<0.05$). Therefore, corporate governance practices account for a significant percentage change in Return on equity of the firms. Therefore, corporate governance practices account for a significant percentage change in Return on equity of the firms. From these values, its confirmed that unit change in corporate governance practices would lead to a unit change in return on equity. These findings agreed with meme (2017); Dogan & Karayel, (2016); Erach, Eyenubo & Izedonmi, (2012) who indicated the same results.

In summary, the statement suggests that the statistical analysis found that corporate governance practices collectively have a significant effect on Return on Equity (ROE). The analysis shows that approximately 20.7% of the variability in ROE can be explained by variations in corporate governance practices. The F-statistic and its associated p-value confirm the overall significance of the relationship, implying that corporate governance practices play a meaningful role in influencing a company's Return on Equity.

This analysis was designed to use ROE to evaluate null hypothesis (Ho_1) corporate governance practices have no influence on the financial performance of firms listed on the NSE. Therefore, this study accepts the alternative hypothesis that corporate governance practices have a statistically significant effect on the financial performance of companies listed on the NSE and rejects the null hypothesis using ROE. It is possible to draw the conclusion that corporate governance practices

have a significant impact on the return on assets of Kenyan companies listed on the Nairobi Securities Exchange, Kenya.

The results also showed that board composition have significant positive influence on ROE (β =0.249, p=0.000). Meaning an increase in board composition leads to 0.249 change in ROE. The results were inconsistent with Ongore and Bosire (2015); Rodrigner (2014); Erach,Eyenubo & Izedonmi., (2012) suggested that size of the board is negatively associated with financial performance.

In summary, the statement means that, based on the analysis, certain characteristics of board composition are associated with a statistically significant positive influence on Return on Equity (ROE). When these features of board composition change, there is an expected increase of approximately 0.249 units in ROE. The relationship is very strong and not likely due to chance, as indicated by the extremely low p-value of 0.000. This suggests that specific attributes of the board composition contribute positively to the financial performance of the company as measured by ROE.

Further finding showed board independence had positive influence on ROE (β =0.148, p=0.000). This meant that increasing board independence would change the return on equity by 0.148. This result was consistent with Ebrahim (2014); Erach, Eyenubo & Izedonmi., (2012); who discovered a positive connection between ROE and CEO duality. While Adamu & Patience (2019) found positive relationship between board independence and financial performance.

In summary, the statement means that, based on the analysis, higher levels of board independence are associated with a statistically significant positive influence on Return on Equity (ROE). For each unit of increase in board independence, there is an expected increase of approximately 0.148 units in ROE. The relationship is very strong and not likely due to chance, as indicated by the extremely low p-value of 0.000. This suggests that having a more independent board is positively correlated with the financial performance of the company as measured by ROE.

However, results further indicated that board committee composition had insignificant impact on ROE ($\beta = 0.011$, $p = 0.724$). This means that an increase in board committee would change the return on equity for companies listed on Kenya's Nairobi Securities Exchange by 0.011. The results were consistent with Ebrahim (2014); Puni (2013) who found a positive relationship between boards meeting with ROE.

In summary, the statement means that, based on the analysis, changes in board committee composition are not associated with a statistically significant impact on Return on Equity (ROE). For each unit of change in board committee composition, there is an expected change of approximately 0.011 units in ROE. However, this change is not statistically meaningful, as indicated by the high p-value of 0.724. This suggests that the variations in board committee composition are not reliable predictors of changes in the company's financial performance as measured by ROE.

$Y = 0.170 + 0.249X_1 + 0.148X_2 + 0.011X_3$

Where: *Y = Financial Performance (ROE)*
X_1 = Board Composition
X_2 = Board Independence
X_3 = Board committee structure

The equation $Y = 0.170 + 0.249X1 + 0.148X2 + 0.011X3$ represents a multiple linear regression model where Y is the financial performance measured by Return on Equity (ROE), and X1, X2, and X3 are independent variables representing different aspects of corporate governance related to the board of directors. Board Composition (X1): The positive coefficient of 0.249 for X1

suggests that an increase in board composition, possibly involving a more diverse and skilled board, is associated with higher financial performance as measured by ROE.

Practical Implication: Focusing on board composition by including directors with various skills and expertise can positively impact ROE. This implies that companies should consider having a well-balanced and competent board to enhance financial performance.

Board Independence (X2): The positive coefficient of 0.148 for X2 indicates that greater board independence, possibly through the inclusion of more independent directors, is associated with improved financial performance (ROE).

Practical Implication: Enhancing board independence is likely to have a positive impact on ROE. Independent directors can contribute to better corporate governance and potentially higher financial returns.

Board Committee Structure (X3): The coefficient of 0.011 for X3 suggests that a more structured board committee system may have a minor positive influence on financial performance (ROE).

Practical Implication: While board committee structure is important, the relatively small coefficient indicates that its impact on ROE is not as substantial as board composition and independence. Companies should maintain effective committee structures as part of their governance practices but may need to prioritize other factors for improving ROE.

In summary, this equation offers insights into how board-related corporate governance factors impact financial performance (ROE). It suggests that companies should focus on optimizing board composition and independence to enhance ROE. While board committee structure also plays a role, its impact appears to be less significant. These findings can guide organizations in their efforts to improve corporate governance practices and financial outcomes.

4.5.2 Influence of Ownership Concentration on Financial Performance

The second objective was to evaluate the influence of ownership concentration on the financial performance of firms listed at NSE. A regression analysis was performed to determine ownership concentration and financial performance nature of relationship using ROA and ROE. Table 4.6 shows ownership concentration and ROA regression model.

Table 4.6: Ownership Concentration on ROA

Fixed-effects regression	**Number of observations**	**=**	**275**		
Firm variable	**Number of firms =**	**55**			
R-sq:		F (3,201)	=	35.88	
Within	= 0.277	Prob >F	=	0.000	
Between	= 0.307				
Overall	= 0.250				
ROA	**Coef.**	**Std.Err**	**Z**	**P>|z|**	**(95% conf. interval)**
Local Ownership	-0.009	0.090	-0.100	0.921	-0.187 0.169
Government Ownership	-0.230	0.027	-5.590	0.000	-0.159 0.311
Foreign Ownership	-0.198	0.043	-4.550	0.000	-0.283 -0.112
_cons	11.656	7.149	1.630	0.104	-2.424 25.735
Sigma_u	8.286				
Sigma_e	2.278				
Rho	0.930				

Source: Field Data ,2023

As displayed in the table 4.6, the overall R-squared coefficient of determination is 0.250. This implied ownership concentration describes 25.0% of the variation in return on assets. The findings further confirm that ownership concentration had an overall significant effect on financial performance using ROA {F=35.88, p=0.000)}. This show that the results are statistically significant at p-values less than 5% ($p<0.05$). Therefore, ownership concentration accounts for a significant percentage change in Return on assets of the firms. From these values, its confirmed

that unit change in ownership concentration leads to a unit change in return on equity. Study findings were consistent with Ongore, K' Obonyo and Ogutu, (2011); Alulamusi (2013) who found that a higher concentrated ownership positively impacts greater firm performance.

In summary, the statement suggests that the statistical analysis found that ownership concentration, as a whole, has a significant effect on financial performance using ROA. The analysis shows that approximately 25% of the variability in financial performance using ROA can be explained by variations in ownership concentration. The F-statistic and its associated p-value confirm the overall significance of the relationship, implying that ownership concentration plays a meaningful role in influencing a company's financial performance as measured by ROA.

This analysis was designed to use ROA to evaluate null hypothesis (Ho_1) ownership concentration have no influence on the financial performance of firms listed on the NSE. Therefore, this study accepts the alternative hypothesis that ownership concentration has a statistically significant effect on the financial performance of companies listed on the NSE and rejects the null hypothesis using ROA. It is possible to draw the conclusion that ownership concentration has a significant impact on the return on assets of Kenyan companies listed on the Nairobi Securities Exchange, Kenya. These findings agreed with Kiruri (2013); Ongore, K' Obonyo and Ogutu, (2011); Alulamusi (2013) found that firm's financial performance generally improves as ownership concentration increases.

Finding show that local ownership has insignificant negative influence on ROA ($\beta = -0.009$, $p = 0.921$). This indicates increase in local ownership concentration did not lead to any change in

return on assets. These results are inconsistent with Ng'ang'a (2017), who found that concentration of local ownership had positive influence on ROA. Taken together, the statement is suggesting that the level of local ownership of a company's stock has an insignificant and negligible negative influence on the company's Return on Assets. The small beta coefficient (-0.009) implies a very weak negative relationship, and the high p-value (0.921) suggests that this relationship is not statistically reliable or significant. Therefore, based on this analysis, it's unlikely that changes in local ownership would have a meaningful impact on a company's ROA.

Other finding indicate government ownership concentration has a significant and negative influence on ROA (β =-0.230, p=0.000). This means rise in government ownership concentration led to a decline in ROA of companies at Nairobi Security Exchange with 0.230 units. This finding was supported by Alulamusi (2013), who found that state ownership is negatively related to firms' financial performance. Study by Ersoy (2015); Czarnitzki and Benjamin (2015); Nahila et al. (2016); Faisal, Hesham, & Mishari (2012); Namusonge (2011); Pervan, M. Todoric, & Pervan, I. (2012); established government owned firms have negative influences. Contratly, Mei, (2013); Jagongo and Mokaya (2015); Ofori, Nyuur and S-Darko. (2014); established government ownership firms have positive influences;

In summary, the statement is suggesting that there is a significant and negative relationship between government ownership concentration and a company's Return on Assets (ROA). This means that as the level of government ownership in a company increases, the company's ROA tends to decrease. The negative beta coefficient and the very low p-value indicate that this relationship is both statistically significant and practically meaningful, implying that companies

with higher government ownership concentration tend to experience lower profitability as measured by ROA.

In addition, results further showed that foreign ownership concentration had significant negative influence on financial performance using ROA (β =-0.198, p=0.000). Meaning a rise in foreign ownership concentration led to a decline in ROA of companies at Nairobi Security Exchange with 0.198 units. These findings agreed with Ongore, K' Obonyo and Ogutu, (2011); Alulamusi (2013), established that insider ownership, foreign ownership, corporate ownership, diverse ownership has significant positive effect. However, results did not agree with Boshnak and Helmi. (2023); Douma et al. (2016) the results show that government, institutional, insider and foreign ownership all positively affect both accounting and market-based performance measures.

In summary, the statement is indicating that there is a significant and negative relationship between foreign ownership concentration and a company's financial performance as measured by ROA. This means that as the level of foreign ownership in a company increases, the company's ROA tends to decrease. The negative beta coefficient and the very low p-value together indicate that this relationship is both statistically significant and practically meaningful. It suggests that companies with higher foreign ownership concentration tend to experience lower financial performance, as evidenced by their lower Return on Assets.

$Y = 11.656 - 0.009X_1 - 0.230X_2 - 0.198X_3$

Where: *Y = Financial Performance (ROA)*
X_1 = local ownership concentration
X_2 =Government ownership concentration
X_3 = Foreign ownership concentration

The equation Y = 11.656 - 0.009X1 - 0.230X2 - 0.198X3 represents a multiple linear regression model where Y is financial performance measured by Return on Assets (ROA), and X1, X2, and X3 are independent variables representing ownership concentration in different categories. Local Ownership Concentration (X1): The negative coefficient of -0.009 for X1 suggests that an increase in local ownership concentration may have a slight negative impact on financial performance (ROA).

Practical Implication: Higher local ownership concentration might lead to decreased ROA. Companies should consider balancing local ownership with other types of ownership to optimize financial performance.

Government Ownership Concentration (X2): The negative coefficient of -0.230 for X2 indicates that higher government ownership concentration is associated with a significant negative impact on financial performance (ROA).

Practical Implication: Greater government ownership concentration can substantially reduce ROA. To improve financial performance, companies may need to reduce government ownership influence and enhance private sector participation.

Foreign Ownership Concentration (X3): The negative coefficient of -0.198 for X3 suggests that increased foreign ownership concentration may also have a notable negative effect on financial performance (ROA).

Practical Implication: Higher foreign ownership concentration can negatively affect ROA. Companies should carefully manage foreign ownership levels and align them with their financial performance goals.

In summary, this equation reveals how different ownership concentrations can impact financial performance (ROA). It indicates that government ownership concentration and foreign ownership concentration have a negative influence on ROA, while local ownership concentration has a minor negative impact. The practical implications are that companies should seek a balanced ownership structure with a cautious approach to government and foreign ownership to optimize their financial performance. Reducing government and foreign ownership influence might be necessary to improve ROA

Table 4.7 Show ownership concentration and financial performance regression model using ROE.

Table 4.7: Ownership Concentration on ROE

Fixed-effects regression	**Number of observations**	**=**	**275**			
Firm variable	**Number of firms =**	**55**				
R-sq:						
Within	=	0.108	F(3,201)	=	4.910	
Between	=	0.135	Prob > F	=	0.437	
Overall	=	0.105				
ROE	**Coef.**	**Std.Err**	**z**	**P>|z|**	**(95% conf.interval)**	
Local Ownership	0.001	0.005	0.270	0.785	-0.009	0.012
Government Ownership	-0.002	0.006	-0.280	0.777	-0.014	0.011
Foreign Ownership	0.003	0.002	1.410	0.160	-0.001	0.008
_cons	0.164	0.407	0.400	0.688	-0.639	0.966
sigma_u	0.212					
sigma_e	0.130					
Rho	0.727					

Source: Field Data, 2023

As displayed in the table 4.7, the overall R-squared coefficient of determination is 0.105. This implied ownership concentration describes 10.5% of the variation in return on assets. The findings further confirm that ownership concentration had an overall insignificant effect on financial

performance using ROE {F=4.910, p=0.437)}. This show that the results were not statistically significant when the p-value exceeded 5% ($p > 0.05$). Therefore, ownership concentration accounts for an insignificant percentage change in return on equity of the firms. From these values, we can infer that changes in shareholder concentration do not lead to changes in return on equity.

In summary, the statement suggests that the overall model (including ownership concentration and potentially other variables) explains only a small portion (10.5%) of the variation in ROE. Additionally, the F-test results indicate that ownership concentration does not have a statistically significant effect on financial performance as measured by ROE, with a p-value of 0.437 indicating no strong evidence of a relationship.

This analysis was designed to use ROE to evaluate null hypothesis (Ho_2) ownership concentration have no influence on the financial performance of firms listed on the NSE. Research does not reject the null hypothesis. It can therefore be concluded ownership concentration have no significant impact on financial performance (ROE) of firms listed NSE in Kenya. This finding contradicts Kapopoulos and Lazaretou (2006), who discovered that higher firm performance is positively impacted by a more concentrated ownership structure.

Results show Local ownership concentration had a positive and insignificant effect on ROE (β =0.001, p=0.785). The practical meaning of these results is that local ownership concentration has a positive but statistically insignificant effect on a company's Return on Equity (ROE). This suggests that, within the studied context, local ownership concentration does not play a significant role in explaining variations in ROE, and other factors should be considered when evaluating

financial performance. Meaning a change in local ownership concentration led to a very small change in return on equity. These results are inconsistent with Ng'ang'a (2017); Kiruri (2013); Ongore, K' Obonyo and Ogutu, (2011); Alulamusi (2013), who found that local ownership had positive and significant effect on a company's financial results. These findings also disagreed with Ongore et al., (2011) discovered a strong link between company performance and insider ownership.

In summary, the statement is suggesting that there is a positive but statistically insignificant relationship between local ownership concentration and a company's Return on Equity (ROE). This means that while there appears to be a positive trend between local ownership concentration and ROE, the statistical analysis did not find enough evidence to conclude that this relationship is strong enough to be considered statistically reliable. The small positive beta coefficient (0.001) and the high p-value (0.785) both contribute to the conclusion that local ownership concentration's impact on ROE is not deemed significant based on the analysis.

Further finding indicate that government ownership concentration had insignificant negative impact on financial performance using ROE ($\beta = -0.002$, $p = 0.777$). These results were consistent with Alulamusi (2013); Kiruri (2013); Raji (2012) who found that state ownership negatively influenced firms' financial results. Meaning a change in government ownership concentration did not lead to any change in return on equity. While Ng'ang'a (2017), demonstrated that government, foreign and local ownership concentration have significant positive effect on organizational performance.

In summary, the statement is suggesting that there is a negative but statistically insignificant relationship between government ownership concentration and a company's Return on Equity (ROE). This means that although there appears to be a negative trend between government ownership concentration and ROE, the statistical analysis did not find enough evidence to conclude that this relationship is strong enough to be considered statistically reliable. The small negative beta coefficient (-0.002) and the high p-value (0.777) both contribute to the conclusion that government ownership concentration's impact on ROE is not deemed significant based on the analysis.

Moreover, the finding further indicated that this foreign ownership concentration had a small positive impact on financial performance using ROE (β=0.003, p=0.160). Meaning a change in foreign ownership concentration did not lead to any change in return on equity. These results were not consistent with those of Boshnak and Helmi. (2023); Ng'ang'a (2017); & Douma et al. (2016) who concluded that foreign ownership by foreign companies had positive and significant effect on both indicators (ROA and ROE).

In summary, the statement is suggesting that there is a small positive relationship between foreign ownership concentration and a company's Return on Equity (ROE). This means that there appears to be a trend that as foreign ownership concentration increases, the ROE of the company also tends to increase, but the effect size is relatively small. However, the analysis did not find strong enough evidence to conclude that this relationship is statistically significant based on the relatively high p-value (0.160).

$Y = 0.164 + 0.001X_1 - 0.002X_2 + 0.003X_3$

***Where**: Y = Financial Performance (ROE)*
X_1 = local ownership concentration
X_2 = Government ownership concentration
X_3 = Foreign ownership concentration

The equation Y = 0.164 + 0.001X1 - 0.002X2 + 0.003X3 represents a multiple linear regression model, where Y is financial performance measured by Return on Equity (ROE), and X1, X2, and X3 are independent variables representing ownership concentration in different categories. Local Ownership Concentration (X1): The positive coefficient of 0.001 for X1 suggests that an increase in local ownership concentration has a small positive impact on financial performance (ROE).

Practical Implication: Slightly higher local ownership concentration may lead to a modest improvement in ROE. Companies with a strong local ownership base could potentially benefit from this positive influence on financial performance.

Government Ownership Concentration (X2): The negative coefficient of -0.002 for X2 indicates that higher government ownership concentration is associated with a minor negative impact on financial performance (ROE).

Practical Implication: Greater government ownership concentration may slightly reduce ROE. To optimize financial performance, companies might consider measures to limit government influence in their ownership structure.

Foreign Ownership Concentration (X3): The positive coefficient of 0.003 for X3 suggests that increased foreign ownership concentration can have a small positive effect on financial performance (ROE).

Practical Implication: Higher foreign ownership concentration might result in a modest improvement in ROE. Companies should consider the potential benefits of attracting foreign investors to enhance their financial performance.

In summary, this equation demonstrates how different ownership concentrations can influence financial performance (ROE). It indicates that local ownership concentration has a small positive

effect on ROE, government ownership concentration has a minor negative impact, and foreign ownership concentration has a modest positive influence. The practical implications are that companies with strong local ownership might experience a modest improvement in ROE. Reducing government ownership influence and attracting foreign investment could have a modest positive impact on ROE.

4.5.3 Influence of Firm Size on Financial Performance

The third objective of the study sought to establish the influence of firm size on the financial performance of firms listed at NSE.

Using ROA and ROE, the nature of the relationship between firm size and financial performance was determined by regression analysis. The firm size and ROA regression model are shown in Table 4.8.

Table 4.8: Firm Size and ROA

Fixed-effects regression		**Number of observations**	=	**275**		
Firm variable		**Number of firms =**	**55**			
R-sq:						
within	=	0.330	F(1,203)	=	4.83	
between	=	0.420	Prob>f	=	0.044	
overall	=	0.310				
ROA	**Coef.**	**Std.Err**	**z**	**P>|z|**	**(95% conf.interval)**	
Firm size	0.226	0.071	3.17	0.002	0.080	0.366
_cons	0.163	0.092	-1.77	0.078	-0.345	0.018
sigma_u	6.181					
sigma_e	2.358					
rho	0.873					

Source: Field Data ,2023

Findings in table 4.8 shows firm size accounted an overall 31% change in return on asset (R-squared coefficient of determination overall= 0.310). This implies 31.0% of the change of ROA is affected by firm size. This result further affirm that company size has significant positive effect on ROA (β=0.226, p=0.002). This was further confirmed by the F statistic of 4.83, p=0.044 respectively. The fact that the p-value is less than 0.05 indicates that these values are statistically significant. From these values, we can conclude that a one-unit increase in firm size increases the return on asset. This study's findings are in line with those of Eyigege (2018), who demonstrate that the size of a company has a significant impact on its financial performance, which is attributed to economies of scale.

In summary, the statement is suggesting that firm size explains about 31% of the variation in Return on Assets (ROA), as indicated by the R-squared value of 0.310. Additionally, the analysis found a statistically significant positive relationship between company size and ROA. This means that, on average, larger companies tend to have higher ROA values. The low p-value (0.000) suggests that this relationship is not likely to have occurred by random chance.

Using ROA, the analysis was conducted to test the null hypothesis (Ho3) that firm size has no effect on financial performance of NSE-listed companies. Research rejects the null hypothesis and accept the alternative hypothesis. Consequently, one can conclude that the Financial Performance (ROA) of Kenyan listed companies at the Nairobi Securities Exchange was significantly influenced by firm size. The study agreed with Beard & Dess, (2011); Nigeria & Abdukadir (2016) and Mungai & Murithi (2017); Tarawneh, (2016); Sarkaria and Shergill, (2010); Liargovas and Skandalis, (2018); Merikas et al, (2016) established positive influence on financial who established

positive influence on financial performance and firm size. While, studies by Jonsson (2017); Salawa, et al., (2012); Becker et al., (2010) established negative association on company size and firms' financial results.

Optimal model

$Y = 0.163 + 0.226X$

Where: *Y = Financial Performance (ROA)*

X = Firm Size

The equation $Y = 0.163 + 0.226X$ represents a simple linear regression model, where Y is financial performance measured by Return on Assets (ROA), and X is the independent variable representing Firm Size. Firm Size (X): The positive coefficient of 0.226 for X indicates that an increase in firm size has a substantial positive impact on financial performance (ROA).

Practical Implication: As a company's size (measured in this context by factors like total assets or revenue) increases, its ROA significantly improves. Larger firms tend to be more efficient in generating returns on their assets.

In summary, this equation shows that firm size has a strong positive influence on financial performance (ROA). The practical implication is that as a company grows and becomes larger in terms of its assets or revenue, it is likely to experience a significant improvement in its ROA. This suggests that increasing the size of the business can lead to better financial performance, potentially due to economies of scale, increased market power, or enhanced operational efficiency.

Further analysis on influence of firm size on ROE was carried out. The findings are presented as shown below in Table 4.9

Table 4.9: Firm Size and ROE

Fixed-effects regression			**Number of observation**		**=**	**275**	
Firm variable			**Number of firms =**		**55**		
R-sq:			F (1,203)		=	0.12	
within	=	0.001	Prob > F		=	0.725	
between	=	0.056					
overall	=	0.038					
ROE	**Coef.**	**Std.Err**	**Z**	**P>|z|**		**(95% conf. interval)**	
Firm size	0.018	0.051	0.350	0.725		-0.083	0.119
_cons	0.076	0.369	0.210	0.837		-0.651	0.803
sigma_u	0.188						
sigma_e	0.130						
rho	0.676						

Source: Field Data ,2023

Results in table 4.9 above indicates size of the firm explains 3.8% of variation in return on equity (overall R-squared= 0.38). This implies firm size contribute 3.8% effect on ROE. This result further supports that firm size had insignificant and positive impact using ROE (β=0.018, p=0.725. This was likewise demonstrated by the F statistics of 0.12, p= 0. 725.The p-value was greater than 0.05, indicating that these values are not statistically significant. From these values, it implies that unit change in the company's size lead to small changes in ROE.

In summary, the statement is suggesting that the size of the firm explains about 3.8% of the variation in Return on Equity (ROE), as indicated by the R-squared value of 0.038. Additionally, the analysis found a positive relationship between the size of the firm and ROE. However, the statistical analysis did not find strong enough evidence to conclude that this relationship is statistically significant based on the relatively high p-value (0.725). This implies that while there

might be a positive trend, the effect of firm size on ROE is not considered reliably significant in this analysis.

Using ROE, the study sought to test the null hypothesis (Ho3) that firm size has no effect on financial performance of NSE-listed companies. Research does not reject the null hypothesis. Thus, it can be concluded that there is no significant effect of Firm size on ROE of listed companies at Nairobi Securities Exchange, Kenya. Findings of this study are consistent with Njoroge (2014) established firm size and financial performance had positive correlation but not significant. Niresh & Velnampy (2014) and Kumar &Kaur, (2016), Hagedoorn and Cloodt (2013) indicated that firm size does not affect the firm financial performance at all, this goes against the theory of economies of scale. While Goddard et al, (2016) and Mariuzzo et al, (2013) established mixed effects.

Optimal model

$Y = 0.076 + 0.018X$

Where: *Y = Financial Performance (ROE)*
X = Firm Size

The equation $Y = 0.076 + 0.018X$ represents a simple linear regression model, where Y is financial performance measured by Return on Equity (ROE), and X is the independent variable representing Firm Size. Firm Size (X): The positive coefficient of 0.018 for X indicates that an increase in firm size has a positive impact on financial performance (ROE). However, this impact is relatively small.

Practical Implication: As a company's size (measured in this context by factors like total assets or revenue) increases, its ROE improves slightly. Larger firms tend to have a slightly better return on equity. While this effect is positive, it's not very substantial, suggesting that other factors may have a more significant impact on ROE.

In summary, this equation shows that firm size has a positive but modest influence on financial performance (ROE). The practical implication is that as a company grows and becomes larger in terms of its assets or revenue, it may experience a slight improvement in its ROE. However, other factors beyond firm size likely play a more significant role in determining ROE.

4.6.4 Moderating influence of Firm Size on the Relationship between Corporate Governance Practices and Financial Performance of listed firms in Nairobi Securities Exchange.

The fourth objective was to establish the moderating influence of firm size on the relationship between corporate governance and financial performance of listed firms in Nairobi Securities Exchange, Kenya.

A regression analysis was performed to establish if firm size moderates' corporate governance and financial performance the relationship using both ROA and ROE. Table 4.10 Show the overall regression model after moderation using ROA.

Table 4.10: Moderating influence of Firm Size on the Relationship between Corporate Governance Practices and ROA

Fixed-effects regression		**Number of observations**	**=**	**275**			
Firm variable		**Number of firms =**	**55**				
R-sq:			F(3,201)	=	17.234		
within	=	0.234	Pob>F=	0.007			
between	=	0.232					
overall	=	0.212					
ROA	**Coef.**	**Std.Err**	**Z**	**P>|z|**	**(95% conf. interval)**		
Corporate governance	0.209	0.068	3.070	0.002	0.075	0.344	
Firm size	-.294	.0732	-0.40	0.007	-.178	.1199	
Corporate governance*firm size	0.652	0.132	4.940	0.000	0.393	0.912	
cons	-.007	.0651	-0.11	0.912	-.140	.125	
sigma_u	7.345						
sigma_e	2.309						
Rho	0.809						

Source: Field Data ,2023

This analysis demonstrates that R-squared was 21.2% after moderation. The overall model was also significant (p=0.007), indicating that firm size moderated corporate governance practice and Return on Asset relationship for companies listed at NSE. This was in addition proved by the F-statistic of 17.234 The p-value was less than 0.05, indicating that these figures are statistically significant. This finding was consistent with Badara (2016), who found corporate governance practices and financial performance was moderated by firm size.

The relationship between corporate governance and ROA ($\beta = 0.209$, $p = 0.002$) was significantly influenced positively by firm size. Meme (2017) found that firm size significantly modifies the relationship between board structure and financial performance. This finding is consistent with this one.

Furthermore, analysis shows firm size had a positive and significant effect on ROA in presence of the corporate governance ($\beta = -0.294$, $p = 0.007$). This means the relationship between ROA and board independence in NSE-listed businesses was moderated by firm size. Further results showed that the interaction between corporate governance and firm size was positive and significant ($\beta = 0.652$, $p = 0.000$). Meaning that corporate governance and ROA for firms listed at NSE was moderated by firm size. This finding is consistent with Meme (2017); Badara (2016) who found corporate governance and financial performance was significantly moderated by firm size.

The analysis used ROA to test the null hypothesis (Ho4) regarding the influence of firm size on NSE-listed companies' financial performance. Therefore, this study accepts the alternative hypothesis and rejects the null hypothesis that firm size does moderate the relationship between corporate governance practices and financial performance (ROA) for Kenyan companies listed on the Nairobi Stock Exchange. The research concludes that corporate governance practices and ROA

relationship of firms listed at NSE is moderated by company size. Findings agrees with Badara (2016), which examines board structure and financial performance relationship with moderating effect of firm size in Nigerian depository banks.

Optimal Model after moderation

$\mathbf{Y_{it}} = -.007 + 0.209X_1 - 0.29Z + 0.652X.Z$

Where: -

Y_{it}=Financial Performance (ROA)

ε_{it} =are the error terms

X = corporate governance

X.Z = Corporate governance Firm size*

The equation Yit = -0.007 + 0.209X1 - 0.29Z + 0.652X.Z represents a regression model with moderation. In this equation, Yit represents Financial Performance measured by Return on Assets (ROA), X1 represents Corporate Governance, Z represents Firm Size, and X.Z represents the interaction effect between Corporate Governance and Firm Size. The equation reflects how these variables interact and influence financial performance (ROA). Main Effects: The coefficient 0.209 for X1 (Corporate Governance) indicates that an increase in corporate governance positively affects financial performance (ROA), holding other variables constant. The coefficient -0.29 for Z (Firm Size) suggests that an increase in firm size negatively affects financial performance (ROA), while keeping other variables constant.

Practical Implication: Strengthening corporate governance practices can have a positive impact on financial performance. This is a straightforward relationship. Larger firms tend to experience a decrease in financial performance (ROA) when compared to smaller firms. This may be because larger organizations face challenges related to efficiency, agility, or increased complexity.

Interaction Effect (X.Z): The coefficient 0.652 for X.Z (the interaction between Corporate Governance and Firm Size) shows that the joint effect of corporate governance and firm size has a positive impact on financial performance (ROA).

Practical Implication: The interaction suggests that when corporate governance is combined with larger firm size, the positive impact on financial performance (ROA) is amplified. In other words, the positive influence of good corporate governance is even more significant for larger firms.

In summary, the equation indicates that corporate governance positively affects financial performance (ROA), larger firm size tends to have a negative impact on ROA, and when corporate governance is combined with larger firm size, it has a more substantial positive impact on financial performance. This underscores the importance of corporate governance practices, especially in larger organizations, for achieving better financial performance

A regression analysis was performed to establish if firm size moderates' corporate governance practices and ROE. Table 4.11 show the overall regression model after moderation on ROE

Table 4.11: Moderating influence of Firm Size on the Relationship between Corporate Governance Practices and ROE

Fixed-effects regression	**Number of observation = 275**					
Firm variable	**Number of firms = 55**					
R-sq:			F(3,201)	=	6.78	
Within	=	0.120	Prob > F	=	0.666	
Between	=	0.201				
Overall	=	0.180				
ROE	**Coef.**	**Std.Err**	**Z**	**P>|z|**	**(95% conf. interval)**	
Corporate governance	0.034	0.018	1.890	0.059	-0.070	0.0013
Firm size	.115	.061	1.87	0.071	-.010	.241
Corporate governance*firm size	.0072	.065	-0.11	0.912	.140	.125
_cons	0.196	0.229	0.860	0.392	-0.254	0.646
sigma_u	0.187					
sigma_e	0.120					
Rho	0.970					

Source: Field Data ,2023

This analysis demonstrates that R-squared was 18.0%. However, the overall model was not significant (p =0.666), demonstrating that firm size did not moderate corporate governance practices and ROE relationship of companies at NSE. This was in addition proved by the F-statistic of 6.78. The fact that the p-value is greater than 0.05 indicates that these values are not statistically significant. This finding was inconsistent with Badara (2016); Norlina, Marlia, and Nurhayati (2018). who discovered that the relationship between financial performance and corporate governance is moderated by firm size.

The association of corporate governance on financial performance ROE ($\beta = 0.034$, $p = 0.059$) was insignificant and positively moderated by firm size. Meaning corporate governance and ROE relationship of a companies at NSE was not moderated by firm size. Findings of this study contradict Badara (2016); Norlina, Marlia, and Nurhayati (2018)., who found that firm size moderates corporate governance practices and financial performance relationship.

Furthermore, the link between firm size on ROE ($\beta = 0.115$, $p = 0.071$) was insignificant and positively linked in presence of corporate governance. Results of this study are agreeing with Eyigege (2018), that firm size has insignificant effect on firm performance due to diseconomies of scale. In addition, results showed that the interaction between corporate governance and firm size was positively and insignificantly linked with financial performance (ROE) ($\beta =0.0072$, $p =0.912$) on firm size was positive and insignificant. This signifies that corporate governance and ROE of companies at NSE was not moderated by firm size.

The study consisted of testing the null hypothesis (Ho4) of the influence of company size on the financial performance of firms listed on the NSE using ROE. Therefore, this study does not reject

the null hypothesis and accept alternative hypothesis. Therefore, it can be concluded firm size and ROE of companies listed on Nairobi Stock Exchange was not moderated by firm size. This finding is inconsistent with Meme (2017), who found corporate governance and financial performance was significantly moderated by firm size.

These findings are consistent with Al-Matari, Fadzil, and Al-Swidi, (2014); Velnampy (2013) established a positive, insignificant correlation between firm performance and all board structure characteristics.

Optimal Model after moderation

$\mathbf{Y_{it}} = 0.196 + 0.034X + 0.115Z + 0.0072X*Z$

Where: -

$\boldsymbol{Y_{it}}$*=Financial Performance (ROE)*

$\boldsymbol{\varepsilon_{it}}$ *=are the error terms*

$\boldsymbol{X_1}$ *= Corporate governance*

$\boldsymbol{X_2}$ *= Firm size*

XZ = Corporate governance*Firm size*

The equation Yit = 0.196 + 0.034X + 0.115Z + 0.0072XZ represents a regression model with moderation. In this equation, Yit represents Financial Performance measured by Return on Equity (ROE), X represents Corporate Governance, Z represents Firm Size, and XZ represents the interaction effect between Corporate Governance and Firm Size. The equation reflects how these variables interact and influence financial performance (ROE). Here are the practical implications: Main Effects: The coefficient 0.034 for X (Corporate Governance) indicates that an increase in corporate governance has a positive effect on financial performance (ROE), holding other variables constant. The coefficient 0.115 for Z (Firm Size) suggests that an increase in firm size positively affects financial performance (ROE), while keeping other variables constant.

Practical Implication: Enhancing corporate governance practices positively influences financial performance, which is in line with expectations. Larger firms tend to experience higher financial performance (ROE), possibly due to their greater resources and market presence.

Interaction Effect (X*Z): The coefficient 0.0072 for X*Z (the interaction between Corporate Governance and Firm Size) demonstrates that the joint effect of corporate governance and firm size has a positive impact on financial performance (ROE).

Practical Implication: The interaction indicates that when corporate governance is combined with larger firm size, the positive impact on financial performance (ROE) is amplified. This suggests that larger organizations that invest in strong corporate governance can achieve even higher financial performance.

In summary, the equation implies that corporate governance has a positive impact on financial performance (ROE), firm size is positively associated with ROE, and the combination of corporate governance with larger firm size leads to even more substantial financial performance. This highlights the importance of corporate governance practices, particularly in larger firms, for achieving better financial performance, and underscores the notion that the two factors together can enhance financial outcomes.

4.6.5 Moderating influence of Firm Size on the Relationship between Ownership Concentration and Financial Performance

The fifth objective was to find out how firm size moderated ownership concentration and financial performance relationship of listed firms at Nairobi Securities Exchange-listed companies. Using ROA and ROE, a regression analysis was conducted to find out whether firm size moderates

ownership concentration and financial performance relationship. Table 4.12 Show the overall regression model after moderation using ROA.

Table 4.12: Moderating influence of Firm Size on the Relationship between Ownership Concentration and ROA

Fixed-effects regression	**Number of observation**		**=**	**275**		
Firm variable	**Number of firms=**		**55**			
R-sq:			F(3,201)	=	16.7	
Within	=	0.1879	Pob>F=	0.005		
Between	=	0.1900				
Overall	=	0.1989				
	Coef.	**Std.Err**	**Z**	**P>|z|**	**(95% conf. interval)**	
Ownership concentration	-0.121	0.059	-2.040	0.041	0.237	-0.005
Firm size	0.018	0.004	4.510	0.000	0.010	0.026
Ownership concentration*firm size	0.407	0.058	7.040	0.000	0.293	0.520
Cons	-0.006	0.009	-0.610	0.544	0.024	0.012
sigma_u	5.409					
sigma_e	2.109					
Rho	0.980					

Source: Field Data ,2023

This analysis shows that R squared was 19.89% after moderation. The F-statistic was 16.7. The p-value was less than 0.05, indicating that these figures are statistically significant. Results agree with Badara (2016), work, who found that relationship between ownership structure and financial performance was moderated by firm size.

Additional findings also showed ownership concentration and ROA (β =-0.121, p= 0.041) had significant but negative influence in presence of firm size. These findings agreed with Lee (2008) who found that foreign ownership is insignificant to firm's financial performance. Outcomes also showed that firm size and ROA (β =0.018, p= 0.000) had significant and positive influence in presence of ownership concentration. Results of this study are agreeing with Eyigege (2018), that

firm size has insignificant effect on firm performance due to diseconomies of scale. Results also showed that the interaction between ownership concentration and firm size was positive and significant (β =0.407, p= 0.000). This infers that firm size moderates the relationship between ownership concentration and firm size. Results agree with Kannadhasan (2019); Ali et al. (2016); Notably, Cabral and Mata (2013); Badara (2016), work, who found that relationship between ownership structure and financial performance was moderated by firm size

Optimal Model after moderation

$\mathbf{Y_{it}} = -0.006-0.121X+0.018Z +0.407X*Z +\varepsilon_{it}$

Where: -

Y_{it} *=Financial Performance (ROA)*

ε_{it} *=are the error terms*

X *–Ownership concentration*

X*Z – *Ownership concentration*Size of the firm*

The equation Yit = -0.006 - 0.121X + 0.018Z + 0.407XZ + εit represents a regression model with moderation. In this equation, Yit represents Financial Performance (specifically, Return on Assets or ROA), X represents Ownership Concentration, Z represents the Size of the Firm, and XZ represents the interaction effect between Ownership Concentration and the Size of the Firm. The equation illustrates how these variables interact and influence financial performance (ROA). Here are the practical implications:

Main Effects: The coefficient -0.121 for X (Ownership Concentration) suggests that an increase in ownership concentration is associated with a significant decrease in ROA. This indicates that as ownership becomes more concentrated, ROA tends to decline. High ownership concentration may lead to reduced financial performance. The coefficient 0.018 for Z (Size of the Firm) implies that

an increase in the size of the firm has a positive impact on ROA. Larger firms tend to achieve higher returns on assets.

Practical Implications: High ownership concentration may negatively impact a firm's ROA, potentially due to conflicts of interest or lack of diversification among concentrated owners. Larger firms generally achieve better ROA, possibly because they benefit from economies of scale and diversified operations.

Interaction Effect (X*Z): The coefficient 0.407 for X*Z (the interaction between Ownership Concentration and the Size of the Firm) indicates that the joint effect of ownership concentration and firm size has a significant positive impact on ROA. This means that when ownership concentration and a larger firm size are combined, ROA is positively affected.

Practical Implication: The interaction suggests that when ownership concentration and a larger firm size work together, the positive effect on ROA is amplified. Larger organizations with concentrated ownership can potentially achieve significantly higher returns on assets.

In summary, the equation implies that high ownership concentration is linked to a decrease in ROA, while a larger firm size is associated with an increase in ROA. Importantly, when ownership concentration is combined with a larger firm size, the positive impact on ROA is substantially enhanced. This underscores the significance of considering these factors and their interaction in the context of financial performance (ROA).

Using ROE, a regression analysis was used to determine whether firm size moderates the relationship between ownership concentration and financial performance. Table 4.13 sow the overall regression model after moderation using ROE

Table4.13: Moderating influence of Firm Size on the Relationship between Ownership Structure and ROE

Fixed-effects regression	**Number of observations**	**=**	**275**			
Firm variable	**Number of firms=**	**55**				
R-sq:			F(3,201)	=	8.09	
Within	=	0.118	Pob>F=	0.290		
Between	=	0.128				
Overall	=	0.109				
	Coef.	**Std.Err**	**z**	**P>|z|**	**(95% conf. interval)**	
Ownership concentration	-0.004	0.002	-1.75	0.081	-0.008	0.000
Firm size	0.058	0.043	1.370	0.171	-0.025	0.142
Ownership Ownership*size	0.003	0.000	-0.970	0.335	0.000	0.000
Cons	0.073	0.034	2.150	0.032	0.006	0.140
sigma_u	5.345					
sigma_e	3.189					
Rho	0.121					

Source: Field Data ,2023

This study showed that the R-squared was 10.9%. The overall model was not significant (p=0.290), suggesting that ownership concentration and financial performance of companies at Nairobi Stock Exchange was not moderated by firm size. This was additional established by the F-statistic of 8.09. These values are statistically significant as the p-value was more than 0.05.

Additional finding also showed ownership concentration and ROE (β = -0.004, p = 0.089) had insignificant and negative impact in presence of firm size. These findings agreed with Lee (2008) who found that foreign ownership is insignificant to firm's financial performance. Furthermore, the results showed that firm size had a positive and insignificant effect on ROE (β = 0.058, p = 0.171) in presence of ownership concentration. Results also showed that the interaction between ownership concentration and firm size was positive and insignificant (β = 0.003, p = 0.335) had a positive and insignificant effect on firm size. This means ownership concentration and ROE of

companies at NSE was not moderated by company size. Similarly, the findings agreed with Ali et al. (2016) who explored firm size as a moderator in the relationship between ownership concentration and firm performance, concluding that it does not regulate this relationship.

Optimal Model after moderation

$\mathbf{Y_{it}} = 0.073 - 0.004X + 0.058Z + 0.003X*M$

Where: -

Y_{it} *=Financial Performance (ROE)*

X *– Foreign Ownership*

X*Z *–Government Ownership* Size of the firm*

ε_{it} *=are the error terms*

The equation Yit = 0.073 - 0.004X + 0.058Z + 0.003XM represents a regression model with moderation. In this equation, Yit represents Financial Performance (specifically, Return on Equity or ROE), X represents Foreign Ownership, Z represents Government Ownership, and XM represents the interaction effect between Government Ownership and the Size of the Firm (M). The equation illustrates how these variables interact and influence financial performance (ROE). Here are the practical implications:

Main Effects: The coefficient -0.004 for X (Foreign Ownership) suggests that an increase in foreign ownership is associated with a slight decrease in ROE. This indicates that firms with higher foreign ownership may experience a marginal reduction in their return on equity. The coefficient 0.058 for Z (Government Ownership) implies that an increase in government ownership has a positive impact on ROE. Firms with greater government ownership tend to achieve higher returns on equity.

Practical Implication: Higher foreign ownership may have a minor negative effect on a firm's return on equity, which could be due to differences in management practices, objectives, or

strategies. Greater government ownership is associated with improved return on equity, potentially reflecting government intervention and support.

Interaction Effect (X*M): The coefficient 0.003 for X*M (the interaction between Government Ownership and Firm Size) indicates that the joint effect of government ownership and firm size has a positive impact on ROE. This means that when government ownership and a larger firm size are combined, ROE is positively affected.

Practical Implication: The interaction suggests that when government ownership and a larger firm size work together, the positive effect on ROE is amplified. Larger organizations with government ownership can potentially achieve even higher returns on equity.

In summary, the equation implies that foreign ownership may have a slight negative impact on ROE, while government ownership is positively associated with ROE. Importantly, when government ownership is combined with a larger firm size, the positive impact on ROE is further enhanced. This underscores the significance of considering these factors, particularly the interaction between government involvement, firm size, and ownership structure, in the context of financial performance.

CHAPTER FIVE

RESULTS SUMMERY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter describes the summary of the findings and results, conclusions as per the results and findings, recommendations as per conclusion, and also discusses the study's limitations. Finally, it suggests research directions.

5.2 Summary of Results

The primary objective was to examine the influence of corporate governance practices on financial performance of firms listed in Nairobi Security Exchange. Descriptive results showed that in the period 2016-2020 the mean of board composition of NSE-listed companies was 0.838 standard deviation. Also, the composition of the board was lowest at 0 and highest at 1. The board independence was measured by the CEO duality. The mean of board independence was 0.733 with the maximum and minimum being 0.100 and 0.000. Additionally, the minimum board independence was 0 and the maximum was 1. The board committee structure was measured by the audit, nomination and remuneration committee. Thus, results showed mean of board committees of NSE-listed companies in the period 2016-2020 was 0.879. In addition, minimum board committee was 0 and a maximum of 1. This indicates that many listed firms with 87.9% have audit, nomination and remuneration committees. Trend findings showed the board size (board composition) of most NSE firms was irregular across 2016 – 2020. The CEO duality (board independence) was also found to have an irregular trend across 2016 -2020. However, the board committee of the firms listed in NSE was increasing across 2016 – 2020. Finally, the analysis of ROA and ROE trends was also found to be irregular across 2016 -2020.

From the regression results, ROA and ROE established significant and positive influence on board composition. Further, ROA established negative influence with board independence, however, ROE had significant and positive effect with board independence. Also, significant positive effect of board committee using ROA, however, ROE established positive and insignificant effect with

board committee. In conclusion, NSE-listed companies' financial performance is significantly influenced by corporate governance practices.

The second objective was to determine how ownership concentration affects financial results of companies at NSE. Descriptive results showed that the mean of percentage of shares owned by locals in firms listed in NSE for the period of 2016 – 2020 was 22.939%. In addition, minimum percentage of shares owned by locals was 0 and the maximum 90.560%. The mean of percentage of shares owned by government in firms listed in NSE for the period of 2016 – 2020 was 46.977%. In addition, minimum percentage of shares owned by government was 0.010 and the maximum of 86.753%. Descriptive further results showed that the mean of percentage of shares owned by foreigners in firms listed in NSE for the period of 2016 – 2020 was 27.449%. In addition, minimum percentage of shares owned by foreigners was 0.04 and the maximum of 99.90%. Trend result demonstrate shares owned by locals in NSE firms were irregular across 2016 – 2020.In addition, shares owned by government in NSE firms were also irregular across 2016 – 2020.However, shares owned by foreigners in NSE firms had a declining trend across 2016 – 2020. Local ownership concentration findings on ROA established insignificant and negative effect, however, there was insignificant and positive effect using ROE. Government ownership concentration results showed negative but significant influence effect using ROA, but insignificant positive influence on ROE. In addition, foreign ownership results using ROA established significant and negative effect, and insignificant positive influence on ROE. In conclusion, NSE-listed companies ROA is significantly influenced ownership concentration, while ROE has no effect

The third objective was to evaluate how size of a company affects financial results of companies at NSE. Descriptive results showed that the mean of firm size at NSE for the period of 2016 – 2020 was 46. 977. This demonstrates that businesses typically have sales that are 47 percent of their total assets. In addition, minimum log of total assets of small firms was 5.405 and largest firms a maximum of 9.054 of assets total. Trend results showed firm size of NSE firms was in an increasing trend across 2016 – 2020. According to the results, using ROA, company size had significant and positive effect. However, using ROE, firm size had insignificant positive impact.

In conclusion findings demonstrate company size had significant influence using ROA, however results showed also that firm size had no significant influence on financial results using ROE.
Fourth goal was to find out how size of the company moderated corporate governance practices performance results of companies at NSE. Using ROA, research on financial results is moderated by size of the company. However, corporate governance practices on financial results of the firms with ROE was not moderated by firm size.
The fifth objective, determine how firm size moderated ownership concentration and performance results of companies at NSE. Results shows that firm size of the company moderated ownership concentration on ROA. However, company size did not moderate the relationship using ROE.

5.3 Conclusions of the Study

Five conclusions can be drawn from the presented analysis and summary of the results.
Based on the first objective, the first conclusion is that corporate governance practices are important predictor of company performance results using ROA or ROE. Therefore, it confirms agency theory assumption, which implies good corporate governance is a recipe of better financial performance, which is attributed to information asymmetry that managers will constantly act in the owner's wellbeing.

Stakeholder theory is supported by evidence from the second objective study, which shows that ownership concentration affected the performance results of companies listed on the NSE when ROA was used. The theory state that the business will be successful if there is value and respect for stakeholders specifically those are involved in operation and use assets effectively to generate revenue. Results likewise exhibited that ROE has no critical impact on performance results of firms at NSE

Conclusion from third objective is that company size significantly influences financial results of companies at NSE using ROA, consistent with concept of economic of scale theory. This theory predisposes the bigger the company size, the more cost savings with the increase in production. However, there was no significant effect of company size using ROE.

From the presented summary, fourth objective concludes company size moderated the corporate governance practices and Nairobi Securities Exchange companies' financial results based on ROA. This confirms, the theory of economies of scale implications. The theory assumes large firms do better than small firm. This finding demonstrates the importance of firm size in influencing performance. The results of ROE however, showed firm size does not moderate the relationship.

Evidence from fifth objective presented, suggests that firm size moderated ownership concentration and Nairobi Securities Exchange company's financial results based on ROA. However, finding further demonstrate firm size did not moderate the association using ROE. Additionally, stakeholder theory supports the narrative that all stakeholders are very important in determining the success of the firm, however there are other factors that prays important role in ensuring the success is achieved. Therefore, in conclusion others factors include firm size since the results has demonstrated how it influence their relationship positively.

5.4 Research Recommendations

In light on our research findings and results, the study suggests the subsequent recommendations: According to the initial conclusion, corporate governance has significant impact on financial results at Nairobi Securities Exchange firms. As a result, study recommended that listed companies should establish robust corporate governance operations. Indeed, good corporate governance enable an organization to achieve defined goals, reduce agency conflicts between owners and the management, and improve organizational performance. Good corporate governance support independence of board in perform their obligations, sizeable number of board member not to compromise the board decisions and appropriate board committee to facilitate proper company management and supervision of operations hence resulting to improved firm performance.

Based on summary of second conclusion, ownership concentration had positive influence on financial results of firms at NSE based on ROA, but there was no influence using ROE. Study recommends, in order to take passionate and interested control of the company's performance, there should be a substantial shareholding. This will make it more straightforward for the organization initiative to look for direction and course on short notification for smooth controlling

of the firm. Opportunism and conflicts of interest should not exist among the powerful major shareholders.

According to the conclusion, influence of corporate governance practices and ownership concentration on performance results of firms at NSE based on ROA was moderated by size of the company. The study recommended that management of NSE-listed companies take into account their firms' sizes. Due to their market power, a company's size is important because larger firms can perform better than smaller ones because of economies of scale, earning higher returns. Additionally, larger total assets may result in higher returns on assets; consequently, businesses should always aim to increase total assets.

5.5 Limitations of the Study

The current research's results, recommendations, and analysis can significantly complement existing theoretical and empirical literature in finance and accounting, specifically corporate governance, ownership concentration, company size and financial performance. However, few limitations of the applicability of the results are acknowledged.

To begin, the research used data from financial statements reports submitted by individual businesses to the Capital Markets Authorities and Nairobi Securities Exchange. It was presumed that the data were authentic and reliable. However, different businesses employ distinct accounting practices, such as depreciation strategies and or the data might not be the true picture of the firm performance. This alienate primary data collection which might be very important and more reliable in giving the true picture of the firm organization. This implies that all data collection method was not used to get data.

Second, the study only looked at a small number of aspects of corporate governance practices, e.g committees, size, independence of board, diversity and CEO duality. Thus, segregating some other important corporate governance aspects like board age, tenure, meetings, all types of board committees that may be equally important in influencing performance. This suggests company's financial performance as a whole on corporate governance practices was not thoroughly examined.

The research was also limited to just a few concentrations of ownership, including foreign, government, and local. This alienates other significant ownership structure such as managerial, insider ownership, block holder that may influencing the performance of the firm. This indicate all the ownership structures were not evaluated.

Additionally, research was limited to one factor that moderated the association. This isolated other moderating factors like, firm age, leverage, sales growth and asset growth. This means the entire factors they can moderate the relations was not entirely analyzed.
Lastly, the study only collected data for 5 years, January 2016- December 2020. As a result, the study received 275 observations. This means the period was relatively short to get clear picture of company's performance. Hence longer period can be used to test if the same conclusion applies.

5.6 Suggestion for Further Research

In view of the constraints of the study, we suggest the following directions for future investigation. In order to examine their effects on a company's financial results, additional corporate governance and ownership concentration variables should be included in future research. This study focuses on performance of firms

Companies listed on the NSE were studied to determine how well they performed in relation to corporate governance, ownership concentration, and overall size of the company. As a result, non-listed businesses can be the focus of future research while the focus of current research is on listed businesses.

In addition, the study focused on only one firm size as the moderator and thus further studies can be conducted using other firm characteristics such as age, leverage, sales growth, asset growth, and turnover as moderator.

The study only collected data over a five-year period, from January 2016 to December 2020. Because of this, future studies should use long-term longitudinal studies to compare results between panel groups for listed financial firms on the NSE.

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APPENDICES

Appendix I: NACOSTI Authority to Conduct Research

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: 486206

Date of Issue: 10/July/2022

RESEARCH LICENSE

This is to Certify that Mr.. Abraham Motito Kiruga of Maseno University, has been licensed to conduct research in Nairobi on the topic: Influence of corporate Governance, ownership concentration and firm size on financial performance of firms listed at Nairobi security Exchange for the period ending : 10/July/2023.

License No: NACOSTI/P/22/18857

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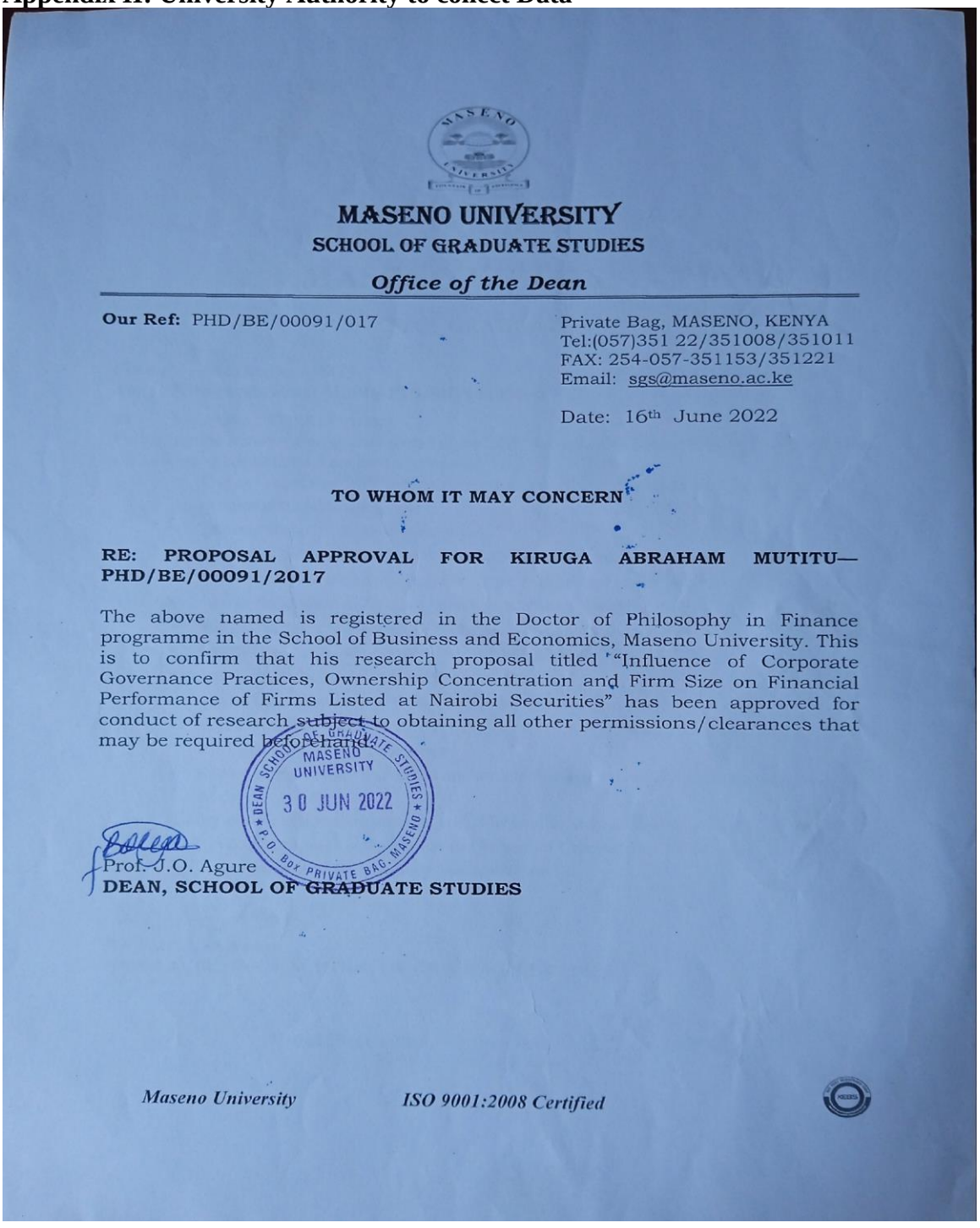
Appendix II: University Authority to collect Data



MASENO UNIVERSITY

SCHOOL OF GRADUATE STUDIES

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Email: sgs@maseno.ac.ke

Date: 16th June 2022

TO WHOM IT MAY CONCERN

RE: PROPOSAL APPROVAL FOR KIRUGA ABRAHAM MUTITU— PHD/BE/00091/2017

The above named is registered in the Doctor of Philosophy in Finance programme in the School of Business and Economics, Maseno University. This is to confirm that his research proposal titled "Influence of Corporate Governance Practices, Ownership Concentration and Firm Size on Financial Performance of Firms Listed at Nairobi Securities" has been approved for conduct of research subject to obtaining all other permissions/clearances that may be required beforehand.

MASENO UNIVERSITY
30 JUN 2022
DEAN SCHOOL OF GRADUATE STUDIES
P.O. BOX PRIVATE BAG, MASENO

Prof. J.O. Agure
DEAN, SCHOOL OF GRADUATE STUDIES

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Appendix III: Data Collection Sheet

This Secondary data collection sheet seeks to gather data on corporate governance practices, Ownership concentration and Firm size on firm financial performance of firms listed at the Nairobi Securities Exchange from the year 2016 up to 2020. All the information collected will purely use for academic reasons at high confidentiality upheld.

NAME OF THE FIRM……...

PERIOD	**Year 2016**	**Year 2017**	**Year 2018**	**Year 2019**	**Year 2020**
(A) FIRM FINANCIAL PERFORMANCE					
Earning After Tax (EAT)					
Total Assets					
Return on Assets (ROA)					
Profit After Tax					
Shareholder's Equity					
Return on Equity (ROE)					
(B) MODERATOR					
Total Sales					
Total Assets					
Firm Size (Log of total assets)					
(C) CORPORATE GOVERNENCE PRACTICES					
Board Composition Structure					
Board Size:					
Total number of board members					
Ownership concentration					
Government ownership Proportion of shares held by government, should be among the top five shareholders of firm i, in period t (%)					

Foreign ownership Proportion of shares held by foreigners, should be among the top five shareholders of firm i, in period t (%)					
Local ownership Proportion of shares held by Locals, should be among the top five shareholders of firm i, in period t (%)					
Board Independence					
At least 1/2 of directors are non-executive and the positions of CEO and chairperson are separated = 2 Otherwise = 1					
Board Committees Structure					
If there is Audit, Remuneration, Nomination committee at firm i, in period t, = 2 Otherwise = 1					

Source: Adapted and modified from Meme, (2017)

Appendix IV: List of NSE Listed Companies as at 31st December 2020

Year	Number of Listed Companies	Number of Delisted Companies	Number of Suspended Companies	Sample size Computation
2005	48	-	2 (BOC, Carbacid); Re-admitted 2009	
2006	51	-	1 (Uchumi Supermarkets) - Re-admitted 2011	
2007	54	-	-	
2008	55	1 (Unilever Tea (K) Ltd.)	1 (A. Baumann)	
2009	55	-	-	
2010	55	-	-	
2011	58	-	2 (CMC Holdings Limited); EAPCC(Re-admitted 2012)	
2012	61	-	-	
2013	61	1 (Access Kenya)	2 (City Trust Limited) – Re-admitted and renamed I&M Holdings Limited; Rea Vipingo, pending a take-over bid.	
2014	64	-	2 (City Trust Limited) – Re-admitted and renamed I&M Holdings Limited; Rea Vipingo, pending a take-over bid.	
2015	64	1 (Rea Vipingo)	-	
2016	66	-	1 Atlas Development and Support Services	
2017	67	3 (Marshall East Africa Limited, Hutchings Biemer and A. Baumann)	1 (Atlas Africa Industries Limited)	

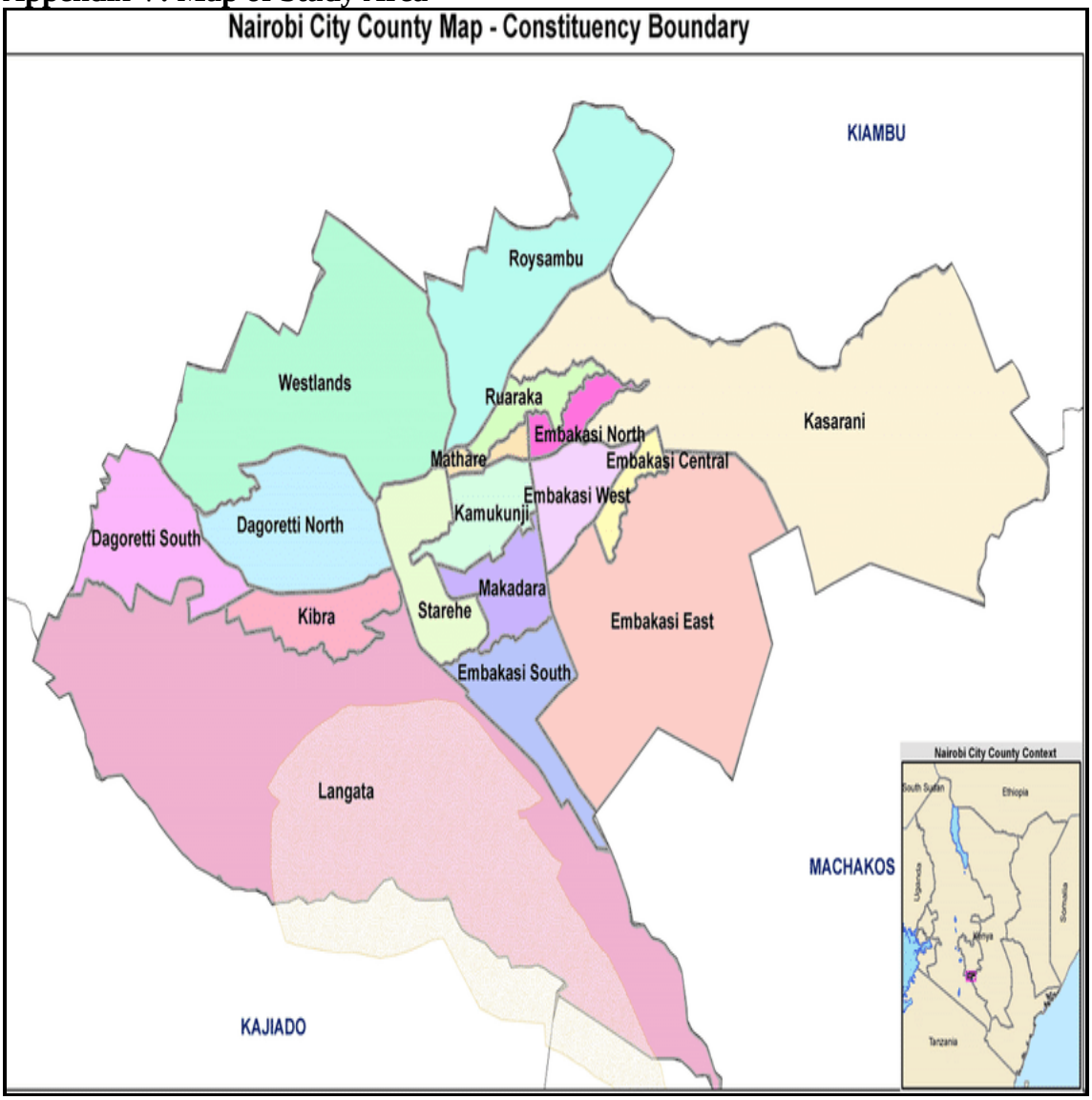
2018	67	3 (Marshall East Africa Limited, Hutchings Biemer and A. Baumann)	3(Atlas Africa Industries Limited, Athi River Mining Cement PLC,Deacons (East Africa) Plc	
2019	65	3 (Marshall East Africa Limited, Hutchings Biemer, A. Baumann and KenolKobil Ltd)	4(Atlas African Industries Ltd; Deacons (East Africa) Plc; ARM Cement Plc; Mumias)	
2020	66	3 (Marshall East Africa Limited, Hutchings Biemer, A. Baumann and KenolKobil Ltd)	5(National Bank of Kenya; Deacons (East Africa) Plc; ARM Cement Plc; Mumias and Kenya Airways)	66-11=55 firms 55*5=275 data points

Summary of Suspended/Delisted firms from 2016-2020 at NSE

1 Atlas Development and Support Services, 2. Atlas Africa Industries Limited, 3. Marshall East Africa Limited, 4. Hutchings Biemer, 5. A. Baumann, 6Athi River Mining Cement PLC,7. Deacons, 8. KenolKobil Ltd, 9. Mumias sugar, 10 National Bank of Kenya,
11. Kenya Airways)

Source: CMA Quarterly Statistical Report Dec, (2020)

Appendix V: Map of Study Area



Source: Google Maps, 2022

Appendix VI: Dataset

Data point	ROE	ROA	BZ	Duality	BC	LOW	GOW	FOW		Log FZ	BS*FS	D*FS	BC*FS	locals*FS	gov*FS	Fo*FS
1	0.25	0.82	1.00	1.00	1.00	1.82	68.62	29.57		7.43	7.43	7.43	7.43	1.13	3.31	8.90
2	0.24	6.73	1.00	1.00	1.00	1.95	69.25	28.80		7.47	7.47	7.47	7.47	14.54	3.30	8.93
3	0.21	0.82	1.00	1.00	1.00	3.08	67.55	29.37		7.57	7.57	7.57	7.57	1.37	3.30	9.04
4	0.19	7.73	0.0	1.00	1.00	2.01	68.52	29.47		7.72	0.00	7.72	7.72	15.49	3.31	9.18
5	0.16	0.82	1.00	0.00	1.00	1.69	68.84	29.47		7.71	7.71	0.00	0.00	1.12	3.31	9.18
6	0.23	8.73	1.00	1.00	1.00	4.87	28.20	66.93		7.63	7.63	7.63	7.63	37.18	3.28	9.46
7	0.18	0.82	1.00	0.00	1.00	2.78	29.39	67.83		7.67	7.67	0.00	0.00	1.33	3.30	9.50
8	0.20	9.73	1.00	1.00	0.00	3.16	29.01	67.83		7.68	7.68	7.68	0.00	24.31	3.29	9.51
9	0.22	0.82	1.00	1.00	0.00	3.55	28.62	67.83		7.68	7.68	7.68	0.00	1.44	3.29	9.52
10	0.25	10.73	1.00	1.00	1.00	3.93	28.24	67.83		7.61	7.61	7.61	7.61	29.92	3.28	9.44
11	0.27	0.82	0.0	1.00	0.00	8.05	8.96	82.99		7.18	0.00	7.18	0.00	1.76	2.87	9.10
12	0.11	11.73	1.00	1.00	1.00	11.32	4.79	83.89		7.23	7.23	7.23	7.23	81.81	2.60	9.15
13	0.15	0.82	1.00	1.00	1.00	12.52	3.59	83.89		7.26	7.26	7.26	7.26	1.96	2.48	9.19
14	0.17	12.73	1.00	0.00	0.00	4.05	12.06	83.89		7.26	7.26	0.00	0.00	29.41	3.01	9.19
15	0.31	0.82	1.00	1.00	1.00	7.41	8.70	83.89		7.08	7.08	7.08	7.08	1.72	2.86	9.01
16	0.20	13.73	1.00	1.00	1.00	14.26	9.43	76.31		7.28	7.28	7.28	7.28	103.88	2.86	9.17
17	0.15	0.82	1.00	1.00	1.00	18.83	4.86	76.31		7.22	7.22	7.22	7.22	2.13	2.57	9.10
18	0.16	14.73	0.0	1.00	0.00	13.53	10.16	76.31		7.31	0.00	7.31	0.00	98.87	2.89	9.19
19	0.17	0.82	1.0	1.00	0.3	25.15	1.46	76.31		7.21	7.21	7.21	7.21	2.26	2.05	9.09
20	0.18	15.73	0.3	1.00	0.3	2.08	21.61	76.31		7.31	7.31	7.31	7.31	15.18	3.22	9.19
21	0.17	0.82	0.0	0.00	0.00	21.71	77.76	0.53		6.93	0.00	0.00	0.00	2.18	1.62	6.65
22	0.18	16.73	1.00	1.00	1.00	14.60	83.97	1.43		6.84	6.84	6.84	6.84	99.84	2.08	7.00
23	0.15	0.82	1.00	1.00	1.00	11.82	86.75	1.43		6.86	6.86	6.86	6.86	1.91	2.09	7.01
24	0.11	17.73	1.00	1.00	1.00	19.91	77.76	1.43		6.93	6.93	6.93	6.93	137.95	2.05	7.08
25	0.08	0.82	1.00	1.00	1.00	15.40	77.76	1.43		6.99	6.99	6.99	6.99	107.60	2.05	7.14

26	0.04	18.48	1.00	1.00	0.00	51.29	38.09	10.62		7.37	7.37	7.37	0.00	378.12	2.61	8.40
27	0.15	11.71	0.00	0.00	0.00	50.39	38.09	10.62		7.31	0.00	0.00	0.00	368.28	2.61	8.33
28	0.16	12.08	1.00	1.00	0.00	50.39	38.09	10.62		7.36	7.36	7.36	0.00	371.12	2.61	8.39
29	0.17	22.46	1.00	1.00	0.00	50.39	38.09	10.62		7.38	7.38	7.38	0.00	372.01	2.61	8.41
30	0.18	22.83	1.00	1.00	0.00	50.39	38.09	10.62		7.40	7.40	7.40	0.00	372.86	2.61	8.43
31	0.04	1.78	0.00	0.00	1.00	9.06	57.51	33.44		7.04	0.00	0.00	0.00	63.79	3.28	8.57
32	0.03	1.62	1.00	0.00	1.00	8.16	57.51	33.44		6.93	6.93	0.00	0.00	56.53	3.28	8.45
33	0.03	1.47	1.00	1.00	1.00	8.16	57.51	33.44		7.10	7.10	7.10	7.10	57.97	3.28	8.63
34	0.03	1.56	1.00	1.00	1.00	8.16	57.51	33.44		7.11	7.11	7.11	7.11	58.01	3.28	8.63
35	0.04	2.45	1.00	1.00	1.00	8.16	57.51	33.44		7.13	7.13	7.13	7.13	58.17	3.28	8.65
36	0.38	0.10	1.00	0.00	1.00	15.02	56.72	28.25		6.35	6.35	0.00	0.00	95.43	3.20	7.80
37	0.49	0.08	1.00	0.00	1.00	15.02	56.72	28.25		6.38	6.38	0.00	0.00	95.85	3.20	7.83
38	0.86	0.39	1.00	1.00	1.00	15.02	56.72	28.25		6.38	6.38	6.38	6.38	95.89	3.20	7.84
39	0.89	0.40	1.00	1.00	1.00	15.02	56.72	28.25		6.39	6.39	6.39	6.39	95.93	3.20	7.84
40	0.13	0.26	1.00	0.00	1.00	15.02	56.72	28.25		6.70	6.70	0.00	0.00	100.70	3.20	8.16
41	0.11	0.12	1.00	0.00	1.00	22.40	74.57	3.03		7.15	7.15	0.00	0.00	160.16	2.35	7.63
42	0.15	0.09	1.00	0.00	1.00	22.40	74.57	3.03		7.13	7.13	0.00	0.00	159.63	2.35	7.61
43	0.17	0.06	1.00	0.00	1.00	22.40	74.57	3.03		7.14	7.14	0.00	0.00	159.97	2.35	7.62
44	-0.05	-0.36	1.00	0.00	1.00	22.40	74.57	3.03		7.17	7.17	0.00	0.00	160.52	2.35	7.65
45	-0.05	-0.21	1.00	1.00	1.00	22.40	74.57	3.03		6.90	6.90	6.90	6.90	154.64	2.35	7.39
46	0.18	0.06	1.00	1.00	1.00	1.82	68.62	29.57		7.41	7.41	7.41	7.41	13.48	3.31	8.88
47	0.20	0.09	1.00	1.00	1.00	0.10	68.62	29.57		7.46	7.46	7.46	7.46	0.75	3.31	8.93
48	-0.06	-0.02	1.00	0.00	1.00	0.10	68.62	29.57		7.20	7.20	0.00	0.00	0.72	3.31	8.67
49	-0.11	-0.04	1.00	0.00	1.00	0.10	68.62	29.57		7.47	7.47	0.00	0.00	0.75	3.31	8.94
50	0.23	0.15	1.00	1.00	1.00	0.10	68.62	29.57		7.44	7.44	7.44	7.44	0.74	3.31	8.92
51	0.20	0.19	1.00	1.00	1.00	12.50	66.27	21.23		5.78	5.78	5.78	5.78	72.28	3.15	7.11
52	0.15	0.11	0.00	0.00	1.00	11.60	66.27	21.23		5.70	0.00	0.00	0.00	66.10	3.15	7.03
53	0.16	0.15	1.00	1.00	1.00	11.60	66.27	21.23		5.65	5.65	5.65	5.65	65.53	3.15	6.98

54	0.17	0.17	1.00	1.00	1.00	11.60	66.27	21.23		5.67	5.67	5.67	5.67	65.80	3.15	7.00
55	0.18	0.13	1.00	0.00	1.00	11.60	66.27	21.23		5.88	5.88	0.00	0.00	68.23	3.15	7.21
56	0.15	0.14	1.00	1.00	1.00	22.40	74.57	3.03		7.49	7.49	7.49	7.49	167.67	2.35	7.97
57	0.13	0.15	1.00	1.00	1.00	22.40	74.57	3.03		7.46	7.46	7.46	7.46	167.14	2.35	7.94
58	0.11	0.17	1.00	1.00	1.00	22.40	74.57	3.03		7.52	7.52	7.52	7.52	168.52	2.35	8.00
59	0.23	0.21	1.00	1.00	1.00	22.40	74.57	3.03		7.60	7.60	7.60	7.60	170.35	2.35	8.09
60	0.25	0.17	0.00	0.00	1.00	22.40	74.57	3.03		7.53	0.00	0.00	0.00	168.64	2.35	8.01
61	0.20	0.26	1.00	1.00	1.00	29.55	59.62	10.83		7.14	7.14	7.14	7.14	211.11	2.81	8.18
62	0.15	0.16	0.00	0.00	1.00	28.65	59.62	11.73		7.12	0.00	0.00	0.00	204.05	2.84	8.19
63	0.11	0.27	1.00	0.00	1.00	28.65	59.62	11.73		7.13	7.13	0.00	0.00	204.41	2.84	8.20
64	0.07	0.37	1.00	1.00	1.00	28.65	59.62	11.73		7.15	7.15	7.15	7.15	204.77	2.84	8.22
65	0.04	0.47	1.00	1.00	1.00	28.65	59.62	11.73		7.16	7.16	7.16	7.16	205.11	2.84	8.23
66	-0.07	-0.03	0.00	0.00	1.00	32.56	66.49	0.94		5.70	0.00	0.00	0.00	185.43	1.80	5.67
67	-0.01	0.00	0.00	0.00	1.00	32.56	66.49	0.94		6.33	0.00	0.00	0.00	206.08	1.80	6.30
68	-0.04	-0.16	0.00	1.00	1.00	32.56	66.49	0.94		6.32	0.00	6.32	6.32	205.78	1.80	6.29
69	-0.05	-0.20	0.00	1.00	1.00	32.56	66.49	0.94		6.30	0.00	6.30	6.30	205.27	1.80	6.28
70	-0.07	-0.26	1.00	1.00	1.00	32.56	66.49	0.94		8.42	8.42	8.42	8.42	274.26	1.80	8.40
71	0.11	0.16	1.00	1.00	1.00	63.81	26.46	9.73		8.52	8.52	8.52	8.52	543.67	2.41	9.51
72	0.15	0.16	1.00	1.00	1.00	37.91	51.46	10.63		8.68	8.68	8.68	8.68	329.12	2.74	9.71
73	0.17	0.44	1.00	1.00	1.00	41.96	47.41	10.63		8.84	8.84	8.84	8.84	370.97	2.70	9.87
74	0.44	0.35	0.00	0.00	1.00	62.91	26.46	10.63		9.05	0.00	0.00	0.00	569.56	2.45	10.08
75	0.32	0.25	1.00	1.00	1.00	62.91	26.46	10.63		9.05	9.05	9.05	9.05	569.21	2.45	10.07
76	0.20	0.16	1.00	0.00	1.00	39.01	28.21	32.78		6.55	6.55	0.00	0.00	255.63	2.97	8.07
77	0.08	0.06	0.00	1.00	1.00	39.01	28.21	32.78		6.57	0.00	6.57	6.57	256.31	2.97	8.09
78	0.08	0.06	1.00	0.00	1.00	39.01	28.21	32.78		6.57	6.57	0.00	0.00	256.11	2.97	8.08
79	0.06	0.03	1.00	0.00	1.00	39.01	28.21	32.78		6.61	6.61	0.00	0.00	257.90	2.97	8.13
80	0.06	0.03	1.00	1.00	1.00	39.01	28.21	32.78		6.67	6.67	6.67	6.67	260.07	2.97	8.18
81	0.06	0.02	0.00	1.00	1.00	18.04	80.52	1.44		8.21	0.00	8.21	8.21	148.15	2.06	8.37

82	0.06	0.02	1.00	1.00	1.00	18.04	80.52	1.44		8.28	8.28	8.28	8.28	149.29	2.06	8.43
83	0.05	0.02	1.00	1.00	1.00	18.04	80.52	1.44		8.40	8.40	8.40	8.40	151.51	2.06	8.56
84	0.05	0.12	1.00	1.00	1.00	18.04	80.52	1.44		8.53	8.53	8.53	8.53	153.97	2.06	8.69
85	0.05	0.13	1.00	1.00	1.00	18.04	80.52	1.44		8.56	8.56	8.56	8.56	154.51	2.06	8.72
86	0.05	0.12	1.00	1.00	1.00	10.46	37.75	51.79		7.51	7.51	7.51	7.51	78.60	3.29	9.23
87	0.08	0.02	1.00	1.00	1.00	3.54	44.67	51.79		7.34	7.34	7.34	7.34	25.98	3.36	9.06
88	0.21	0.06	1.00	1.00	1.00	8.68	39.53	51.79		7.24	7.24	7.24	7.24	62.86	3.31	8.96
89	0.33	0.11	1.00	1.00	1.00	13.82	34.39	51.79		7.31	7.31	7.31	7.31	101.09	3.25	9.03
90	0.24	0.15	1.00	1.00	1.00	10.18	38.03	51.79		7.44	7.44	7.44	7.44	75.69	3.29	9.15
91	0.23	0.17	1.00	1.00	1.00	51.30	46.08	0.04		7.84	7.84	7.84	7.84	402.15	0.27	6.44
92	0.18	0.13	0.00	1.00	1.00	51.30	46.08	0.04		7.86	0.00	7.86	7.86	403.41	0.27	6.47
93	0.20	0.14	1.00	1.00	1.00	51.30	46.08	0.04		7.87	7.87	7.87	7.87	403.80	0.27	6.47
94	0.22	0.15	1.00	1.00	1.00	51.30	46.08	0.04		7.87	7.87	7.87	7.87	403.80	0.27	6.47
95	0.25	0.17	1.00	1.00	1.00	51.30	46.08	0.04		7.82	7.82	7.82	7.82	401.14	0.27	6.42
96	0.09	0.03	1.00	0.00	1.00	19.48	39.04	41.48		7.89	7.89	0.00	0.00	153.67	3.21	9.51
97	-0.35	-0.09	1.00	0.00	1.00	17.68	39.04	43.28		8.09	8.09	0.00	0.00	143.01	3.23	9.72
98	-0.17	-0.03	1.00	0.00	1.00	17.68	39.04	43.28		8.17	8.17	0.00	0.00	144.48	3.23	9.81
99	-0.25	-0.23	1.00	1.00	1.00	17.68	39.04	43.28		8.17	8.17	8.17	8.17	144.48	3.23	9.81
100	-0.17	-0.33	1.00	0.00	1.00	17.68	39.04	43.28		8.22	8.22	0.00	0.00	145.29	3.23	9.85
101	0.20	0.06	0.00	1.00	1.00	9.20	79.75	11.05		8.22	0.00	8.22	8.22	75.61	2.95	9.26
102	0.14	0.04	0.00	0.00	1.00	8.30	79.75	11.95		8.25	0.00	0.00	0.00	68.47	2.98	9.33
103	0.20	0.05	1.00	1.00	1.00	8.30	79.75	11.95		8.27	8.27	8.27	8.27	68.63	2.98	9.35
104	0.18	0.04	1.00	1.00	1.00	8.30	79.75	11.95		8.44	8.44	8.44	8.44	70.01	2.98	9.51
105	0.19	0.03	1.00	1.00	1.00	8.30	79.75	11.95		8.47	8.47	8.47	8.47	70.33	2.98	9.55
106	0.15	0.12	1.00	1.00	1.00	31.22	67.79	0.99		5.43	5.43	5.43	5.43	169.63	1.83	5.43
107	0.16	0.12	1.00	1.00	1.00	31.22	67.79	0.99		5.47	5.47	5.47	5.47	170.66	1.83	5.46
108	0.17	0.11	0.00	1.00	1.00	31.22	67.79	0.99		5.46	0.00	5.46	5.46	170.60	1.83	5.46
109	0.18	0.15	0.00	0.00	1.00	31.22	67.79	0.99		5.46	0.00	0.00	0.00	170.33	1.83	5.45

110	0.17	0.17	1.00	1.00	1.00	30.22	68.79	0.99		5.41	5.41	5.41	5.41	163.35	1.83	5.40
111	0.16	0.13	1.00	1.00	1.00	34.74	64.15	1.10		6.02	6.02	6.02	6.02	209.30	1.85	6.07
112	0.23	0.14	1.00	1.00	1.00	34.74	64.15	1.10		5.98	5.98	5.98	5.98	207.80	1.85	6.02
113	0.18	0.15	1.00	0.00	1.00	34.74	64.15	1.10		5.98	5.98	0.00	0.00	207.70	1.85	6.02
114	0.20	0.17	1.00	1.00	1.00	34.74	64.15	1.10		6.00	6.00	6.00	6.00	208.48	1.85	6.04
115	0.22	0.15	0.00	0.00	1.00	34.74	64.15	1.10		6.27	0.00	0.00	0.00	217.86	1.85	6.31
116	-0.42	-0.29	1.00	1.00	1.00	11.79	82.84	5.38		5.75	5.75	5.75	5.75	67.84	2.65	6.48
117	-0.39	-0.21	1.00	1.00	1.00	11.79	82.84	5.38		5.71	5.71	5.71	5.71	67.34	2.65	6.44
118	-0.01	0.00	1.00	1.00	1.00	11.79	82.84	5.38		5.78	5.78	5.78	5.78	68.16	2.65	6.51
119	-0.14	-0.12	1.00	1.00	1.00	11.79	82.84	5.38		5.75	5.75	5.75	5.75	67.84	2.65	6.48
120	-0.35	-0.26	1.00	1.00	1.00	11.79	82.84	5.38		5.71	5.71	5.71	5.71	67.30	2.65	6.44
121	0.11	0.06	1.00	1.00	1.00	64.42	32.48	3.10		7.44	7.44	7.44	7.44	479.14	2.00	7.93
122	-0.17	-0.08	1.00	1.00	1.00	64.42	32.48	3.10		7.43	7.43	7.43	7.43	478.88	2.00	7.93
123	-0.32	-0.14	1.00	1.00	1.00	64.42	32.48	3.10		7.41	7.41	7.41	7.41	477.16	2.00	7.90
124	-0.47	-0.21	1.00	1.00	1.00	64.42	32.48	3.10		7.41	7.41	7.41	7.41	477.16	2.00	7.90
125	-0.26	-0.27	1.00	1.00	1.00	64.42	32.48	3.10		7.43	7.43	7.43	7.43	478.57	2.00	7.92
126	0.12	0.33	1.00	1.00	1.00	19.39	21.11	59.50		7.03	7.03	7.03	7.03	136.28	3.10	8.80
127	0.12	0.31	1.00	1.00	1.00	19.39	21.11	59.50		7.06	7.06	7.06	7.06	136.84	3.10	8.83
128	0.11	0.35	1.00	1.00	1.00	19.39	21.11	59.50		7.09	7.09	7.09	7.09	137.51	3.10	8.87
129	0.15	0.35	1.00	1.00	1.00	19.39	21.11	59.50		7.10	7.10	7.10	7.10	137.61	3.10	8.87
130	0.17	0.35	1.00	1.00	1.00	19.39	21.11	59.50		7.03	7.03	7.03	7.03	136.31	3.10	8.80
131	0.13	0.23	1.00	1.00	1.00	20.00	30.00	50.00		6.08	6.08	6.08	6.08	121.55	3.18	7.78
132	0.14	0.23	1.00	0.00	1.00	11.32	38.68	50.00		6.12	6.12	0.00	0.00	69.31	3.29	7.82
133	0.15	0.17	1.00	0.00	1.00	12.38	37.62	50.00		6.14	6.14	0.00	0.00	76.10	3.27	7.84
134	0.15	0.17	1.00	0.00	1.00	12.38	37.62	50.00		6.14	6.14	0.00	0.00	76.10	3.27	7.84
135	0.15	0.17	1.00	0.00	1.00	12.38	37.62	50.00		6.14	6.14	0.00	0.00	76.10	3.27	7.84
136	-0.29	0.31	1.00	1.00	1.00	4.31	83.12	12.57		8.09	8.09	8.09	8.09	34.85	3.02	9.19
137	-0.21	0.32	1.00	1.00	1.00	4.31	83.12	12.57		8.11	8.11	8.11	8.11	34.95	3.02	9.21

138	0.37	0.33	1.00	1.00	1.00	4.31	83.12	12.57		8.15	8.15	8.15	8.15	35.14	3.02	9.25
139	0.38	0.35	1.00	1.00	1.00	4.31	83.12	12.57		8.16	8.16	8.16	8.16	35.15	3.02	9.25
140	0.39	0.36	1.00	0.00	1.00	4.31	83.12	12.57		8.20	8.20	0.00	0.00	35.35	3.02	9.30
141	0.13	0.09	1.00	1.00	1.00	17.93	79.52	2.54		6.52	6.52	6.52	6.52	116.88	2.31	6.92
142	0.17	0.12	1.00	1.00	1.00	17.93	79.52	2.54		6.61	6.61	6.61	6.61	118.54	2.31	7.02
143	-0.03	-0.02	1.00	1.00	1.00	17.93	79.52	2.54		6.61	6.61	6.61	6.61	118.55	2.31	7.02
144	-0.23	-0.16	1.00	1.00	1.00	17.93	79.52	2.54		6.61	6.61	6.61	6.61	118.58	2.31	7.02
145	-0.42	0.11	1.00	1.00	1.00	17.93	79.52	2.54		6.52	6.52	6.52	6.52	116.86	2.31	6.92
146	0.45	0.15	1.00	1.00	1.00	24.72	74.15	1.13		6.94	6.94	6.94	6.94	171.66	1.92	7.00
147	0.25	0.17	1.00	1.00	1.00	24.54	74.33	1.13		6.95	6.95	6.95	6.95	170.60	1.92	7.01
148	0.26	0.13	1.00	0.00	1.00	25.69	73.18	1.13		6.96	6.96	0.00	0.00	178.80	1.92	7.01
149	0.05	0.14	1.00	0.00	1.00	24.72	74.15	1.13		6.97	6.97	0.00	0.00	172.24	1.92	7.02
150	0.10	0.15	1.00	0.00	1.00	24.72	74.15	1.13		7.12	7.12	0.00	0.00	175.94	1.92	7.17
151	0.23	0.17	1.00	1.00	1.00	17.83	13.89	68.29		6.92	6.92	6.92	6.92	123.42	2.98	8.76
152	0.18	0.07	1.00	0.00	1.00	17.83	13.89	68.29		7.11	7.11	0.00	0.00	126.69	2.98	8.94
153	0.20	0.07	1.00	1.00	1.00	17.83	13.89	68.29		7.12	7.12	7.12	7.12	127.01	2.98	8.96
154	0.22	0.06	0.00	1.00	1.00	17.83	13.89	68.29		7.10	0.00	7.10	7.10	126.52	2.98	8.93
155	0.25	0.23	1.00	1.00	1.00	17.83	13.89	68.29		7.13	7.13	7.13	7.13	127.13	2.98	8.96
156	0.14	0.08	1.00	0.00	1.00	7.19	23.29	69.52		6.49	6.49	0.00	0.00	46.68	3.21	8.33
157	0.15	0.07	1.00	1.00	1.00	7.19	23.29	69.52		6.47	6.47	6.47	6.47	46.50	3.21	8.31
158	0.15	0.08	1.00	1.00	1.00	7.19	23.29	69.52		6.61	6.61	6.61	6.61	47.55	3.21	8.46
159	0.15	0.09	1.00	1.00	0.00	7.19	23.29	69.52		6.62	6.62	6.62	0.00	47.62	3.21	8.47
160	0.15	0.09	1.00	1.00	1.00	7.19	23.29	69.52		6.64	6.64	6.64	6.64	47.73	3.21	8.48
161	-0.10	0.00	0.00	0.00	0.00	4.70	1.11	94.20		7.52	0.00	0.00	0.00	35.34	2.02	9.49
162	0.14	0.05	1.00	1.00	0.00	2.55	3.25	94.20		7.67	7.67	7.67	0.00	19.54	2.49	9.64
163	0.14	0.07	1.00	1.00	0.00	2.61	3.19	94.20		7.51	7.51	7.51	0.00	19.57	2.48	9.49
164	0.14	0.09	1.00	1.00	0.00	2.66	3.14	94.20		7.51	7.51	7.51	0.00	20.00	2.47	9.49
165	0.14	0.11	1.00	0.00	1.00	2.72	3.08	94.20		7.56	7.56	0.00	0.00	20.55	2.46	9.53

166	0.09	0.05	1.00	0.00	1.00	8.56	25.85	65.59		7.13	7.13	0.00	0.00	61.02	3.23	8.94
167	0.07	0.05	0.00	0.00	1.00	8.56	25.85	65.59		7.18	0.00	0.00	0.00	61.49	3.23	9.00
168	0.02	0.01	1.00	0.00	1.00	8.56	25.85	65.59		7.18	7.18	0.00	0.00	61.48	3.23	9.00
169	0.44	0.35	1.00	0.00	1.00	8.56	25.85	65.59		7.20	7.20	0.00	0.00	61.62	3.23	9.02
170	0.32	0.25	1.00	0.00	1.00	8.56	25.85	65.59		7.23	7.23	0.00	0.00	61.89	3.23	9.05
171	-0.14	-0.12	1.00	0.00	1.00	0.03	3.05	2.61		8.84	8.84	0.00	0.00	0.27	0.90	9.25
172	0.16	0.29	1.00	1.00	1.00	0.03	3.05	2.61		8.65	8.65	8.65	8.65	0.26	0.90	9.07
173	0.23	0.17	1.00	1.00	1.00	0.03	3.05	2.61		8.73	8.73	8.73	8.73	0.26	0.90	9.14
174	0.18	0.13	1.00	1.00	1.00	0.03	3.05	2.61		8.77	8.77	8.77	8.77	0.26	0.90	9.18
175	0.20	0.14	1.00	1.00	1.00	0.03	3.05	2.61		8.81	8.81	8.81	8.81	0.26	0.90	9.23
176	0.22	0.15	1.00	1.00	1.00	35.61	59.14	5.24		6.96	6.96	6.96	6.96	247.79	2.49	7.68
177	0.12	0.08	0.00	1.00	1.00	35.61	59.14	5.24		6.91	0.00	6.91	6.91	246.03	2.49	7.63
178	0.18	0.23	1.00	1.00	1.00	35.61	59.14	5.24		6.90	6.90	6.90	6.90	245.87	2.49	7.62
179	0.17	0.22	1.00	0.00	1.00	35.61	59.14	5.24		6.94	6.94	0.00	0.00	247.00	2.49	7.66
180	0.18	0.37	1.00	1.00	1.00	35.61	59.14	5.24		6.96	6.96	6.96	6.96	247.98	2.49	7.68
181	0.24	0.16	1.00	1.00	1.00	28.05	14.99	56.96		6.81	6.81	6.81	6.81	191.09	2.93	8.57
182	0.17	0.11	1.00	0.00	1.00	28.05	14.99	56.96		6.87	6.87	0.00	0.00	192.58	2.93	8.62
183	0.18	0.10	1.00	1.00	1.00	28.05	14.99	56.96		6.89	6.89	6.89	6.89	193.30	2.93	8.65
184	0.07	0.28	1.00	0.00	1.00	28.05	14.99	56.96		6.93	6.93	0.00	0.00	194.45	2.93	8.69
185	0.23	0.28	1.00	0.00	1.00	28.05	14.99	56.96		6.97	6.97	0.00	0.00	195.45	2.93	8.72
186	0.30	0.07	1.00	1.00	1.00	14.98	12.02	72.99		8.27	8.27	8.27	8.27	123.84	2.94	10.13
187	0.24	0.06	1.00	1.00	1.00	14.98	12.02	72.99		8.32	8.32	8.32	8.32	124.57	2.94	10.18
188	0.22	0.05	1.00	1.00	1.00	14.98	12.02	72.99		8.35	8.35	8.35	8.35	125.14	2.94	10.22
189	0.22	0.05	1.00	1.00	1.00	14.98	12.02	72.99		8.41	8.41	8.41	8.41	126.05	2.94	10.28
190	0.22	0.05	1.00	1.00	1.00	14.98	12.02	72.99		8.41	8.41	8.41	8.41	126.04	2.94	10.28
191	0.23	0.05	1.00	1.00	1.00	17.29	32.52	50.21		8.13	8.13	8.13	8.13	140.60	3.21	9.83
192	0.23	0.06	1.00	1.00	1.00	17.29	32.52	50.21		8.22	8.22	8.22	8.22	142.15	3.21	9.92
193	0.23	0.04	1.00	1.00	1.00	17.29	32.52	50.21		8.33	8.33	8.33	8.33	143.95	3.21	10.03

194	0.24	0.04	1.00	1.00	1.00	17.29	32.52	50.21		8.43	8.43	8.43	8.43	145.82	3.21	10.13
195	0.24	0.02	1.00	0.00	1.00	17.29	32.52	50.21		8.52	8.52	0.00	0.00	147.24	3.21	10.22
196	0.25	14.80	1.00	1.00	1.00	15.77	41.09	43.13		8.32	8.32	8.32	8.32	131.27	3.25	9.96
197	0.25	15.40	1.00	1.00	1.00	15.77	41.09	43.13		8.44	8.44	8.44	8.44	133.16	3.25	10.08
198	0.25	14.52	1.00	1.00	1.00	15.77	41.09	43.13		8.54	8.54	8.54	8.54	134.63	3.25	10.17
199	0.26	13.12	1.00	1.00	1.00	15.77	41.09	43.13		8.63	8.63	8.63	8.63	136.12	3.25	10.27
200	0.26	12.07	1.00	1.00	1.00	15.77	41.09	43.13		8.68	8.68	8.68	8.68	136.81	3.25	10.31
201	0.53	4.40	1.00	1.00	1.00	23.30	75.00	1.69		7.71	7.71	7.71	7.71	179.73	2.10	7.94
202	0.53	5.20	1.00	1.00	1.00	1.89	74.21	1.69		7.76	7.76	7.76	7.76	14.66	2.10	7.99
203	0.54	4.24	1.00	1.00	1.00	1.89	74.21	1.69		7.79	7.79	7.79	7.79	14.71	2.10	8.01
204	0.55	5.04	1.00	1.00	1.00	1.89	74.21	1.69		7.86	7.86	7.86	7.86	14.85	2.10	8.08
205	0.56	4.67	1.00	1.00	1.00	23.30	75.00	1.69		7.86	7.86	7.86	7.86	183.07	2.10	8.08
206	0.34	10.40	1.00	1.00	1.00	10.73	76.06	13.21		8.01	8.01	8.01	8.01	85.98	3.00	9.13
207	0.36	11.00	1.00	1.00	1.00	10.73	76.06	13.21		8.04	8.04	8.04	8.04	86.30	3.00	9.16
208	0.14	11.28	1.00	1.00	1.00	10.73	76.06	13.21		8.14	8.14	8.14	8.14	87.32	3.00	9.26
209	0.47	11.32	1.00	1.00	1.00	10.73	76.06	13.21		8.22	8.22	8.22	8.22	88.17	3.00	9.34
210	0.30	11.76	1.00	1.00	1.00	10.73	76.06	13.21		8.26	8.26	8.26	8.26	88.63	3.00	9.38
211	0.24	10.40	1.00	1.00	1.00	26.54	43.77	29.68		8.55	8.55	8.55	8.55	226.98	3.11	10.02
212	0.22	11.00	1.00	1.00	1.00	26.54	43.77	29.68		8.60	8.60	8.60	8.60	228.11	3.11	10.07
213	0.22	11.86	1.00	1.00	0.00	26.54	43.77	29.68		8.63	8.63	8.63	0.00	229.15	3.11	10.11
214	0.22	10.02	1.00	1.00	0.00	26.54	43.77	29.68		8.67	8.67	8.67	0.00	230.10	3.11	10.14
215	0.23	10.75	1.00	1.00	0.00	26.54	43.77	29.68		8.70	8.70	8.70	0.00	230.98	3.11	10.18
216	0.23	3.40	1.00	1.00	0.00	20.33	79.06	0.61		7.79	7.79	7.79	0.00	158.42	1.68	7.58
217	0.23	3.80	1.00	1.00	1.00	21.22	79.06	0.51		7.97	7.97	7.97	7.97	169.05	1.61	7.67
218	0.24	3.80	1.00	1.00	1.00	21.22	79.06	0.51		8.09	8.09	8.09	8.09	171.67	1.61	7.80
219	0.24	-0.01	1.00	1.00	1.00	20.33	79.06	0.61		8.10	8.10	8.10	8.10	164.64	1.68	7.88
220	0.25	-0.01	1.00	1.00	1.00	20.33	79.06	0.61		8.06	8.06	8.06	8.06	163.90	1.68	7.85
221	0.17	8.40	1.00	0.00	0.00	17.46	80.41	2.13		8.04	8.04	0.00	0.00	140.35	2.23	8.37

222	0.18	9.20	1.00	0.00	1.00	17.46	80.41	2.13		8.08	8.08	0.00	0.00	141.13	2.23	8.41
223	0.07	8.88	1.00	0.00	0.00	17.46	80.41	2.13		8.16	8.16	0.00	0.00	142.54	2.23	8.49
224	0.23	7.98	1.00	0.00	0.00	17.46	80.41	2.13		8.22	8.22	0.00	0.00	143.51	2.23	8.55
225	0.30	8.22	1.00	0.00	0.00	17.46	80.41	2.13		8.23	8.23	0.00	0.00	143.68	2.23	8.56
226	0.24	7.00	1.00	1.00	0.00	4.73	17.56	71.71		8.31	8.31	8.31	0.00	39.29	3.10	10.16
227	0.22	8.20	0.00	1.00	0.00	4.73	17.56	71.71		8.23	0.00	8.23	0.00	38.94	3.10	10.09
228	0.22	8.62	1.00	0.00	0.00	4.73	17.56	71.71		8.23	8.23	0.00	0.00	38.95	3.10	10.09
229	0.22	7.12	1.00	1.00	1.00	4.73	17.56	71.71		8.32	8.32	8.32	8.32	39.35	3.10	10.17
230	0.23	7.93	1.00	0.00	1.00	4.73	17.56	71.71		8.33	8.33	0.00	0.00	39.41	3.10	10.19
231	0.23	11.80	1.00	0.00	0.00	10.53	14.48	74.99		8.32	8.32	0.00	0.00	87.56	3.04	10.19
232	0.23	12.00	1.00	0.00	0.00	10.53	14.48	74.99		8.34	8.34	0.00	0.00	87.86	3.04	10.22
233	0.24	12.84	1.00	0.00	0.00	10.53	14.48	74.99		8.35	8.35	0.00	0.00	87.90	3.04	10.22
234	0.24	7.66	1.00	1.00	1.00	10.53	14.48	74.99		8.37	8.37	8.37	8.37	88.13	3.04	10.24
235	0.25	8.18	1.00	1.00	1.00	10.53	14.48	74.99		8.40	8.40	8.40	8.40	88.44	3.04	10.27
236	0.17	9.60	1.00	1.00	1.00	16.45	79.04	4.51		8.52	8.52	8.52	8.52	140.20	2.55	9.18
237	0.18	9.40	1.00	0.00	1.00	16.45	79.04	4.51		8.36	8.36	0.00	0.00	137.59	2.55	9.02
238	0.07	8.86	1.00	0.00	1.00	16.45	79.04	4.51		8.46	8.46	0.00	0.00	139.09	2.55	9.11
239	0.23	8.28	1.00	1.00	1.00	16.45	79.04	4.51		8.53	8.53	8.53	8.53	140.40	2.55	9.19
240	0.30	10.88	1.00	1.00	1.00	16.45	79.04	4.51		8.55	8.55	8.55	8.55	140.59	2.55	9.20
241	0.24	10.02	1.00	1.00	1.00	27.13	67.66	5.22		7.55	7.55	7.55	7.55	204.94	2.55	8.27
242	0.22	4.95	1.00	1.00	1.00	28.02	66.87	6.32		7.67	7.67	7.67	7.67	214.95	2.63	8.47
243	0.22	14.80	1.00	0.00	1.00	28.02	66.87	2.12		7.86	7.86	0.00	0.00	220.24	2.15	8.19
244	0.22	15.40	1.00	1.00	1.00	28.02	66.87	2.03		7.89	7.89	7.89	7.89	221.08	2.13	8.20
245	0.23	14.52	1.00	1.00	1.00	28.02	66.87	5.22		7.92	7.92	7.92	7.92	221.99	2.54	8.64
246	0.23	13.12	1.00	1.00	1.00	21.70	76.74	1.56		7.16	7.16	7.16	7.16	155.33	2.08	7.35
247	0.23	12.07	0.00	1.00	1.00	21.70	76.74	1.56		7.26	0.00	7.26	7.26	157.44	2.08	7.45
248	0.24	4.40	1.00	1.00	1.00	21.70	76.74	2.13		7.38	7.38	7.38	7.38	160.04	2.21	7.70
249	0.24	5.20	1.00	1.00	1.00	21.70	76.74	1.80		7.40	7.40	7.40	7.40	160.51	2.14	7.65

250	0.25	4.24	1.00	1.00	1.00	21.70	76.74	2.21		7.43	7.43	7.43	7.43	161.24	2.23	7.77
251	0.17	13.12	1.00	0.00	1.00	13.02	74.61	12.37		7.36	7.36	0.00	0.00	95.89	2.97	8.46
252	0.18	12.07	1.00	1.00	1.00	13.02	74.61	6.15		7.44	7.44	7.44	7.44	96.89	2.66	8.23
253	0.07	4.40	1.00	1.00	1.00	13.02	74.61	16.87		7.51	7.51	7.51	7.51	97.75	3.10	8.73
254	0.23	5.20	1.00	1.00	1.00	13.02	74.61	14.27		7.55	7.55	7.55	7.55	98.32	3.03	8.71
255	0.30	4.24	1.00	1.00	1.00	13.02	74.61	17.50		7.58	7.58	7.58	7.58	98.69	3.12	8.82
256	0.24	5.04	1.00	1.00	1.00	3.47	31.03	65.50		7.49	7.49	7.49	7.49	25.98	3.31	9.30
257	0.22	4.67	1.00	0.00	1.00	3.47	31.03	65.50		7.50	7.50	0.00	0.00	26.03	3.31	9.32
258	0.22	10.40	1.00	1.00	1.00	3.47	31.03	65.50		7.51	7.51	7.51	7.51	26.07	3.31	9.33
259	0.22	11.00	1.00	1.00	1.00	3.47	31.03	65.50		7.53	7.53	7.53	7.53	26.12	3.31	9.34
260	0.23	11.28	1.00	1.00	1.00	3.47	31.03	65.50		7.54	7.54	7.54	7.54	26.16	3.31	9.35
261	0.23	11.32	1.00	1.00	1.00	35.06	63.18	1.76		7.36	7.36	7.36	7.36	258.17	2.05	7.61
262	0.23	11.76	1.00	0.00	1.00	35.06	63.18	0.90		7.39	7.39	0.00	0.00	259.03	1.75	7.34
263	0.24	10.40	1.00	1.00	1.00	35.06	63.18	1.02		7.41	7.41	7.41	7.41	259.84	1.81	7.42
264	0.24	13.82	1.00	1.00	1.00	35.06	63.18	0.76		7.43	7.43	7.43	7.43	260.61	1.68	7.32
265	0.25	14.80	1.00	0.00	1.00	35.06	63.18	0.71		7.45	7.45	0.00	0.00	261.34	1.65	7.31
266	0.17	15.78	1.00	0.00	1.00	17.00	54.48	28.52		6.29	6.29	0.00	0.00	106.85	3.19	7.74
267	0.18	16.77	1.00	1.00	1.00	17.89	53.69	28.42		6.30	6.30	6.30	6.30	112.66	3.18	7.75
268	0.07	17.75	1.00	1.00	1.00	17.89	53.69	28.42		6.29	6.29	6.29	6.29	112.45	3.18	7.74
269	0.23	18.73	1.00	1.00	1.00	17.89	53.69	28.42		6.30	6.30	6.30	6.30	112.66	3.18	7.75
270	0.30	19.71	1.00	0.00	1.00	18.00	52.52	29.48		6.29	6.29	0.00	0.00	113.14	3.19	7.75
271	0.24	20.70	0.00	0.00	1.00	55.98	37.05	6.97		7.24	0.00	0.00	0.00	405.22	2.41	8.08
272	0.22	4.40	0.00	0.00	1.00	55.98	37.05	6.97		7.28	0.00	0.00	0.00	407.42	2.41	8.12
273	0.22	5.20	0.00	0.00	1.00	55.98	37.05	6.97		7.47	0.00	0.00	0.00	418.24	2.41	8.31
274	0.22	4.40	0.00	1.00	0.00	55.98	37.05	6.97		7.62	0.00	7.62	0.00	426.36	2.41	8.46
275	0.23	5.20	0.00	1.00	1.00	55.98	37.05	6.97		7.71	0.00	7.71	7.71	431.73	2.41	8.56