

## **Upscaling Corporate Governance Principles for Performance of National Sports Federations in Kenya and Beyond**

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### **Abstract**

The sports industry in Kenya continues to grow swiftly and emerge as a vibrant and crowd-pulling phenomenon. However, few studies have been conducted on the critical topic of corporate governance principles and the performance of national sports federations. Thus, the research focused on determining the effect of corporate governance principles on National Sports Federations' performance in Nairobi City County, Kenya. The objectives included evaluating the effects of transparency, accountability, sustainability, and integrity on National Sports Federations' performance in Nairobi City County, Kenya. The study variables were anchored in the Stewardship theory, Balanced Scorecard theory, and Stakeholder theory. The research utilized both secondary and primary data. The research utilized a descriptive research design to collect data from a sample of 145 federation members: Head of National Team Coaches, Assistant National Team Coaches, and Technical Directors. Semi-structured questionnaires were utilized for data collection. Self-administered Questionnaires were utilized, employing the drop-off and later pick-up approach. Data was analyzed using the Statistical Package for Social Sciences (SPSS). Quantitative data collected was analyzed using multiple regression, descriptive analysis, and Correlation analysis. The study found that accountability, transparency, integrity, and sustainability have a significant positive relationship with the performance of national sports federations in Nairobi City County. Further findings reveal that increased service delivery, customer feedback, employee

satisfaction, and financial performance of national sports federations indicate performance. This study recommends the formation of clear corporate governance policies that raise sustainable development in the Kenya sporting sector, federation members to adopt continuous training on best practices of corporate governance, utilize digital platforms for governance practices, national and county government to establish measurable performance indicators to be adopted by national sports federations, consistent monitoring, and evaluation of these performance indicators. These recommendations will help both the national sports federations and the government to increase transparency, accountability, sustainability, and integrity in the sports industry in Kenya.

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**Keywords:** Corporate Governance, Performance, National Sports Federations, Accountability, Transparency, Sustainability, Integrity

## Introduction

The concept of effective governance has risen in different regions of the world, influenced by diverse cultures and various theoretical frameworks. One prevalent theoretical influence is the corporate governance concept. At the outset of the 21st century, corporate governance appeared to be making positive strides on a global scale, with its importance widely acknowledged. However, a major setback occurred when Enron, one of the United States' largest companies, crumbled due to undisclosed debt and questionable corporate governance practices among its executive leaders. Similarly, companies like Waste Management, Tyco, and WorldCom also experienced collapses, and their auditing firm, Arthur Andersen, one of the world's five leading accounting firms, faced challenges as clients changed auditors and partners shifted to other firms (Tricker, 2020).

The sports sector has changed since the turn of the twenty-first century, shifting from its previous volunteer-based culture to one that aims to provide sports services more professionally. It is increasingly crucial to formally establish the principles of sound governance to guarantee the efficient provision of these sports services. In response to the increasing instances of controversies within global bodies like the International Olympic Committee (IOC), structural and governance changes were put into effect (Verschuuren, 2021). Corporate governance is starting to receive attention in Kenya, even though minimal efforts have been made in this field, including within well-regulated institutions and sectors. State-owned corporations are grappling with significant governance issues, and a few of them have partially closed due to these challenges (Miringu and Muoria, 2019).

Incorporating the topic of effective governance into the bylaws of national sports federations has become essential, given the increase in instances where sports organizations have been involved in numerous fraudulent schemes, spanning from misconduct to match manipulation. As recently as 2015, a variety of sports entities ranging from the Kenya Rugby Union (KRU), the Kenya National Olympic Committee (NOCK), Athletics Kenya (AK), and Football Kenya Federation (FKF) have been implicated in several misappropriation and corruption scandals, necessitating the incorporation of principles of governance for the protection and well-being of shareholders' interests (Edmund, 2021).

The distinction in evaluating performance sets apart sports federations from commercial counterparts (Nowy, Wicker, Feiler, & Breuer, 2015). While corporate governance primarily revolves around the financial prosperity and viability of organizations within the formal business segment, including the sports industry in this segment has elevated the necessity for sports organizations to comprehend and adhere to the tenets of effective governance. Corporate governance principles were employed to gauge the operational success of national sports federations in Nairobi City County, Kenya. Consequently, the objective of this research was to present an outline of the guiding principles of corporate governance, such as transparency, integrity, accountability, and sustainability, influencing the efficiency and effectiveness of sports federations in achieving their goals, ensuring long-term sustainability, and maintaining public trust.

### **Statement of the problem**

Although sports are a substantial contributor to individuals' income and the Gross Domestic Product in Kenya, sports federations have, over the years, undergone strained financial performance (Musonye, 2017). This alone has slowed down the rate of development in the sports industry by a great deal and inhibited the realization of the sector's economic potential. Upon realization of the funding challenges, the government came up with corporate governance policies in the hope that, once adhered to, these policies would lead to increased organizational performance (Kenya Sports Act, 2013). Despite the introduction of corporate governance policy, the performance of national sports federations in Kenya has not improved as expected. The degree of commitment by National Sports Federations (NSFs) management to corporate governance remains uncertain, and it's not evident how this may correlate with the current constrained performance levels.

Lasisi (2017) study found a positive correlation between financial performance and corporate governance practices in non-profit organizations listed on the Nigerian Securities Exchange. However, the relationship was not found to be statistically significant. This study will be conducted in

Kenya among National Sports Federations in Nairobi City County, Kenya, which operate in distinct settings compared to the non-financial firms in Nigeria. Ullah et al., (2016) examined one aspect of corporate governance, corporate accountability, while studying the effect of transparency and corporate accountability on manufacturing firms' performance in Pakistan. The study was confined to transparency and accountability within industrialized firms in Pakistan, while this study expounds on four key variables: transparency, sustainability, accountability, and integrity.

Okoko (2017) study on the correlation between firm performance in Kenya and corporate governance was limited to board structure and was conducted among 40 insurance companies while this study explores four corporate governance principles on the performance of national sports federations in Nairobi City County, Kenya.

### **Objectives of the Study**

1. To assess the influence of accountability on the performance of National Sports Federations in Nairobi City County, Kenya.
2. To determine the influence of transparency on the performance of National Sports Federations in Nairobi City County, Kenya.
3. To determine the influence of sustainability on the performance of National Sports Federations in Nairobi City County, Kenya.
4. To examine the influence of integrity on the performance of National Sports Federations in Nairobi City County, Kenya.

### **Review of Literature**

The study utilized both empirical and theoretical reviews, focusing on what has already been discussed and the supporting variables of the study.

### **Theoretical Review**

This study was based on different theories that support the study variables. The covered theories include: Stakeholder Theory, Stewardship Theory, and Balanced Scorecard Theory.

### **Stakeholder Theory**

Freeman (1984) introduced the concept of Stakeholder Theory, which argues that shareholders are only one of several stakeholders in an organization. This theory also suggests that the stakeholder system consists of all individuals and entities with an interest in, or influence over, the organization, including vendors, governmental agencies, employees, and environmental advocates residing near the company's facilities and suppliers. Stakeholders Theory suggests that the success of an organization lies in the

satisfaction of stakeholders rather than those who may gain from its stock performance.

The Anglo-American corporate governance measures grant significant power to managers, which they could potentially exploit for their gain, at the expense of both the wider community and shareholders. Advocates of this perspective argue that the existing institutional checks on managerial conduct, including the auditing process, the risk of taking over, and non-executive directors, are insufficient in preventing the misuse of corporate authority by directors. The stakeholder theory stipulates that organizations work to expand and balance numerous stakeholders' interests, ensuring each stakeholder is compensated. It is suggested that an organization has a broader obligation, extending beyond its sole responsibility, to also consider the welfare of the wider society (Freeman, Harrison, & Zyglidopoulos 2018).

The stakeholder theory enables organizations to generate greater profits through practical approaches. Organizations should prioritize the concerns of stakeholders since they have multifaceted impacts on firms' performance. Stakeholders assume certain risks due to their direct or indirect investments in a specific organization. According to Charles Blattberg, this theory exhibits certain shortcomings, and it tends to yield ideal outcomes when consistently applied within an organization. Furthermore, the evaluation of this theory's analysis can occasionally be subjective, and it may be challenging to fulfil all stakeholder interests simultaneously (Sternberg, 2019). Often, companies prioritize stakeholders such as shareholders over employees and consumers. This theory was employed in this research since it provides practical methods mainly focused on boosting efficiency, enhancing organization performance, and ultimately increasing profits.

### **Stewardship Theory**

Davis and Donaldson (1989) introduced Stewardship theory as a significant concept in corporate governance. This theory suggests that managers ought to function as stewards, prioritizing the best interests of shareholders. Stewardship theory is rooted in psychology and sociology and assumes that managers will protect and generate profits for shareholders. The firm's success is closely tied to management commitment, benefiting both shareholders and managers through remunerations (Davis & Donaldson 2018).

What makes stewardship theory unique is its emphasis on building trust in managers, with the belief that directors and managers are prone to act in favor of shareholders (Schillemans & Bjurström, 2020). Shareholders grant managers (stewards) more power and trust, expecting wealth

maximization in return. This theory nurtures a favorable relationship between management and shareholders, constituting a crucial aspect of effective corporate governance. Chrisman (2019) examined that Stewardship theory mainly focuses on motivating managers to contribute to business goals, therefore, aligning the interests of managers (agents) and shareholders (principals). This theory summarizes the views and objectives of a steward, which speak to the principles of transparency, integrity, sustainability, and accountability under this study.

### **Balanced Scorecard Theory**

The concept of a Balanced Scorecard was established by Norton and Kaplan (1992) as a mechanism for transforming an organization's mission statement and broad business strategy into specific, verifiable goals and monitoring the organization's success in accomplishing these goals. (Kefe, 2019). Originally, the Balanced Scorecard was meant for for-profit organizations but was later adapted by government agencies and non-profit organizations. According to Kefe (2019), the fair scorecard approach was expected to give an unmistakable remedy concerning what organizations ought to quantify to "balance" the financial viewpoint in the execution and control of strategic plans. The balanced scorecard provides a comprehensive assessment of the general performance of an organization across four domains: financial analysis, the most regularly utilized presentation marker that permits directors to follow monetary achievement and investor esteem; customer analysis which focuses on retention and customer feedback; growth and learning analysis which explores management effectiveness in terms of the approach to measuring employee satisfaction, retention, and information system performance. Lastly, Internal analysis, whose focus is on production and innovation.

The Balanced Scorecard uses standardized measurements. These standardized or fundamental outcome measurements sum up the shared objectives of various methodologies. Examples of general measurements include customer retention, profitability, customer satisfaction, market share, and employee expertise. Performance drivers are specific to each business unit. They mirror the uniqueness of the business unit's strategy, encompassing factors such as the factors that affect profitability, markets that will compete, the value propositions provided to consumers in those segments, as well as the specific internal procedures, learning and growth capabilities, which support the achievement of both financial and consumer goals (Sartor, 2019).

In the current, often-changing and complex business environments, it is essential for organizations to thoroughly understand their objectives and the methods to swiftly achieve them. The Balanced Scorecard stands as an

innovative instrument that inspires employees to achieve the organization's objectives. It goes beyond mere performance monitoring, serving as a managerial strategy that directs employees' endeavors throughout the entire enterprise, steering them toward the attainment of strategic goals. The Balanced Scorecard addresses the dependent variable, the performance of National Sports Federations in Nairobi City County, Kenya, about accountability, transparency, integrity, and sustainability.

## **Empirical Review**

### **Accountability and performance of National Sports Federations**

Masoumi et al. (2022) studied the implications of managerial accountability within sports organizations. This study adopted the foundational framework of data theory. The research methodology followed a structured approach as outlined by Strauss and Corbin. Respondents consisted of experts in sports, both from scientific and executive domains, spanning across the nation. Employing a snowball sampling technique based on theoretical saturation, 12 individuals were interviewed. The collected data was analyzed through three interwoven stages: selective coding, open coding, and axial coding. The findings of the study were then studied within the context of interventionist, contextual, and causal accountability aspects, considering viewpoints from managerial as well as non-administrative standpoints. This research explored both macro- and micro-level strategies, leading to advancements in transparency and consistency, elevated performance standards, fortified trust, effective persuasion, prevention of resource mismanagement, heightened empathy, empowerment of managers, and enhanced efficacy of actions.

Moses and Turyasingura (2022) carried out research in Kabale Municipality, Uganda, to examine how accountability impacts the performance of selected commercial banks. The research used a cross-sectional design with a descriptive, quantitative approach, involving 118 participants chosen randomly and purposively. The study adopted SPSS to analyze the collected data. The research established a positive association between financial performance and accountability in certain commercial banks in Kabale Municipality. The authors established that effective accountability practices foster a positive business environment, encouraging local investment and enhancing public trust in commercial banks.

Kavila, Mwalwa, and Karanja (2023) did a study on organizational performance and financial accountability at Ndolo DCC Church. The study utilized a mixed methodology, collecting data from both qualitative and quantitative sources from 42 respondents. 33 respondents were involved in the quantitative data collection, while 9 were involved in the qualitative aspect. Data was collected using questionnaires and interviews. Statistical



Package for the Social Sciences (SPSS) version 23 and QDA Miner were utilized for data analysis. The findings of the study revealed there was a substantial and positive correlation between financial transparency and organizational performance ( $p=0.026$ ,  $\beta=0.228$ ). Additionally, the research revealed that financial attitude and financial management knowledge also had positive and momentous relationships with organizational performance ( $\beta=0.450$ ,  $p=0.005$  and  $\beta=0.304$ ,  $p=0.035$  respectively).

Chemakai, Alala, and Charles (2018) studied how board accountability impacts the performance of the Savings and Credit Cooperative Societies in Kakamega County. The research utilized an explanatory survey research design, focusing on 5 selected SACCOs with a total membership of 50,000 in Kakamega town. The researcher selected 890 participants using a stratified random sampling method. The participants comprised 40 top managers, 5 financial managers, 45 board members, and 800 shareholders. The researcher collected data using questionnaires, and the analysis utilized both inferential and descriptive statistics. Study findings showed a significant and positive correlation between board accountability and SACCO performance, with a correlation coefficient ( $r$ ) of 0.416 and a  $p$ -value of 0.00 at a 99% confidence level.

### **Transparency and performance of National Sports Federations**

Gani, Rahbi, and Ahmed (2021) conducted an Empirical Analysis of Corporate Transparency, Competitive Advantage, and Performance for the Muscat Securities Market. 60 participants were sampled from the industrial, service, and financial sectors within the Muscat Securities Market. The data collected was analyzed with Smart PLS 3.0. The secondary data gathered indicated that a high level of transparency led to enhanced corporate performance. Consequently, improved transparency has a positive impact on performance. Findings showed there is a correlation between corporate transparency and competitive advantage, which also improves management accounting metrics. Therefore, transparency stands as a vital tool for attaining a competitive edge and improving the financial performance of businesses.

Zehir, Çınar, and Şengül (2016) studied the significance of stakeholder participation in hospital management regarding transparency and qualitative and quantitative performance. The study demonstrated that transparency and stakeholder participation have a positive correlation, serving as crucial elements of good governance in enhancing corporate performance. The study employed a survey approach, encompassing 351 managers at upper and mid-level positions across 74 hospitals registered under provincial health directorates in Istanbul during the period 2013-2014. The gathered data underwent analysis using SPSS 16.00, with techniques



like regression analysis, factor analysis, reliability analysis, and correlation analysis applied for testing. The outcomes revealed that adhering to transparency principles has a favorable effect on both qualitative and quantitative performance, achieved through stakeholder involvement.

Akhigbe and Akhigbe (2021) explored the correlation between organizational effectiveness and organizational transparency among money deposit banks in Rivers State, Nigeria. The research employed a cross-sectional study design, with a target population of 15 banks with 159 employees. Primary data was collected from a sample size of 114 employees using a meticulously developed questionnaire. The data analysis utilized the Pearson product-moment correlation. The results of the study showed a strong relationship between the various features of organizational transparency (participatory and informational transparency) and the indicators of organizational efficiency (namely, goal consensus and job satisfaction). Therefore, the study established that an increase in transparency influences the enhancement of organizational effectiveness.

### **Sustainability and performance of National Sports Federations**

Hugaerts et al. (2022) explored the function of sports federations and their linked ecological endeavors and tactics in Belgium. The researchers conducted a scrutiny of the websites of 141 sports federations using content analysis. Their analysis revealed that sports federations have not established a sustainable ecological approach and exhibit minimal dedication to initiatives and comprehensive strategies to address climate change. Nevertheless, in reaction to the increasing societal demands for sports institutions to interact with their surroundings, the writers propose and finalize progressive approaches and deliberate on how governmental, communal, and utilitarian coercion can additionally be utilized to propel ecological durability in athletic alliances.

Erdei-Gally, Fekete-Farkas, and Muchiri (2022) conducted a study focusing on the financial performance of Kenyan financial institutions and Corporate Social Responsibility (CSR). The study specifically examined the effects of philanthropic, gender-inclusive, and ethical sustainable business practices on banking establishments' financial performance in Kirinyaga County. The study involved 300 personnel from financial organizations in Kirinyaga County and sampled 171 participants through stratified and systematic sampling methods. Data analysis was carried out using SPSS software, using a causal research methodology. In-person questionnaires were the primary method used for data collection. Study findings disclosed a notable positive link between the economic success of financial institutions and CSR practices. As a result, the study recommends that companies increase their involvement in CSR initiatives that prioritize ethics,

philanthropy, and gender inclusivity, as these efforts have the potential to enhance financial performance.

Weerasinghe et al. (2023) researched to examined how multifaceted corporate sustainability practices affect the performance of organizations in Sri Lanka's textile and apparel sector, particularly during the COVID-19 pandemic. The research utilized Smart PLS 4.0 software for analysis and tested its hypotheses using the partial least squares structural equation modelling (PLS-SEM) method. Data collection involved the use of questionnaires distributed to 300 apparel businesses that were registered with Sri Lanka's Board of Investment. The findings of the study showed that social equity, ethical practices, and economic vigor significantly influence organizational performance, while the impact of corporate governance on environmental performance was deemed insignificant.

### **Integrity and performance of National Sports Federations**

Abdullah and Atshan (2019) researched to examined how organizational integrity and leadership conduct influence performance in the banking sector. They explored the arbitrating impact of work engagement in this relationship. The researcher collected data using a questionnaire distributed to 285 employees in the Southern and Central regions of Iraq's banking sector. The findings revealed that work engagement partially mediated the correlation between organizational integrity and organizational excellence, while it fully influenced the link between leadership behavior and organizational success.

Hartanto (2019) carried out a study to examine the influence of integrity and knowledge management on organizational performance through the lens of managerial commitment at PT Bhinneka Mentari Dimensi. The research involved a sample of 128 employees across all organizational sectors and data collected from primary sources using a questionnaire. The study employed path analysis to analyze data. The results from the analysis indicated that integrity and knowledge management concurrently influence organizational performance. Specifically, both knowledge management and integrity variables have partial effects on organizational performance. The study also highlighted that organizational commitment variables contribute partially to organizational performance. Notably, a stronger commitment to the organization enhances the combined impact of integrity and knowledge management on organizational performance.

Kazem et al. (2021) studied how psychological capital may be used to improve organizational performance while maintaining organizational integrity. Data was collected from 155 employees in the general firm oil business in the governorate of Maysan using a questionnaire. A statistical program (SPSS v.23) was utilized for data analysis in the study. Research

findings demonstrated the importance of organizational integrity as a management philosophy and concept in organizational behavior for accomplishing organizational objectives.

### Research Methodology

This research adopted a descriptive research design to examine how national sports federations' performance in Nairobi City County, Kenya, relates to corporate governance principles. The study incorporated quantitative and qualitative elements for collecting data and analysis. The research focused on 76 registered National Sports Federations in Nairobi City County, Kenya. The units of observation were the technical directors, the head of national team coaches, and assistant national team coaches from the 76 national sports federations. The target population, therefore, comprised 228 National Sports Federation members, which includes 76 technical directors, 76 head of national team coaches, and 76 assistant national team coaches. The researcher used these categories of national sports federation members because each of these members works directly with the national sports federations office. The study adopted Yamane's (2021) formula to determine the sample size of the population. The researcher selected a 5% significant level to minimize sampling errors.

$$n = N / (1 + Ne^2)$$

In the formula above;

N = population, n = sample size and e = error margin (0.05).

$$N = 2281 + 228 (0.05)^2 = 145$$

Therefore, the study sample size consisted of 145 National Sports Federation employees selected using simple random and purposive sampling. The researcher selected respondents from each national sport federation in Nairobi City County, Kenya, using simple random and purposive sampling. The study adopted a semi-structured questionnaire to obtain data. The questionnaire helped provide significant information required to accomplish the study objectives. The questionnaire had six sections. General questions about the respondents and national sports federations were asked in the first section, while the other five sections contained questions on each of the four research questions.

This study's measurement scales were predominantly interval scales, in this case, Likert scales. The questionnaire had closed questions, including 5-point Likert scale questions, since more strong statistical measures can be utilized with interval scales (Kumar, 2018). These questionnaires were written with clarity and conciseness in mind. Willis (2020) noticed that for a

high response rate, it is advisable to keep the number of questions limited and design them in a way that demands minimal effort from respondents during completion. Nevertheless, the questions maintained a sufficient level of accuracy to gather essential data, all the while ensuring a prompt and comprehensive response from participants.

A pilot study was done on four national sports associations that have similar systems to national sports federations in Nairobi City County, Kenya. Respondents were asked to give feedback on their understanding of the items and the effort required to fill out the questionnaires during pilot testing. Recommendations provided by pilot testing respondents were used in making amendments to the final questionnaire. The questionnaire underwent assessment for content and face validity to assess whether the questionnaire was accurate and applicable to its intended purpose. The study used the internal consistency method to check whether the instrument was reliable, where Cronbach's Alpha for each variable was examined. Cronbach's Alpha values were greater than the threshold of 0.7, making the questionnaire reliable and hence no amendments were needed before data collection.

Descriptive statistical methods, including figures, percentages, frequency distributions, standard deviation, and mean, were employed for quantitative data analysis, utilising the Statistical Package for Social Sciences (SPSS) version 23. Additionally, the study used corporate content analysis for open-ended questions, presenting the findings in narrative form. The results were then summarized and presented in tables. Correlation and Multiple Regression techniques were utilized to establish the statistical relationship among variables. The four independent variables were subjected to regression against the dependent variable, unveiling the quantitative impact exerted on the dependent variable. The Regression and Correlation data analysis methods were conducted at a 95% confidence level ( $\alpha = 0.05$ ).

## **Research Findings and Discussion**

The research respondents were 145 employees from the selected 76 National Sports Federations in Nairobi City County. However, only 75 respondents responded and returned their questionnaires, contributing to a 52% response rate, which is satisfactory for reporting and analysis (Mugenda & Mugenda, 2013).

### **Accountability and performance of National Sports Federations**

An examination of the influence of accountability on the performance of National Sports Federations was conducted through a point Likert scale. Table 4.1 shows a summarized rating of respondents. Respondents agreed that through accountability, NSFs can get a sustainable competitive advantage (mean=3.51, std. dev = 1.359). The statements that were neutral to

respondents include; NSFs have clear roles and responsibilities of each of their members (mean= 3.4, std. dev = 1.263), have an audit committee (mean= 3.21, std. dev = 1.298), Address risk management within the federation (mean = 3.07. std. dev = 1.189) and that an external auditor is appointed annually for each federation (mean = 2.84, std. dev = 1.175).

**Table 4. 1** Accountability and Performance of National Sports Federations

	N	Minimum	Maximum	Mean	Std. Deviation
The NSF has clear roles and responsibilities of each member.	75	1	5	3.40	1.263
The NSF has an audit committee.	75	1	5	3.21	1.298
The NSSF addresses risk management within the federation.	75	1	5	3.07	1.189
The NSF appoints an external auditor annually.	75	1	5	2.84	1.175
Through accountability the NSF is able to gain sustainable competitive advantages.	75	1	5	3.51	1.359
Valid N	75				

Source: research data, 2024

### Transparency and Performance of National Sports Federations

The study sought to establish the influence of transparency on the Performance of the National Sports Federation using a five-point Likert scale. Respondents summarized ratings as shown in Table 4.2. Respondents were neutral about having transparency in National Sports Federations. Respondents were neutral that transparency is the base of the performance of the National Sports Federation (mean = 3.32, std. dev = 1.453). They neither agreed nor disagreed that National Sports Federations provide accurate information to stakeholders and shareholders (mean = 3.00, std dev = 1.127). Respondents were also neutral about federation members adhering to the code of conduct and ethics (mean = 3.19, std. dev = 1.123). In addition, respondents were neutral about National Sports Federations sharing their financial reports to stakeholders and shareholders (mean = 3.11, std. dev = 1.290) and that the NFSs communicate all their activities to the national government (mean = 3.16, std. dev = 1.263).

**Table 4. 2** Transparency and Performance of National Sports Federations

	N	Minimum	Maximum	Mean	Std. Deviation
Transparency is the base of performance of NSF.	75	1	5	3.32	1.453
The NSF provides accurate information to Stakeholders and Shareholders.	75	1	5	3.00	1.127
Federation members adhere to code of conduct and ethics.	75	1	5	3.19	1.123

The NSF shares financial reports annually to the shareholders and stakeholders.	75	1	5	3.11	1.290
The NSF communicates all their activities to the National Government.	75	1	5	3.16	1.263
Valid N	75				

Source: research data, 2024

### **Sustainability and Performance of National Sports Federations**

An analysis of the influence of sustainability on the performance of National Sports Federations was evaluated through the five-point Likert scale. According to Table 4.3, the majority of the respondents agreed that training and personal development are needed for sustainable growth (mean = 4.24, std. dev = 1.113). In addition, respondents agreed that the sustainability of National Sports Federations influences performance and Corporate Social Responsibility influences NSF's performance as shown by (mean= 3.79, std. dev = 1.233) and (mean = 3.65, std. dev = 1.059) respectively. Moreover, respondents were neutral that NSF's have sustainability programs (mean = 3.09, std. dev = 1.210) and that the NSF's actively participate in sustainability programs (mean = 3.16, std. dev = 1.053).

**Table 4. 3** Sustainability and Performance of National Sports Federations

	N	Minimum	Maximum	Mean	Std. Deviation
Sustainability of NSF influences performance.	75	1	5	3.79	1.233
Corporate Social Responsibility influence NSF's performance.	75	1	5	3.65	1.059
The NSF you are working in has a sustainability program.	75	1	5	3.09	1.210
The NSF actively participates in the sustainability program.	75	1	5	3.16	1.053
Training and personal development is needed for personal growth.	75	1	5	4.24	1.113
Valid N	75				

Source: research data, 2024

### **Integrity and Performance of National Sports Federations**

The influence of integrity on the performance of National Sports Federations was examined using a five-point Likert scale, as shown in Table 4.4. Findings revealed that majority of respondents agreed with the following statements: Federation members believe integrity plays a big role in the performance of NSF's (mean = 4.29, std. dev = 1.124), The nature of NSF's require official with integrity behavior to be successful (mean = 4.23, std.

dev = 1.060), Federation members are assigned clear roles and responsibilities (mean = 3.65, std. dev = 1,059) and that National Sports Federations encourage the culture of integrity among members (mean = 3.53, std. dev = 1.178). However, respondents were neutral about National Sports Federations officials working faithfully with loyalty and devotion (mean = 2.93, std. dev. = 1.095).

**Table 4. 4** Integrity and performance of National Sports Federations

	N	Minimum	Maximum	Mean	Std. Deviation
As a federation member, I believe integrity plays a big role on performance of NSFs.	75	1	5	4.29	1.124
NSF officials work faithfully with loyalty and devotion.	75	1	5	2.93	1.095
The nature of NSF requires officials with integrity behavior to be successful.	75	1	5	4.23	1.060
Federation members are assigned clear responsibility and accountability.	75	1	5	3.65	1.059
The NSF encourages the culture of integrity among members.	75	1	5	3.53	1.178
Valid N	75				

Source: research data, 2024

### Performance of National Sports Federations

The study sought to examine the rate of performance of national sports federations in Nairobi City County. Respondents used the five-point Likert scale to indicate the extent to which the mentioned statements indicated the performance of NSFs. Respondents agreed that there are different methods of measuring performance. Despite respondents having agreed on the following statements moderately indicating performance, Increased service delivery was highly thought to indicate performance (mean = 3.08, std. dev. = 0.969, followed by increased customer feedback (mean = 2.93, std. dev. = 1.095), increased employee satisfaction (mean = 2.80, std. dev. = 0.986), and the least seen as performance was increased financial performance (mean = 2.71, std. dev = 1.050). A balance of all these will improve the strategic performance of National Sports Federations.

**Table 4. 5** Performance of National Sports Federations

	N	Minimum	Maximum	Mean	Std. Deviation
Increased service delivery.	75	1	5	3.08	.969
Increased employee satisfaction.	75	1	5	2.08	.986
Increased customers' feedback.	75	1	5	2.93	1.095
Increased financial performance.	75	1	5	2.71	1.050
Valid N	75				

Source: research data, 2024



### Correlation Analysis

The study conducted Pearson correlation analysis at a 95% level of confidence to establish the relationship between corporate governance principles and performance of the National Sports Federations in Nairobi City County, Kenya. The findings are illustrated in Table 4.6.

**Table 4. 6** Pearson Correlation Analysis Output

		Accountability	Transparency	Sustainability	Integrity	Performance
Accountability	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	75				
Transparency	Pearson Correlation	.813**	1			
	Sig. (2-tailed)	.000				
	N	75	75			
Sustainability	Pearson Correlation	.837**	.847**	1		
	Sig. (2-tailed)	.000	.000			
	N	75	75	75		
Integrity	Pearson Correlation	.865**	.848**	.935**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	75	75	75	75	
Performance of NSF	Pearson Correlation	.856**	.773**	.805**	.782**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	75	75	75	75	75
**, Correlation is significant at the 0.05 level (2-tailed).						

Source: Research Data (2024)

As per the findings in Table 4.6, the study established that there is a strong and positive relationship between accountability and performance of the National Sports Federations in Nairobi City County, Kenya as shown by a correlation coefficient of 0.856. Since the p-value (0.000) was less than 0.05, the study concluded that there is a significant relationship between accountability and performance of the National Sports Federations in Nairobi City County.

Further, the results showed that there is a strong and positive relationship between transparency and performance of the National Sports Federations in Nairobi City County, Kenya as shown by a correlation coefficient of 0.773. Since the p-value (0.000) was less than 0.05, the study concluded that transparency is significantly associated with performance of the National Sports Federations in Nairobi City County.

In addition, the findings found that there is a strong and positive relationship between sustainability and performance of the National Sports

Federations in Nairobi City County, Kenya ( $r = 0.805$ ). Since the p-value (0.000) was less than 0.05, the study concluded that there is a significant relationship between sustainability and performance of the National Sports Federations in Nairobi City County.

Finally, the findings revealed that there is a strong and positive relationship between integrity and performance of the National Sports Federations in Nairobi City County, Kenya, as shown by a correlation coefficient of 0.782. Since the p-value (0.000) was less than 0.05, the study concluded that there is a significant relationship between integrity and performance of the National Sports Federations in Nairobi City County.

### Multiple Regression Analysis

The study conducted multiple regression analysis at a 95% level of confidence to establish the influence of accountability, transparency, sustainability and integrity on performance of the National Sports Federations in Nairobi City County. The findings are shown in Table 4.1, 4.2 and 4.3.

**Table 4. 7: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error
1	.876 <sup>a</sup>	.768	.755	.418

a. Predictors: (Constant), Integrity, Transparency, Accountability, Sustainability

Source: Research Data (2024)

From the outcomes in Table 4.7, the R-squared was 0.768, which implies that 76.8% of the variations in the performance of the National Sports Federations in Nairobi City County could be attributed to corporate governance principles such as accountability, transparency, sustainability, and integrity. This implies that the remaining 33.2% of the changes in performance of the National Sports Federations could be attributed to other factors, such as government support, which forms the basis for further studies.

**Table 4. 8 ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	40.549	4	10.137	57.946	.000 <sup>b</sup>
	Residual	12.246	70	.175		
	<b>Total</b>	<b>52.795</b>	<b>74</b>			

a. Dependent Variable: Performance

b. Predictors: (Constant), Integrity, Transparency, Accountability, Sustainability

Source: Research Data (2024)

As per the findings in Table 4.8, the F-computed was 57.946 and the p-value was 0.000. Since the F-computed was greater than F-critical (2.5027) and the p-value was less than 0.05, the study concluded that the regression was significant. This implies that the performance of the National Sports

Federations in Nairobi City County could be predicted using corporate governance principles such as accountability, transparency, sustainability, and integrity.

**Table 4. 9** Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.440	.180		2.450	.017
Accountability	.761	.054	.856	14.162	.000
Transparency	.671	.064	.773	10.402	.000
Sustainability	.402	.177	.388	2.278	.026
Integrity	.791	.074	.782	10.718	.000

a. Dependent Variable: Performance

Source: Research Data (2024)

From the regression coefficients in Table 4.9, the regression model equation was:

$$Y = 0.440 + 0.761 X_1 + 0.671 X_2 + 0.402 X_3 + 0.791 X_4$$

Where:

Y = Performance of the National Sports Federations

X<sub>1</sub> = Accountability

X<sub>2</sub> = Transparency

X<sub>3</sub> = Sustainability

X<sub>4</sub> = Integrity

The first objective aimed to establish the influence of accountability on National Sports Federations' performance in Nairobi City County, Kenya. From the findings in Table 4.10, the study revealed that a unit change in accountability would lead to a 0.761 change in the performance of the National Sports Federations in Nairobi City County. Since the p-value (0.000) was less than 0.05, the study concluded that accountability had a significant influence on the performance of National Sports Federations in Nairobi City County, Kenya. This highlights the critical role of holding all stakeholders responsible for their actions towards organizational success.

Kavila, Mwalwa, and Karanja (2023) found evidence to support the influence of accountability on performance. The study concluded there was a substantial and positive correlation between financial accountability and organizational performance. These results also coincide with the study of Masoumi et al. (2022) and Moses and Turyasingura (2022), who studied the implications of managerial accountability on organizational performance. These alignments assert that adopting accountability within National Sports Federations in Nairobi City County is important for proper operational efficiency and overall performance.

The second objective aimed at establishing the influence of transparency on the performance of National Sports Federations in Nairobi City County, Kenya. Findings showed that a unit change in transparency would lead to 0.671 changes in the performance of National Sports Federations in Nairobi City County. Since the p-value (0.000) was less than 0.05, the study concluded that transparency significantly influenced the performance of National Sports Federations in Nairobi City County, Kenya. These study findings are in agreement with Akhigbe and Akhigbe (2021) study that established a positive and significant relationship between the facets of organizational transparency and the indicators of organizational effectiveness in Rivers State, Nigeria. This comparison emphasizes the general significance of transparent practices in a variety of circumstances, reinforcing their importance in enhancing the performance of national sports federations in Nairobi City County.

The third objective sought to examine the influence of sustainability on the performance of National Sports Federations in Nairobi City County, Kenya. The results revealed that a unit change in sustainability would lead to 0.402 changes in the performance of the National Sports Federations in Nairobi City County. Since the p-value (0.000) was below 0.05, the study concluded that sustainability significantly influenced the performance of National Sports Federations in Nairobi City County, Kenya. These findings, hence, agree with Weerasinghe et al. (2023) study, which established that corporate sustainability practices significantly impacted organizational performance. This emphasizes the need to integrate sustainable practices within the strategic frameworks of sports federations to promote long-term growth and competitiveness.

The fourth objective was to examine the influence of integrity on the performance of National Sports Federations in Nairobi City County, Kenya. The findings showed that a unit change in integrity would lead to 0.791 changes in the performance of the National Sports Federations in Nairobi City County. Since the p-value (0.000) was below 0.05, the study established that there was a significant influence of integrity on the performance of National Sports Federations in Nairobi City County, Kenya. These study findings concur with the study by Hartanto (2019) that indicated knowledge management and integrity variables concurrently influence organizational performance at PT Bhinneka Mentari Dimensi. These findings are also similar to Abdullah and Atshan (2019) who established that work engagement partially mediated the correlation between organizational integrity and organizational excellence, while it fully influenced the link between leadership behavior and organizational success. Nevertheless, there is also an emphasis on the importance of integrity in promoting good governance standards and building confidence among stakeholders.

## Conclusion

Corporate governance principles are key to the success and overall performance of organizations. The study examined the influence of accountability, transparency, sustainability, and integrity on national sports federations' performance in Nairobi City County, Kenya. The researcher concluded that accountability, transparency, sustainability and integrity statistically can predict the performance of national sports federations in Nairobi City County, Kenya. The researcher also concludes that there is a significant relationship between corporate governance principles and performance of national sports federations in Nairobi City County, Kenya.

## Policy Recommendations

This study highlights the importance of corporate governance principles on the performance of national sports federations in Nairobi City County, Kenya. Nairobi City County, Kenya, and the national government could take into account these concerns to improve corporate governance policies in the sports sector. This will enhance efficiency in their operations, promote ethical conduct, and ensure better financial management in national sports federations.

The study recommends an approach to good governance through the formation of clear corporate governance policies, which not only develop stakeholder confidence but also raise sustainable development in the Kenyan sporting sector. This will also curb challenges such as corruption and inadequate resources to enhance the attainment of the long-term goals of national sports federations. It is key to prioritize corporate governance to enhance the performance and credibility of national sports federations in Nairobi City County, Kenya.

Results indicate that the majority of federations' employees understand corporate governance as practices or rules that an organization is guided by. Therefore, these employees are likely to adopt continuous training on best practices of corporate governance and development for board members and sports federations' employees in general. These trainings should be designed to educate sports federations' employees on the best corporate governance practices in the sports sector, since corporate governance principles were found to positively influence the performance of national sports federations. Uptake of these trainings will help improve the implementation of corporate governance policies and effectively manage operations. National Sports Federations management should utilize digital platforms for governance practices such as voting online, digital financial reporting, and embracing virtual board meetings. This will enhance integrity, transparency, and accountability and also reduce costs associated with governance practices.

Performance was found to be in various measures in different national sports federations. Therefore, the national and county governments should establish measurable performance indicators to be adopted by national sports federations for both sports outcomes and good governance. There should also be consistent monitoring and evaluation of these performance indicators to assist federations in tracking progress, making necessary adjustments, and increasing accountability.

### **Limitations and Future Research Direction**

The researcher encountered certain constraints during the study. Some of the respondents were not accessible, and others were unwilling to participate in the questionnaire. To address this, respondents were informed that findings would only be utilized for academic purposes. Additionally, respondents were assured that the researcher would keep their identity confidential. The researcher provided respondents with an introductory letter from the university and a permit letter from the National Commission for Science, Technology and Innovation (NACOSTI), assuring them that this study was solely for academic purposes. Conducting data collection using questionnaires also had its limitations, as responses may be biased due to the common method employed for collecting all data. To mitigate this, the researcher ensured that the questionnaires were well-designed and conducted a pilot study to improve the questions. Nevertheless, criticism of the survey method cannot be completely disregarded and should be considered.

The research was also limited to four corporate governance principles (accountability, integrity, transparency and sustainability) due to time constraints of the study. There are other governance principles that may influence national sports federations' performance and factors other than corporate governance. However, this limitation did not invalidate the study's findings but instead offers opportunities for future and related research in this area.

The study focused on corporate governance principles and the performance of national sports federations in Nairobi City County, Kenya. Further research is therefore needed to determine the profitability impact of adopted corporate governance principles on national sports federations. The results may possibly help identify the best corporate governance principles and other governance practices that would generate high income for national sports federations, hence improve performance

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