IMPACT OF ADOPTION OF CORPORATE GOVERNANCE ON FINANCIAL MANAGEMENT IN PRESCHOOLS IN KAYOLE, NAIROBI COUNTY, KENYA

BY

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Project submitted in fulfillment of the requirement for the award of Master in Education in Early Childhood Education in the Department of Education, Communication and Technology.

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DECLARATION

This research project is my original work and has not been presented before an academic credit in any other university.

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Declaration by supervisor

This research project has been submitted for examination with my approval as a senior university lecturer.

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DEDICATION

My gratitude to the almighty God for enabling me to do this work and bringing me this far.

This work is dedicated to my late parents and guardians whose Nature, support, encouragement and inspiration has enabled me to be what I am today.

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ABSTRACT

This study aimed at assessing the practice of corporate governance in financial management in preschools. In addition, it was also aimed at finding out the underlying reasons of most frequently stated issues of implementation from the corporate governance practice perspectives.

The study assessed the adoption of corporate governance on financial management in preschools in Kayole Nairobi County.

In this study, both quantitative and qualitative data were collected. The quantitative data was gathered through questionnaires from 20 preschool administrators teaching in public and private kindergartens in Nairobi. The qualitative data was gathered through interviews with a group of participants selected from the 20 schools. Frequency tables and charts were used to present the result of the study.

In this study the researcher used survey method and barrier analysis survey. The design is meant to enable the researcher to draw a clear conclusion of the relationship between the variables. A framework on behavior change used to design the questionnaires was a determinant of the course of action to implement desired behavior.

The results indicated that the most frequently reported issues by the participants were the problems related to evaluation and physical facilities followed by the ones related to skills and knowledge of undertaking corporate governance in financial management.

In the study, one of the most stated problem that preschool administrators face in the financial management of their schools was implementation and evaluation. The administrators added that they easily get support from their seniors on how to practice corporate governance in financial management. They also noted that the practice is highly approved by most people. Though more administrators were able to practice corporate governance, some were not putting the knowledge and skills into practice due to various challenges as discussed in this study. Administrators faced a challenge of addressing demand for information. Supply of accounting information was also a challenge as well as monitoring costs. The study recommends that Ministry of Education in cooperation should strive to employ more trained teachers, a joint venture between the regulators and the government to improve the situation through revision of resource allocation criterion to schools to put into consideration the special needs of the disadvantaged schools to address the problem of inequality in the education sector in the area and school administrators to organize for stock taking events for the stakeholders to establish the status of the schools and act proactively towards addressing the problems that the schools face.

The findings also showed that school administrators should organize for stock taking events for the stakeholders to establish the status of the schools. It also showed that ministry of education should ensure every preschool is fully furnished and equipped with necessary facilities.

Suggestions for further studies included;

i) Study to assess the level at which corporate governance is practiced in preschools in regard to financial management.

ii) Challenges faced by preschool teachers in the curriculum implementation.

DEFINITIONS OF SIGNIFICANT TERMS

Curriculum - Refers to activities that those in school engage, plan, implement and evaluate in the course of educational process.

Effectiveness - refers to the ability to bring about the intended results.

Efficiency - Refers to the ability to produce desired results with minimum effort or the lowest cost.

Financial management- It is the efficiency and effective management of money (funds) in such a manner as to accomplish the objectives of the organization.

Adoption - The choosing and making that to be one's own which originally was not so acceptance; as the adoption opinions

Performance - Refers to students achievement and score after a given regular instruction from the teacher.

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LIST OF ABBREVIATIONS

ECESA	:	Early Childhood Education and Sector Act
ECEC	:	Early Childhood Education Centers.
CG	:	Corporate governance
FM	:	Financial Management
EFA	:	Refers to education availed on equal basis without discrimination of kind.

CHAPTER ONE

1.0 INTRODUCTION

Knell (2006) and Cadbury (1992) present corporate governance as systems, structured processes, defined policies and institutions that influence the way an institution is directed, administered or controlled. It includes relationships among principal players such as shareholders, management and the board of directors while recognizing the goals for which the corporation is governed and relationships among other stakeholders including suppliers, customers, employees, banks and other lenders, regulators the environment and community at large.

Corporate Governance aims at enhancing internal governance practices through structures and control mechanisms that result in efficient and effective operations. Primarily, good governance practices demand a separation of roles between boards and management to strengthen adequate oversight and supervision, critical in avoiding conflict and ensuring clear accountability. Poor governance renders an organization an underperformer which fails to accomplish stated goals, and stands to lose the backing and goodwill of various shareholders. Government bodies, the private sector and the nonprofit sector alike have adopted corporate governance practices in an attempt to streamline accountability, responsibility and transparency measures within. Organizations operate in complex and dynamic environments that require complex, but flexible, governance regulation reflecting the uniqueness of each situation arising from specific factors such as legal and financial systems, culture, corporate ownership structures and economic conditions. This analysis cannot be truer in the case of international nongovernmental organizations which have to contend with starkly different socioeconomic, cultural and political country contexts and internal upheavals but against which their mandate should be carried out with a stakeholder-approved satisfactory level of success. This objective of this study was to establish corporate governance practices among preschools management in Kayole District Nairobi County in Kenya.

1.1 Background of the study

Corporate governance controls are designed to encourage the efficient use of resources and promote accountability for the stewardship of resources used by managers (Cadbury, 2000). The recent global spate of institutions using fraudulent accounting methods to mask declining financial conditions has attracted the attention of regulators and accountants. The U.S. government responded to the corporate scandals with the Sarbanes-Oxley Act in January 2002. The Sarbanes-Oxley Act (SOX) which was designed to enhance accountability in public learning institutions. The USA department of education 1998 noted that to enhance sustainable quality education in the early year's sector, accountability and effective utilization of resources was a major concern (Blatchford, 2002). It is therefore widely practiced among all public institutions practicing in the early year's education sector in the United States.

In Britain the major discourses of Early Years Education are largely concerned with the views of developmental challenges which concentrates on the immediacy of experience and a child-centered learning environment (Anning et al, 2004). The Government commissioned a number of studies into early year's provision (Sylva et al, 1999 and Siraj-Blatchford, 2002) to gain evidence of effective practice in the early year's sector. A study by Moyles et al, 2001 found that effective practice is characterized by an ability to apply knowledge of a child's learning with curriculum knowledge to the planning and evaluation of a child's progress across a number of areas. Much of the practice in the early year's sector has generally been to follow the interests of the child (Anning, 1997). The sector has embraced corporate governance in the financial management of the sector In order to be effective and enhance education needs for an effective and workable curriculum with practitioners who are capable of implementing its requirements.

Though the corporate governance discourse has attracted global interest, at the onset, the focus was naturally on the highly developed countries, after having witnessed the collapse of giant corporations such as Enron, WorldCom Inc., Tyco, Aldephia, Global Crossing, (Jones & Pollitt 2003). More recently, due to its apparent significance to an organization's strategic strength and society's wellbeing, attention has been devoted to corporate systems in developing countries and in Africa (Mueller 2006).

The South Africa study in (2009) revealed that "risk management contributes to the creation of sustainable value."It also states that Chief Executive Accountability for risk management extends to agency contribution in attainment of government economic, social and environment objectives as stated in South Africa Strategic Plan. Risk assessment is integrated into planning and all other activities of the agency including significant proposals and cabinet submissions. The risk information obtained is a fundamental consideration in measured risk taking and decision making.

Good governance within the corporate area as well as within a school or preschool recognizes the need for appropriate strategic and operational risk management. The research for effective schools and child friendly schools, the shift to school based management, the emphasis on development planning in schools, the assurance of school education quality, the implementation of new curricula and application of information technology in education are typical examples of efforts towards educational reforms, card well et al (1992).

Regionally a case study in a project done by international finance corporation in Ghana to promote access by building schools capacity for proper corporate governance in financial management brought out that the schools that were in this project were able to provide both affordable education and better services in their facilities.

Dublin West Childcare and Learning Services Ltd (2010) identified the need to improve quality standards within community preschools and recognized the gaps and challenges that presented in transferring childcare knowledge and training into practice in Ireland. Exploratory research undertaken prior to the evaluation highlighted significant shortfalls in practice across preschools despite 64% of staff within the targeted preschools having a minimum FETAC Level five qualification.

In Kenyan pre-schools there are threats to education quality that cannot be explained by lack of resources. It is greatly blamed on service and delivery failures in education; cases where programs and policies increase input to education but do not produce effective services where it counts, that are in the classroom, Magdi R. Iskander (2000) this project documents what we know about the extent and costs of such failures. It argues that a root cause of low quality and inequitable public service is the weak accountability of providing to both their supervisors and client.

The high number of population in Nairobi has caused the demand for education leading to number of schools coming up most of them individually owned as the government registers inability to start up new schools. A study done by Education innovation in Kenya in (2008) showed that most of this pre schools do not have proper management hence does not reflect governance from administration to financial management which impacts negatively on the performances of the schools. Its commonsense that parents will be attracted to schools that have got clear analysis of its programs, financial expenditure, proper management and good results which are reflected through streamlined governance.

The presence of an effective corporate governance system, within individual preschools and across schools as a whole, helps to provide a degree of confidence that is necessary for the proper functioning and confidence among parents and stakeholders. As a result, the cost of capital is lower and schools are encouraged to use resources more efficiently, thereby underpinning growth (Nganga, 2003).

Improving accountability requires information for accountability, school based management and teacher incentive. Weak accountability is a root cause of low quality and inequitable public services, Magdi R. Iskander (2000). Kayole is located in Embakasi, Nairobi County and it has a mixture of different social economic background families, most being the needy. Kayole being one of the high densely inhabited urban centres within Nairobi sets a good example with many schools. Its approximated that kayole alone has over 500 pre schools which provides a good study zone.

Recently there has been a mushrooming of preschools whose aim to some is business and to others like the community based organization is to assist and help the needy child to grow holistically. In Kayole there are many preschools but still many children remain out of school, dropout and many cannot access. This indicates the apparent need for corporate governance systems in preschools financial management. Thus the project seeks to investigate the impact of adoption of corporate governance principles on financial management of preschools in Kayole, Nairobi County.

1.2 Statement of the problem

Corporate governance has attracted a range of research in the recent years. The Cadbury (1992) studied on the systems by which companies are directed and controlled. He proposed best practice as separation between ownership and control of corporations. In their treatise, Metrick and Ishii (2002) studied corporate governance from the perspective of the investor and found out that corporate governance is premised on the ability of an institution to repay a fair return on capital invested and the commitment to operate a firm efficiency given investment. Metrick and Ishii argue that firm level governance may be more important in developing markets with weaker institutions as it helps to distinguish levels of governance among firms. On the other hand, Rajan and Zinagales (1998) contacted a study on corporate governance in institutions of higher learning where they concluded that state intervention in the governance of the institutions hampered performance. From these studies, it can be seen that no study has been carried out in analyzing corporate governance practice among small institutions and more specifically in the early years child development sector in Kenya. The sector is an important one since it lays the foundation for the basic education practice and thus quality at this level determines performance in the higher levels. The early child's education sector represent much more than a drop-off location for working parents and play an important role in child development by affording children an opportunity to engage in a range of educational and social activities (Currie, 2001).

This study seeks to investigate the impact of adoption of corporate governance principles on financial management of preschools in Kayole, Nairobi County. The study seeks to outline how corporate governance can be a tool for enhancing quality of provision of services within the preschools environment. High quality is characterized by a qualified, well-paid and stable work-force, low adult-child ratios, efficient management and good governance structures (Vandenbroeck et al., 2011).

1.3 Purpose of the study

The purpose of this study is to bring to light effects of the adoption of corporate governance principles in financial management in preschools.

1.4 Research objectives

i) To establish the impact of policies and guidelines of corporate governance on level of financial management.

ii) To establish the level of independence between school management and other stakeholders.

iii) To establish the effect of the adoption of corporate governance on utilization of resources in preschools.

1.5 Research questions

To meet the stated objectives the study sought to answer the following research questions:

i) How does the policies and guidelines of corporate governance impact on level of financial management in preschools?

ii) What is the level of independence between school management and other stakeholders?

iii) What is the effect of the adoption of corporate governance on utilization of resources in preschools?

1.6 The significance of the study

The findings of the study will have far reaching effects particularly for the government of Kenya in meeting the Millennium Development Goals in that: It will meet educational infrastructure needs of the preschools through proper financing, improve the management systems of preschools by employing qualified personnel, increase access to education and improve the general quality of education in preschools.

The proprietors of different preschools will also benefit from the findings in that they will need to create child friendly schools to improve accessibility. The stakeholders for example parents will relax for they will be able to access and afford a preschool that meets the needs, interests and aspirations of their children. They will also be able to get involved in the well being of their children.

1.7 Delimitations

The study focused on five preschools in Kayole, Nairobi County, ten formal schools and ten non formal schools.

1.8 Limitations of the study

Access: the study depends on having access to people, organizations, or documents and, for whatever reason, access is denied or otherwise limited, the reasons for this need to be described.

Longitudinal effects: the time available to investigate a research problem and to measure change or stability within a sample is constrained by the due date of the assignment which is limited by academic requirement.

Cultural and other type of bias: we all have biases, whether we are conscience of them or not. Bias is when a person, place, or thing is viewed or shown in a consistently inaccurate way. This study expects such biases considering the cosmopolitan nature of the study area Nairobi. It is usually negative, though one can have a positive bias as well. This research will address this limitation by acknowledging biases and stating measures of addressing the biases are defined in the methodology section.

Fluency in a language: the research will be carried out in English language. If some of the respondents are not fluent in English, this deficiency has been acknowledged and the researchers shall be allowed to interpret into Kiswahili where the respondents are not conversant to speak in English.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter the researcher dealt with literature on: Corporate governance principles and financial management principles, the effect of the adoption of corporate governance principles on accessibility to preschool and how the adoption of corporate governance principles affects outcomes in preschools.

2.2 Corporate governance principles and financial management principles

According to Lisa Mary Thomson (2008) corporate governance refers to the set of systems principles and processes by which a company or a corporation is governed. They provide the guidelines as to how the company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the company and is also beneficial for all stakeholders in the long-term stakeholders in this case would include everyone ranging from the board of directors, management, shareholders to customers, employee to society.

To cope with the challenges from rapidly changing environment in 1990s and 21st century numerous educational reforms and schools restructuring movements have been implemented to pursue educational effectiveness and school development Cheng and Townsend (2000), not only in developed countries but globally. The search for effective schools, the spirit to school based management the emphasis on development planning in school, the assurance of school education quality, the implementation of new curriculum and application of information technology are typical examples of efforts towards educational reforms Amwolansky and Isaac A. Friedman (2003).

Regional case study in a project done by International Finance Corporation in Ghana to promote access by building schools capacity for proper corporate governance in financial management brought out that the schools that were in this project were able to provide both affordable educational and better services in their facilities. The study explains about the threats of education quality that cannot be explained by lack of resources. It reviews service failure in education cases where programs and policies increases inputs to education but do not produce effective services where it counts that is in the classroom. It documents what we know about the extent and costs of such failures. It argues that a root cause of low quality and inequitable public service is the weak accountability of providers to both their supervisors and clients.

Improving accountability requires; information for accountability, school based management and teacher incentive corporate governance aims to change the relationships of accountability among various actors in the preschool to change behavior and thus improve outcomes. Corporate governance involves making guidelines, rules and policies that generate information on roles and responsibilities, in the case of preschool inputs, outputs or outcomes and disseminate that information to local level stakeholders Magdi R. Iskander (2000).

Financial management means the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It includes how to rise to capital how to allocate it i.e. capital budgeting. Not only about long term budgeting but also how to allocate the short term resources like current assets. It also deals with the dividend policies of the shareholders.

Generally financial management is concerned with procurement, allocation and control of financial resources of a concern.

Objectives of financial management include:

i) To ensure regular and adequate of funds to the concern.
ii) To ensure optimum funds utilization once the funds are procured, they should be utilized in maximum possible way at least cost.
iii) To ensure safety on investment.

2.3 Corporate Governance and Risk.

According to Brogi (2008) the governance system of financial intermediaries is all the more important because these institutions are mainly in the business of risk acceptance. However, many firms are yet to implement practices for better risk management (Kleffner et al, 2003). Tandelilin (2007) maintains that implementation of good corporate governance is not only concerned about better expected return but is also concerned about better managing of risk. The most important types of operational risk involve breakdowns in internal controls and corporate governance (Vrajlal, 2006).

2.4 Financial Performance

Branch & Baker (1998) noted that the basis for a self-sufficient or balanced financial intermediary comes as a result of the simultaneous presence of saving of funds. However, the conflicts of interest are inherent in this balance as spenders want to get all that is needed. Savers demand strong prudential disciplines because savers have strong incentives to see the institutional viability strengthened by profitability.

Financial performance can therefore be enhanced through embracing corporate governance practices. Corporate governance has been identified to have a significant impact on the performance of firms (Coleman & Osei, 2007), (Dittmar & Mahrt-Smith, 2007).

2.5 Principles of corporate governance

i) Rights and equitable treatment of shareholder: That organization should respect the rights of shareholders and help shareholders to exercise those rights.

ii) Interest of other stakeholders: organizations should recognize that they have legal, contractual, social and market driven obligations to non-shareholder stakeholders, including employees, investors etc.

iii) Roles and responsibilities of the board. The board needs sufficient relevant skills and understanding to review and challenge management performance.

iv) Integrity and ethical behavior integrity should be a fundamental requirement in choosing corporate officers and board members.

v) Disclosure and transparency, organization should clarify and make publicly known the roles and responsibilities of board and management to provide stakeholders with a level of accountability. The Cadbury Report (UK, 1992).

2.6 Principles of financial management

There are several principles of financial management for institutions. They provide a high level guide for directors and senior managers to help them make sure that their organization are using funds effectively and so that staffs are working appropriately.

These principles include:

i) Stewardship – This ensures that the organization takes good care of the resources it is entrusted with and makes sure that they are used for the purpose intended. The board has overall responsibility for this. In practice managers achieve it through careful strategic planning setting up appropriate controls considering risks.

ii) Accountability – The organization or institution must explain how it has used its resources and what it has achieved as a result to all stakeholders including beneficiaries. All stakeholders have the right to know how their funds and authority have been used. Organizations or institutions have an operational moral and legal duty to explain their decisions and actions, and submit their financial reports to scrutiny.

iii) Transparency – The organization must be open about its work, making information about its activities and plans available to relevant stakeholders. This includes preparing accounts, complete and timely financial report and making them accessible to stakeholders, including beneficiaries if an organization is not transparent then it may give the impression of having something to hide.

iv) Integrity – on a personal level, individuals in the organization must operate with honesty and propriety. For example managers and trustees should lead bye example in following procedures and by declaring and personal interests that might conflict with their official duties. The integrity of financial reports depends on the accuracy and completeness of financial records.

v) Viability – Expenditure must be kept in balance with incoming funds both at the operational and the strategic levels. Viability is a measure of institutions financial continuity and security.

The trustees and managers should prepare a financing strategy to show how the institution will meet all of its financial obligations and deliver its strategy plan.

vi) Accounting standards – The system for keeping financial records and documentation must observe internationally accepted accounting standards and principles. Any accountant from anywhere around the world should be able to understand the organization's system for keeping financial records.

vii) Consistency – The organization's financial policies and systems must be consistent over time. This promotes efficient operations and transparency especially in financial reporting while system may need to be adapted to changing needs unnecessary changes be avoided.

Inconsistent approaches to financial management can be a sign that the financial situation is being manipulated, Pamela Peterson et al (2007).

Accessibility – The Dakar Framework for Action (2000) recommended that all children must have the opportunity to fulfill the right to quality education in schools or alternative programme at whatever level of education is considered "basic." All states must fulfill their obligation to offer free compulsory primary education in accordance with the United Nations Conventions on the Rights and other International Commitments. The Dakar Frame for Action (2000) continues to declare that the international agreement on the 2015 target for achieving Universal Primary Education. All countries require commitments and political will from all levels of government. For the millions of children living in poverty who suffer multiple disadvantages like accessibility to schools there must be an equivocal commitment that education be free of tuition and other fees and that everything possible be done to reduce or eliminate costs such as those for learning materials, uniforms, schools, meals and transport. The transport is to ensure that children that are located far from the institution can be able to reach them without much problem.

The Dakar Framework for Action (2000) noted with concern that most of the children dropout of school because of the distance they have to walk to reach school.

Learning outcomes – governance is the manner in which power is exercised in the management of economic and social resources for sustainable human development and it has assumed critical importance in these days of political pluralism.

Governance is a vital ingredient in the maintenance between the need for order and equality in society, the efficient production and delivery of goods and services, accountability in the use of power, the protection of human rights and freedoms and the maintenance of an organized corporate framework. Within which each citizen can contribute fully towards finding innovative solutions to common problems. Magdi R. Iskander et al (2000). Corporate governance systems have evolved over centuries, often in response to corporate failures or systematic crises. The first well documented failure of governance was the south sea bubble in the 1700s which revolutionalized business laws and practices in England. Similarly much of the securities law in the United States was put in place following the stock market crash of 1929.

In order to align agents' incentives with interests of principals, diverse governance mechanisms are built into the agency contracts (Fama 1980). The role of regulation in this process can be explained by referring to agency theory. Regulation attempts to overcome information asymmetry between managers and shareholders and protect each party's contractual rights.

Due to incomplete contracts, regulation attempts to protect stakeholders by mandating corporate governance practices. Regulations smooth the progress of the efforts of contracting parties to maximise the joint gains (the contractual surplus) from transactions (Schwartz and Scott, 2003). Changes in regulations comprise a source of experiments and for this reason our study examines the impact of recent corporate governance reforms on the quality of financial reporting.

While it is not possible to prove without considerable additional research, the general expectation is that those institutions that have weathered the storm best are those with the best embedded Corporate Governance models and those that have fared worst are those with poor Corporate Governance models (Hermalin and Weisbach, 1991). Furthermore, it is arguable that even if Corporate Governance is not a cause of the Financial Crisis, it has to have been at least a contributory factor in its severity. Compliance with current Corporate Governance frameworks is not onerous compared to other more legalistic director responsibilities.

There has been no shortage of other crisis such as the secondary banking crisis of the 1970s in the United Kingdom and the United States savings and loan debacle of the 1980s. In addition to crisis the history of corporate governance has also been punctuated by a series of well known company failures. Each crisis or major corporate failure is often a result of incompetence, fraud and abuse which are met by new elements of improved system of corporate governance, Magdi R. Iskander et al (2000).

Through the process of continuous change, developed countries have established a complex mosaic of laws, regulations, institutions and implementation capacity in the government and the private sector. The objective being to balance the spirit of enterprise with greater accountability. The systematic enforcement of laws and regulations has created a culture of compliance that has shaped business culture and the management ethos of firms, spurring them to improve as a means of attracting human and financial resources on the best possible terms. The continuous process of change and adaptation has accelerated with the increasing diversity and complexity of shareholders and stakeholders Magdi, R. Iskander (2000).

Globalization too is forcing many institutions to tap into international financial markets and to face greater competition. This has led to restructuring and a greater role for merges and acquisition and to expanded market for corporate control, Magdi R. Iskander et al (2000). The developing world has also faced its own corporate governance challenges, for instance the economic crisis in East Asia and other regions have demonstrated how macro-economic difficulties can be exacerbated by a systematic failure of corporate governance stemming from weak legal and regulatory systems, inconsistent accounting and auditing standards, poor banking practices, thin and unregulated capital markets, ineffective oversight by corporate boards of directors and little regards for the rights of minority shareholders, unfortunately the brunt of the impact has been shouldered by the poor, setting back social and economic gains by as much as a generation in some countries, Magdi R. Iskander (2000).

In Kenya preschools being very basic structure in the society are most times imagined to run without financial management or the financial management involved is minimal. This line of thinking is unfounded because financial management in itself is a process by which various resources of an organization even as basic as preschools are brought together in a purposeful manner for attainment of a given goal or a set of goals.

Definitely preschools have goals and resources to manage what makes the difference in their financial management is the level of the adoption of a corporate governance principles. According to Magdi R. Iskander (2000) modern corporations are disciplined by internal and external factors. Corporate governance specifies the rules and procedures for making decisions in issues regarding the institution (preschool). Governance provides the structure through which organizations set and pursue their objectives while reflecting on the content of social, regulatory and market environment. Corporate governance is a mechanism for monitoring the actions, policies and decisions of organizations. It involves the alignment of interest among stakeholders much of the contemporary interest in corporate governance is concerned with mitigation of the conflicts of interest between stakeholders.

The most important theme of governance is the nature and extent of accountability it has on shareholders welfare. The emphasis of welfare of shareholders brings in positive effects and this shows the importance of corporate governance in institutions. The lack of adherence to corporate governance principles leads to destruction of structures set to pursue organizational objective.

2.7 Governance and learning relationship.

This aspect is well explained by the emergence of the Irish Governance Code in 2011 which raised awareness of the importance of practicing good governance within community, voluntary and charitable organisations in Ireland. The Governance Code of Ireland states that all community, voluntary and charitable organisations have a responsibility to provide and follow a code of good practice when it comes to how their organisations are run. It is the responsibility of the people who run the organisation, usually called the board or management committee, to ensure best practice in terms of governance is adhered to. Given the voluntary nature of the board, it has proved difficult to ensure that good governance is always practiced, despite best intentions (Brown, 2005). With the Governance Code, board members can have access to a tool which will assist them in demonstrating their governance standards to their stakeholders. Those implementing governance standards must also value children and their participation within society and within the education system. Additionally, those involved in governance must adequately resource the services in order to provide high quality provision for their stakeholders.

Governance is the 'glue' that holds the early childhood system together. Without strong governance parents may struggle to find reliable childcare services. Some parents end up choosing multiple preschool arrangements of uneven quality to meet their family's needs. Children may experience discontinuity as they move from one setting to another (Moore and Vandiviere, 2000). Good governance can ensure that services attain quality standards, are affordable, meet local demand, promote cost-effectiveness and achieve equity goals. As the early childhood field expands and becomes increasingly complex, there is an increasing need for policy makers to address governance and ensure more coherent early childhood care and education policy across government agencies, levels of government and programs.

A case study in a project done by international finance corporate in Ghana to promote access by building schools capacity for proper corporate governance in financial management brought out that the schools that were in this project were able to provide both affordable education and better services in their facilities. It can be confidently stated that corporate governance is concerned with creating a balance between economic and social goals and between individual and communal goals while encouraging efficient use of resources, accountability in the use of power and stewardship and as far as possible to align the interest of individual corporations (institutions) and society.

2.8 Governance challenges in Schools

Basic among the school governance challenges, is the capacity to govern. While the provincial departments of education, through functional units at head offices and at district levels, have engaged in the training of school governing bodies (SGBs), the actual enactment of these roles is often less than ideal (Lemmer, 2008). The very essence and effectiveness of the training that school governors receive are often questionable. Among other training constraints, Mabasa and Themane (2002) report that SGBs are not trained before they start their work and this manifests in problems such as unfamiliarity with meeting procedures, problems with the specialist language used in meetings, difficulties in managing large volumes of paper, not knowing how to make a contribution, not knowing appropriate legislation, feeling intimidated by the presence of other members who seem knowledgeable and perceiving their roles as simply endorsing what others have already decided upon. This can be attributed to irrelevant and inadequate training of SGB members, which does not really address the core functions of school governance.

Mestry (2004) highlights an important challenge in SGBs, namely, lack of the necessary knowledge and skills for financial management and, consequently, the inability to work out practical solutions to practical problems. Mestry (2006) also points out lack of collaboration between the principal and other SGB members with principals being unwilling to share responsibility for school governance for fear of losing power. Another challenge, articulated by Van Wyk (2004) relates to educators in SGBs feeling that other SGB members (an obvious reference to parent-governors) lack confidence and are not sure of their duties. In this regard, Maile (2002) contends that illiteracy among SGB members, especially parent-governors, may contribute to their own inefficiency and argues that this is possible because illiteracy precludes parents from accessing relevant information. To this end and in relation to the problem of illiteracy, Van Wyk (2004) points out that many SGBs, particularly in less advantaged areas, do not have the required skills and experience to exercise their powers.

Another governance challenge is that of allegiance to constituencies. In one study, Xaba (2004) found that educator-members of SGBs see themselves as "watchdogs" whose role is that of "fighting" for educators' issues. In that sense, Xaba argues that SGB members' roles are made difficult by how they gain membership to the SGB, that is, through a constituency support base, which seems to suggest that they serve the interests of their constituencies, which makes it difficult to promote the best interests of the school. Nonetheless, schools have to be, and continue to be governed. Indeed, many attempts at building the capacity of school governors continue to be made. For instance, at provincial departmental level, special units have been established to deal with school governance and at district and local levels, there are officials tasked with school development and support, which include school governance support. Regardless of the level of effectiveness of such capacity-building initiatives, SGBs continue to experience governance challenges. Numerous research studies identify factors located in the functional ability of SGB members as responsible for the failure of SGBs to govern schools effectively and execute their roles and responsibilities as prescribed by the Schools Act (Chaka, 2005).

2.9 Constitutional mandate on ECDE management and vision 2030

The mandate of the Education Sector is to respond to the Constitution (2010) and Kenya Vision 2030 and in so doing to propose strategies to address wastage and inefficiency; improve financial management and accountability, and to make education in Kenya inclusive, relevant and competitive regionally and internationally.

The provision of quality education and training to all Kenyans is fundamental to the success of the Government's overall development strategy. Kenya Vision 2030 articulates the development of a middle income country in which all citizens will have embraced entrepreneurship, be able to engage in lifelong learning, learn new things quickly, perform more non-routine tasks, be capable of more complex problem-solving, willing and able to take more decisions, understand more about what they are working on, require less supervision, assume more responsibility, and as vital tools towards these ends, have better reading, quantitative, reasoning and expository skills (GoK, 2012).

The mission of the Government of Kenya is to create an education and training environment that equips learners with desired values, attitudes, knowledge, skills and competencies, particularly in technology, innovation and entrepreneurship, whilst also enabling all citizens to develop to their full capacity, live and work in dignity, enhance the quality of their lives, and make informed personal, social and political decisions as citizens of the Republic of Kenya.

The management of early child education requires the re-aligning the education sector to the Constitution and vision 2030 (Odhiambo, 2010). During the last few years, major reforms and innovations have included the implementation of Free Primary and Free Day Secondary Education. This has enabled the Country to make significant progress towards attaining Education for All (EFA) and the Millennium Development Goals (MDGs). To date, the main focus has been on improving levels of access, retention, equity, quality, relevance, and the overall efficiency of the education sector.

The main issues facing the education sector have been challenges of access, equity, quality, relevance and efficiency in the management of educational resources. In 2003, the Ministry of Education embarked on a series of reforms geared towards attaining the education related Millennium Development Goals (MDGs) and Education for All (EFA). The recommendations of the 2003 National Conference on Education and Training informed the development of the e Sessional Paper Number 1 of 2005. It outlined short, medium and long term sector targets which included the Attainment of Universal Primary Education (UPE) and Education for All (EFA) by 2015. All these would be attained through improved managerial practices among the institution managers. This study seeks to establish the extent to which corporate governance is being practiced and the effects there of.

2.10 Theoretical framework

This project will be based on the conflict theory which holds that social change is only achieved through conflict, this theory contrasts sharply with the consensus theory which is a social theory that holds that a particular political or economic system is a fair system, and social change should take place within the social institutions provided by it. Under consensus theory the absence of conflict is seen as the equilibrium state of society and that there is a general or widespread agreement among all members of a particular society about norms, rules and regulations. Consensus theory is concerned with the maintenance or continuation of social order in society. The consensus theory serves as a sociological argument for the furtherance and preservation of the status quo. It is antagonistic to the conflict theory which serves as a sociological argument for modifying the status quo or for its total reversal, Max Weber et al.

In consensus theory the rules are seen as integrative and whoever doesn't respect them is a deviant person. Under conflict theory the rules are seen as coercive and who transgresses them is considered oppressive and wrong.

2.11 Conceptual framework

Good Corporate Governance practice provides a way to realize the vision of mitigating risk and optimizing performance simultaneously in today's competitive and regulatory environment (Vrajlal, 2006). According to Tandelilin (2007) implementation of good corporate governance is not only concerned about better expected return but is also concerned about better managing of risk. Institutions can incur financial losses when risks are poorly managed, and may fail to meet objectives of providing services to the poor and quickly go out of business (Microfinance network report, 2000).

This study will be guided by various variables;

Independent variables

The Board's ability to act as an effective monitoring mechanism depends on its independence from management (Beasley, 1996) and it is guided by the policies and guidelines put in place. Board independence is measured as the proportion of non-executive directors on the board. There must be separation between the stakeholders, the teachers who develop the curriculum and other non-teaching staff; this gives room to each individual to carry out duties effectively as manifested by good performance. A negative association is expected between the proportion of non-executive directors and performance-adjusted discretionary accruals (PACDA), (Klein, 2002).

Vafeas (2005) finds that more appropriately structured audit committees and boards produce higher-quality earnings information. Audit committee effectiveness is proxied by two characteristics, independence and activity. Prior research argues that the ability of the audit committee to detect earnings manipulation is associated with the level of audit committee independence (Klein, 2002). Regarding audit committee activity, prior research argues that the effectiveness of an audit committee is also dependent on the frequency of meetings.

Dependent variables

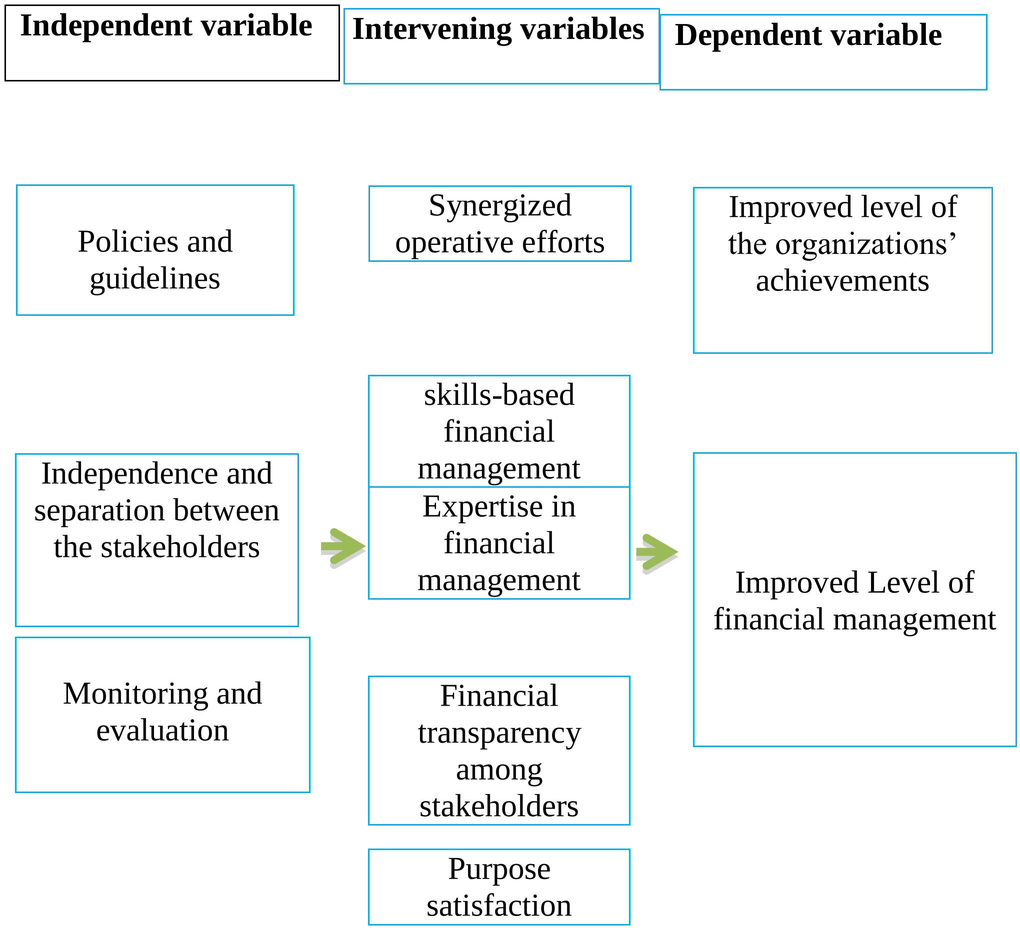
Dechow and Schrand (2004) suggest that large accruals (of either sign) indicate volatility and low finances are likely to contain estimation errors while high financial capability are unlikely reflect institution current operating performance, future operating performance or measure of value. Current discretionary accruals are adjustments regarding short-term assets and liabilities including any payments to staff and other infrastructure development. It is predicted that improvements in corporate governance practices lead to an improvement in the quality of the organizations' achievements.

Intervening variables

These are the factors under play in realizing the achievement of the dependent variable which is improved level of financial management. These factors are; synergized operative efforts towards the provision of quality education for learners, skills-based and expertise-based requirement of financial management and accountability and financial transparency amongst stakeholders

This is outlined in the figure 2.1 below.

Figure 2.1: Conceptual framework



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Chapter three of the study seeks to describe how the study will be carried out. It highlights the research design, the study population and sampling techniques employed. It is also in this chapter where data collection procedures and tools used are described and finally how data that will be collected will be analyzed and presented.

3.2 Research design

The researcher used survey method and barrier analysis survey to ascertain the important determinants in making use of corporate governance in financial management of preschools in Kayole Division, Nairobi County. The design is meant to enable the researcher to draw a clear conclusion of the relationship between the variables.

Survey method is appropriate for the study as it provided quantitative and qualitative analysis of the data. Conclusions which will be made from the selected samples gave a basis for generalization of the phenomenon under investigation. This way it becomes easy to give the researcher and the reader a clear picture of the entire situation.

3.3 Population and sample

3.3.1 Target population

The study was a case study of sampled schools in Kayole a decision which will be based on the research.

3.3.2 Sample size

The researcher being a case study dealt with twenty preschools in Kayole representing all the other schools in the area. The respondents include school managers and directors, proprietors, head teachers, parents, teachers all in preschools.

3.3.3 Sampling techniques

A stratified random sampling technique was used for all respondents in the target population. The population will be drawn from each stratum. This method of sampling ensures that each strata is represented proportionally in the sample.

3.4 Data collection methods and procedures

3.4.1 Primary data

This was a representative of the actual data that will be obtained for the purpose of the research study. It will include raw facts such as answered questionnaire. This type of data was collected and then analysed to get the information required. Questionnaires will be used as the major data collection instruments. The questionnaires was used as the major data collection instruments. The questionnaires composed both open ended and close ended questionnaires. The closed ended questionnaires call for a yes or no answers while the open ended questionnaires call for the respondents own opinion.

3.4.2 Secondary data

This is data that was collected and intended for other purpose but is significant to use in this study. It involves past data that has been collected and tabulated through use of graphs, charts and reports. This type of data will be collected from reference materials which have key information that was helpful to this research.

Study collection of secondary data will be obtained through desk research from internal and external source. The external source included publications from research agencies, press, libraries and newspapers articles.

3.5 Validity and reliability

The questionnaires were distributed to selected set of respondents in the sample populations that is the school managers, and directors, the school owners, the parents and the teachers to give quality results.

3.6 Data analysis procedures

The data collected from the research was analysed using descriptive statistical analysis. A framework on behavior change used to design the questionnaires and successfully design for behavior change was used in the data analysis information from the framework design for behavior change was determinant of the course of action to implement desired behavior.

CHAPTER FOUR

DISCUSSION OF FINDINGS

4.1 Introduction

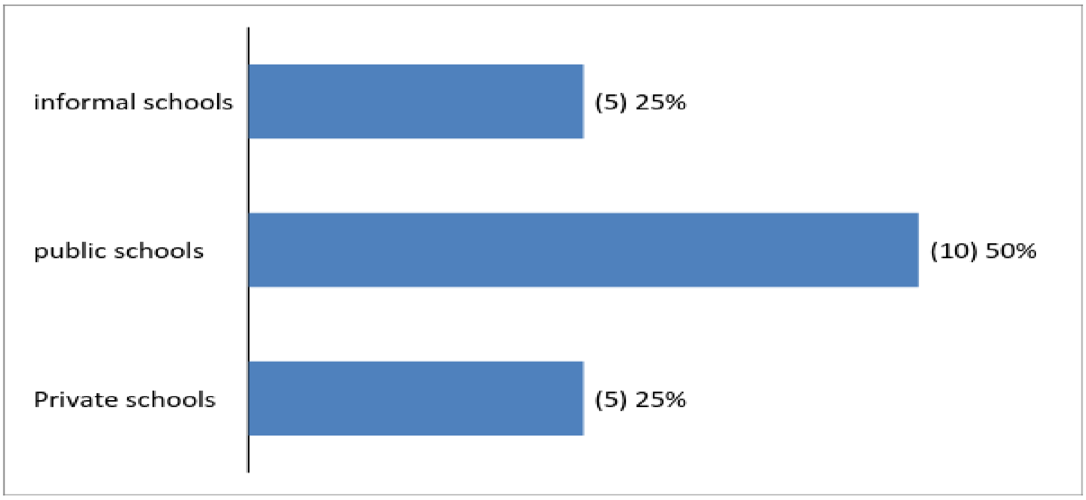
This chapter covers the findings on the impact of adoption of corporate governance on financial management in preschools in Kayole. The findings are presented according to research questions. Questionnaires were used to collect the data therefore each research question is dealt with according to the responses. The data collected was therefore analyzed, interpolated and presented using frequency tables.

4.1 Distribution of schools by type

The study used types of preschools in order to capture the variance in the management approach as dictated by different regulations for each type. This was also tabulated in regard to trends in practice of corporate governance in financial management. The figure 4.1 below and 4.2 shows the distribution of schools by type and trends in practice of corporate management respectively.

Figure 4.1: Distribution of schools by type.

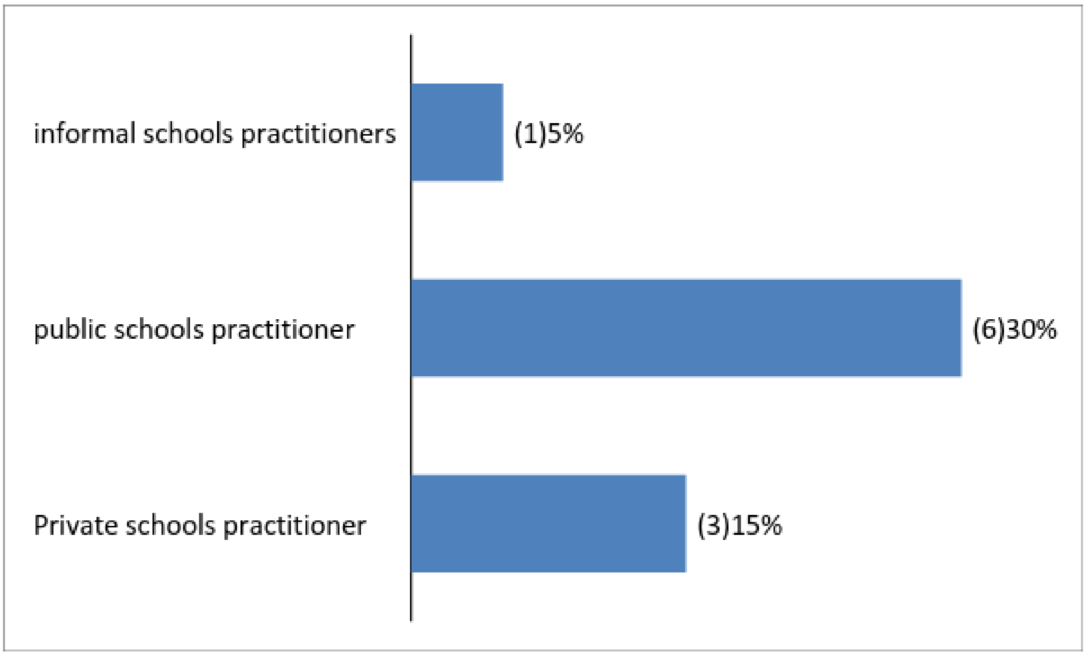
Schools were selected as per the type and category. The results are as shown in figure 4.1 below.



Majority of the schools covered in the study are majorly public schools as represented by (n=10) 50% of those reached as compared to informal schools and private schools which were (n=5) 25% each covered.

Corporate governance is a practice highly determined by the structural functionality of an institution’s administration. The various school types have different administration policies. This informed the decision to investigate how corporate governance practice related to type of schools. The results are as recorded in figure 4.2.

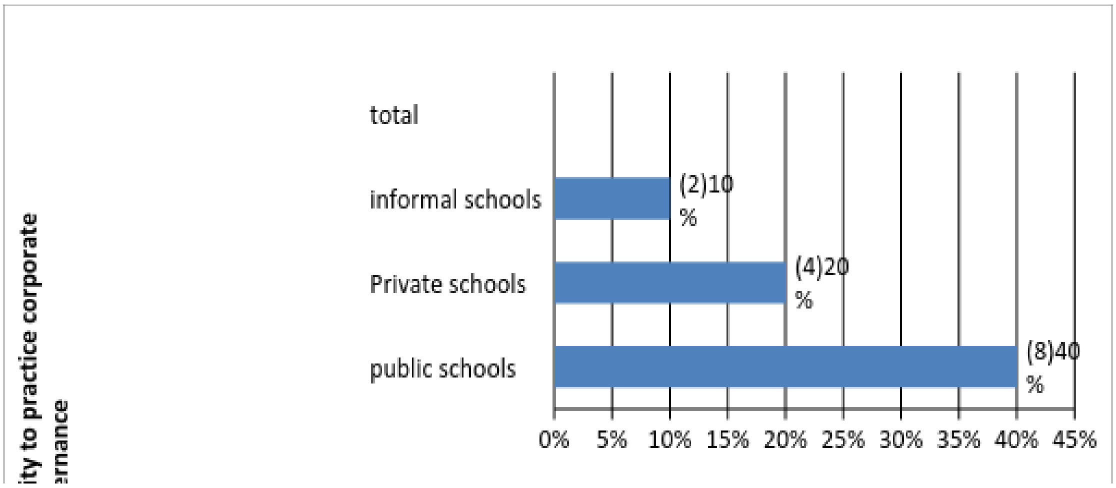
Figure 4.2: corporate management practice by school type



As shown in figure 4.2, more public schools are practicing corporate governance as shown by 30% (n=6) of those practicing as compared to private schools 15% (n=3) and informal schools 5% (n=1). This was attributed to the level of regulations required by the regulating authorities in regard to the ECESA act 2010. Management of PPS is regulated by the county governments which issue policy guidelines on the management procedures. This explained the reason for high practice of corporate governance practice in public preschools than private and informal institutions.

The environment and guidelines regulating the administration of ECEC could be hampered by the ability of the administrators to practice the specified administrative guidelines. The study sought to establish the ability to practice in relation to type of schools that the administrators worked for. The results are shown in figure 4.3.

Figure 4.3: Ability to practice corporate governance.

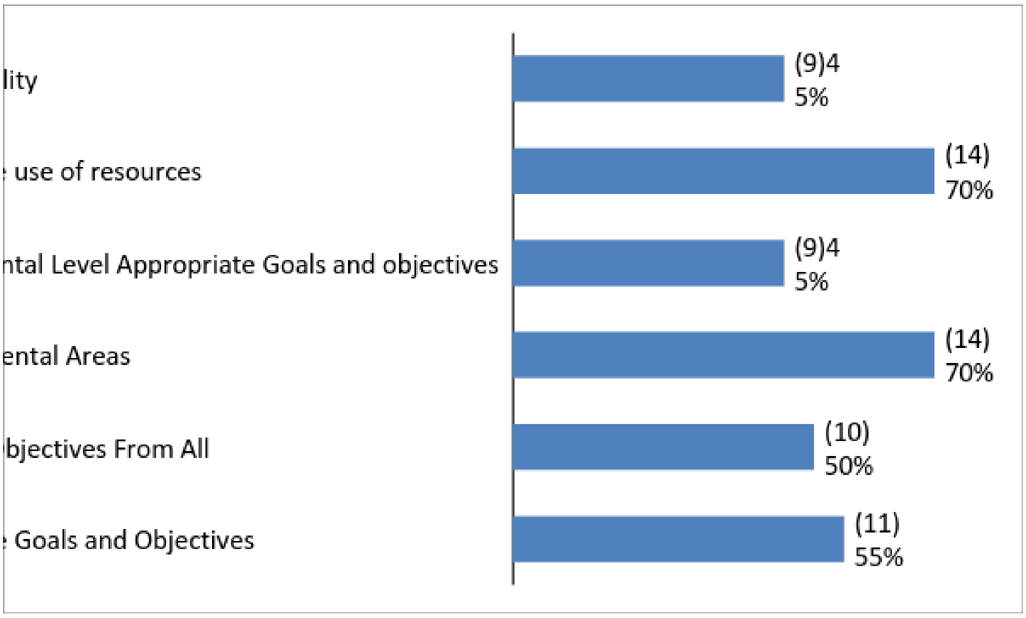


The findings indicated that, though more administrators were able to practice corporate governance, some were not putting the knowledge and skills into practice due to various challenges as discussed in this study. In public schools 40% (n=8) reported to have the knowledge and ability to practice though those practicing were lower at 30%(n=6) (see fig.4.2). The same applies to private schools with more administrators reporting having the ability but fewer were practicing as shown by 20%(n=4) of those with ability to practice compared to 15%(n=3) of those practicing. Informal schools had the lowest levels of practice as shown by 10% of those with the ability and knowledge and only 5% (n=1) practicing corporate governance in financial management. This is as shown in figure 4.3.

4.2 Merits and demerits of application of corporate governance and financial management in ECE

The policy guideline by the ministry of devolution in Kenya is that early child education in Kenya is a devolved function which is under the management of the county governments. The advantages were sought to see how practitioners were reaping from the practice of corporate governance in their institutions. As Friedman (2003) argued the search for effective schools, the spirit to school based management the emphasis on development planning in school, the assurance of school education quality, the implementation of new curriculum and application of information technology are typical examples of efforts towards educational reforms. The findings are as recorded in figure 4.4.

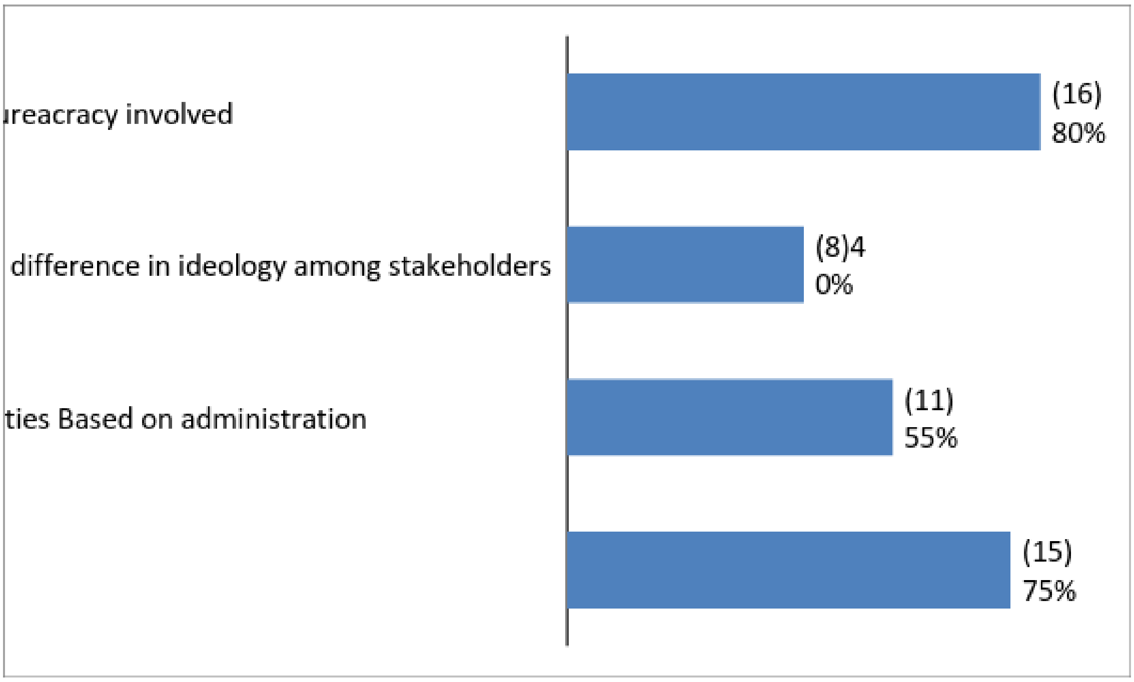
Figure 4.4: Merits of practicing corporate governance in preschools



As can be seen from the figure 4.4 above, majority of those interviewed 70% (n=14) were in agreement that corporate governance practice was beneficial in efficient and effective utilization of resources and in identifying developmental areas for the institutions. Choosing appropriate goals and objectives was reported as an advantage by 55% (n=11) of the administrators while selecting goals from a variety of choices was reported by 50% (n=10) of the administrators. Enhanced accountability also was reported as an advantage of practicing corporate governance by 45% (n=9) of the respondents. All these merits come in handy when it comes to financial management since the available funds will be spend as per the priority needs of the institution, realize the targeted goals as per the budget since it ensures accountability and also efficiency and effectiveness in resource utilization.

According to Magdi (2000) financial management means the efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It includes how to rise to capital how to allocate it i.e. capital budgeting. Not only about long term budgeting but also how to allocate the short term resources like current assets. It also deals with the dividend policies of the shareholders. Though corporate governance practice has the merits as outlined, it also poses some shortcomings to the management of preschools due to these guidelines. The figure 4.5 shows some of the demerits of embracing corporate governance in financial management in preschools.

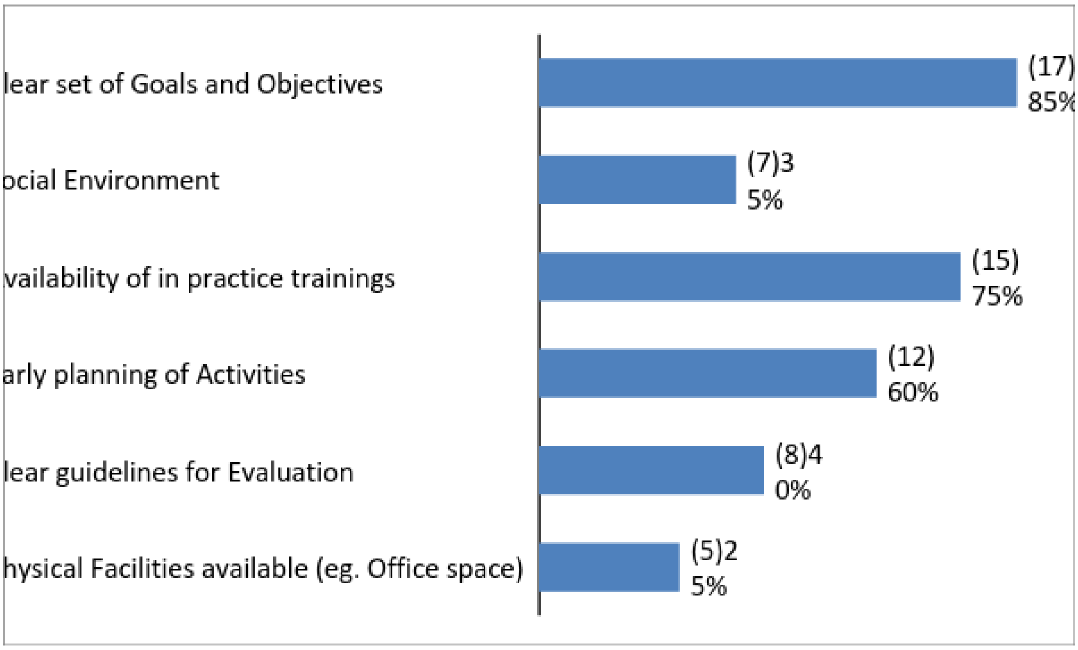
Figure 4.5: Demerits of using corporate governance in financial management of preschools



As per the findings as shown in figure 4.5 above, majority of the respondents were in agreement that the demerit of applying corporate governance in the financial management of preschools is the delay in implementation of programmes due to bureaucracies involved as reported by 80% (n=16) of the respondents. This was in relation to the stakeholder consultations required by the guidelines of corporate governance. It has to be remembered that corporate governance involves the various stakeholders in the running of programmes of an organization who have differences in interest. Corporate governance also was reported to be affecting flexibility during implementation as reported by 75% (n=15) of the administrators interviewed during the survey. Involvement of unqualified stakeholders in decision making was also reported as disadvantage by 55% (n=11) of the respondents. The practitioners and non-practitioners also reported that corporate governance practice would challenge appropriate choice of concepts due to difference in ideology among stakeholders as reported by 40% (n=8). This implicates that there is need for consultation before embracing corporate governance in preschools to be able to reap full benefits that come in financial management.

Since corporate governance is in financial management in preschools was found to be advantageous, the study sought to explore the factors that were likely to enable its practice in preschools. This is important as it will inform policy formulation and enhance empowerment of the administrators in capacity to be able to practice corporate governance in the management of the institutions. Corporate governance involves making guidelines, rules and policies that generate information on roles and responsibilities, in the case of preschool inputs, outputs or outcomes and disseminate that information to local level stakeholders Magdi R. Iskander (2000). The findings on the enhancing factors are as outlined in figure 4.6.

Figure 4.6: Factors enhancing practice of corporate governance in pre-schools



As was discussed in section 4.2, though more administrators were able to practice corporate governance, some were not putting the knowledge and skills into practice due to various challenges. Section 4.2 showed that In public schools 40% (n=8) reported to have the knowledge and ability to practice though those practicing were lower at 30% (n=6) (see fig.4.2). The figure 4.6 shows some of enhancing factors that favour corporate governance in preschools. A clear set of goal and objectives was reported as an enhancing factor by 85% (n=17) of the administrators. This prompts improvement in the planning function of the institutions.

Availability of in practice trainings was reported by 75% of the respondents to be enhancing factors. Additional skills are important in any organization since it will update skills and sharing of best practice in the filed with other practitioners for better implementation of the ideals of corporate governance.

Early planning of activities was reported as an enhancing factor by 60% (n=12) of the respondents as 40% (n=8) and 35% (n=7) reported clear guidelines for evaluation and social environment respectively. Availability of physical facilities was reported by 25% (n=5) of those interviewed.

4.4 Issues of corporate governance practice in financial management and monitoring of costs

The study also sought to explore some of the challenges to practice of corporate governance in financial management in preschools. This was important since stakeholders have a vote in decision making and thus would pose challenges in decision making process. The shareholders can combine with others to form a voting group which can pose a real threat of carrying resolutions or appointing directors at a general meeting. There was also a barrier to shareholders using good information in the right way. The other challenge comes when evaluating financial accounts. The findings on these challenges is recorded in figure 4.7 below.

Figure 4.7: Issues of corporate governance practice in financial management and monitoring of costs

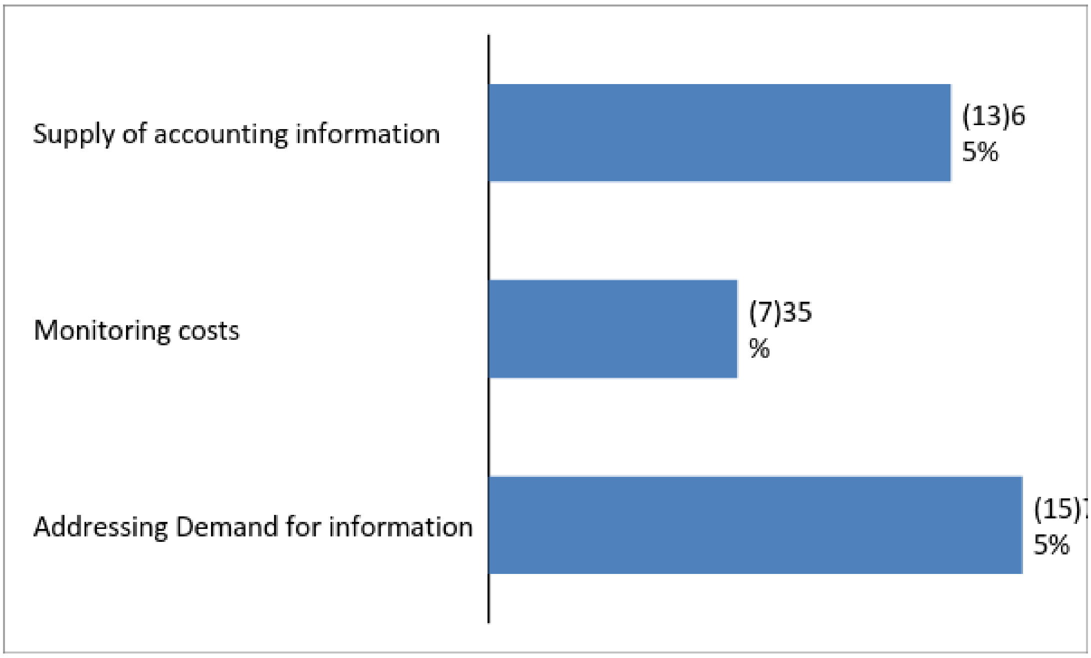
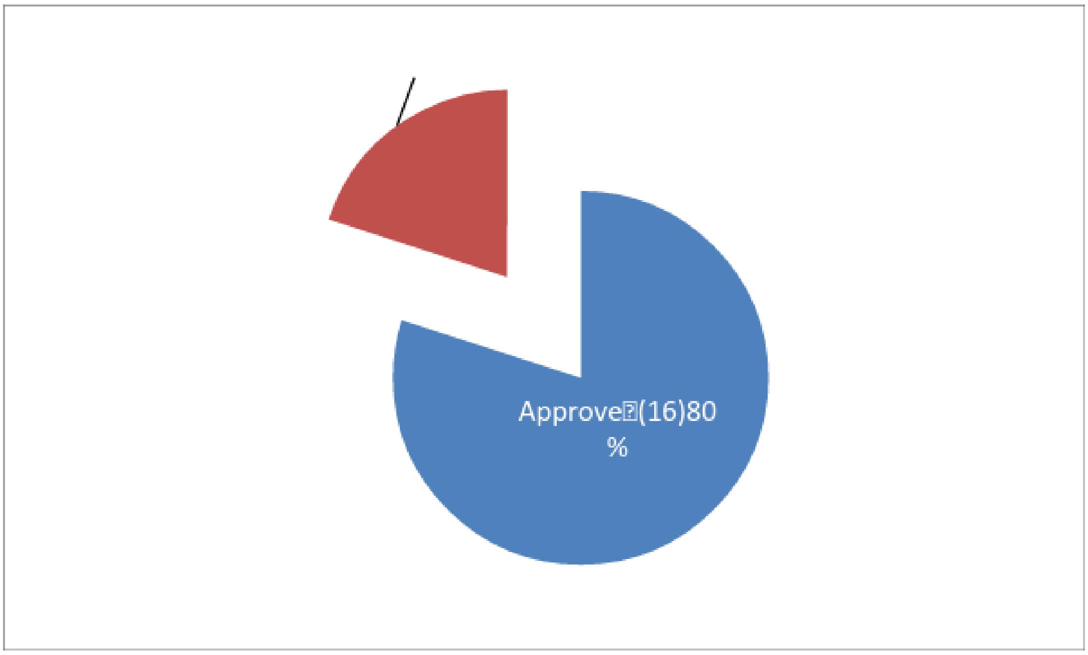


Figure 4.7 shows that many administrators had an issue with addressing demand for information as reported by 75% (n=15) of the respondents. Supply of accounting information was a challenge to 65% (n=13) of those interviewed while monitoring costs as challenges were reported by 35% (n=7) of the respondents.

4.5 Rating of corporate governance

Research on the relationship between performance and executive practices does not identify consistent and significant relationships between what people think and what are tangible results realized from the practice. Not all organizations experience the same levels of agency conflict, and external and internal monitoring devices may be more effective for some than for others. This study sought to establish whether the practice is approved or not. The findings are as shown in figure 4.8 below.

Figure 4.8: Rating of corporate governance

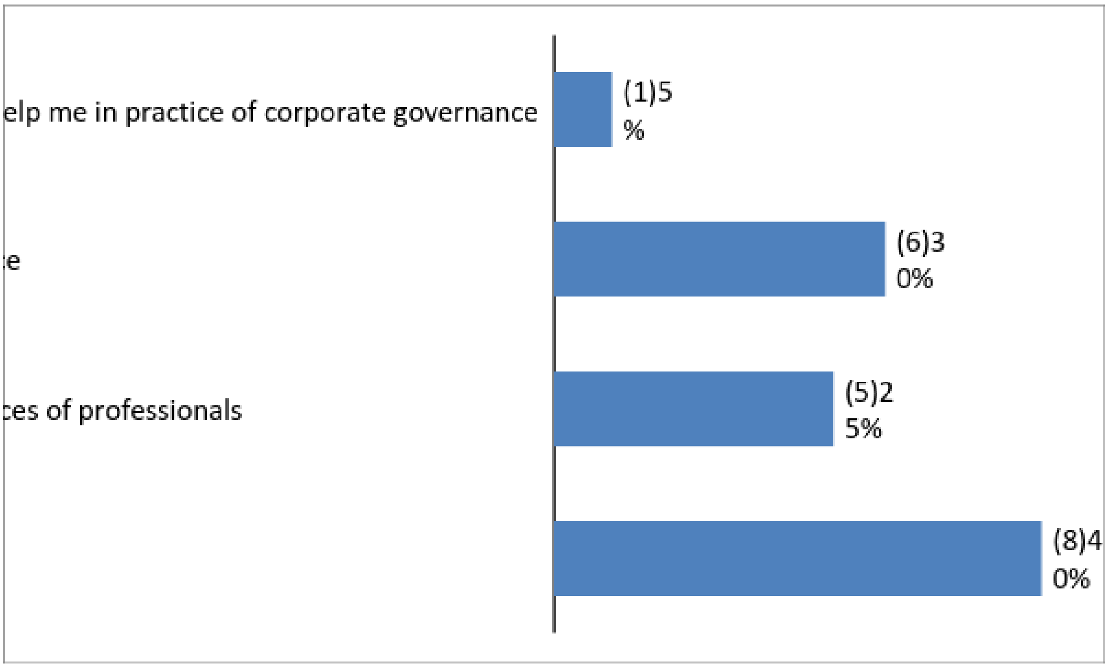


According to the administrators, the practice is highly approved by most people as shown by 80% (n=16) of the administrators who reported that the practice is approved by most people as compare to a few 20% (n=4) who said that most people disapprove the practice.

4.6Availability of support services for enhancing corporate governance

Considering the situations in which pre-schools in Kenya operate, practice of corporate governance is almost impossible without availability of an enabling environment. This study sought to establish how easy it was for the administrators to access support for the practice of corporate governance in financial management. The results are as recorded in the figure 4.8 below.

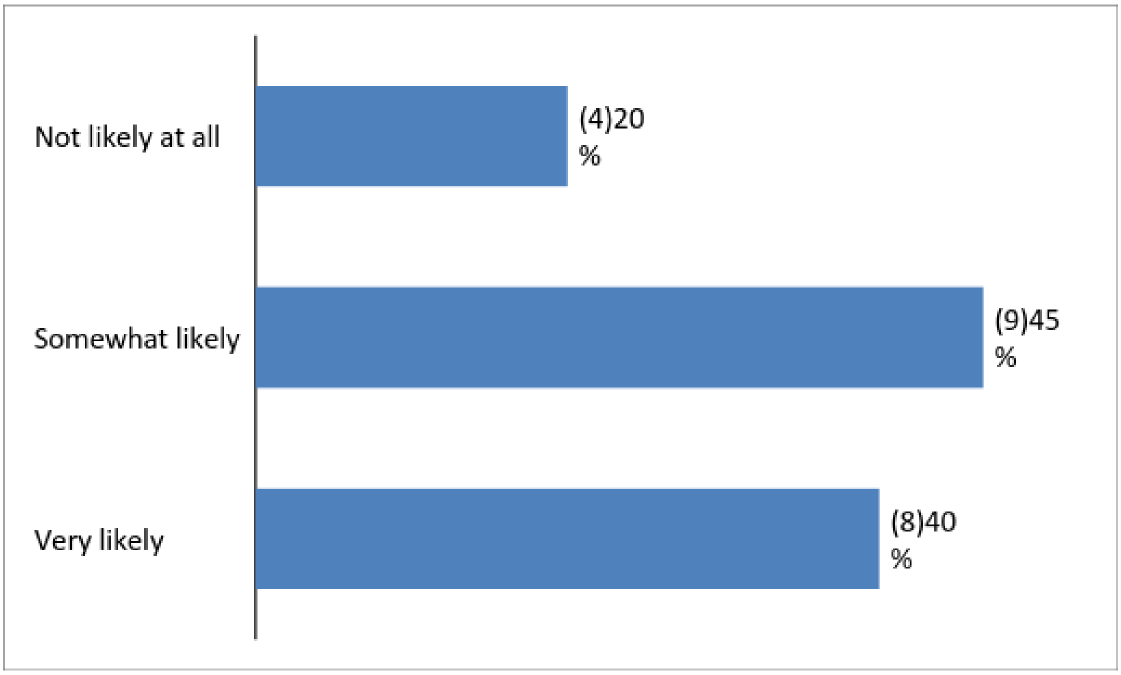
Figure 4.8: Accessibility to support services for practice of corporate governance in pre-schools



According to the study administrators easily get support from their seniors on how to practice corporate governance in financial management as reported by 40% (n=8) of those interviewed. A third 30% (n=6) reported that there was no support available in regard to helping them embrace practice of corporate governance in financial management in their institutions. Others 25% (n=5) reported that they get support through outsourced services from professionals and experts that they pay for. Only 5% (n=1) of the administrators are helped by the schools stakeholders in the implementation and practice of corporate governance in their running of the schools. This is as shown in figure 4.8.

The intended objective of corporate governance is to have financial management where there is efficient and effective management of money (funds) in such a manner as to accomplish the objectives of the organization. It includes how to raise capital and how to allocate it i.e. capital budgeting.

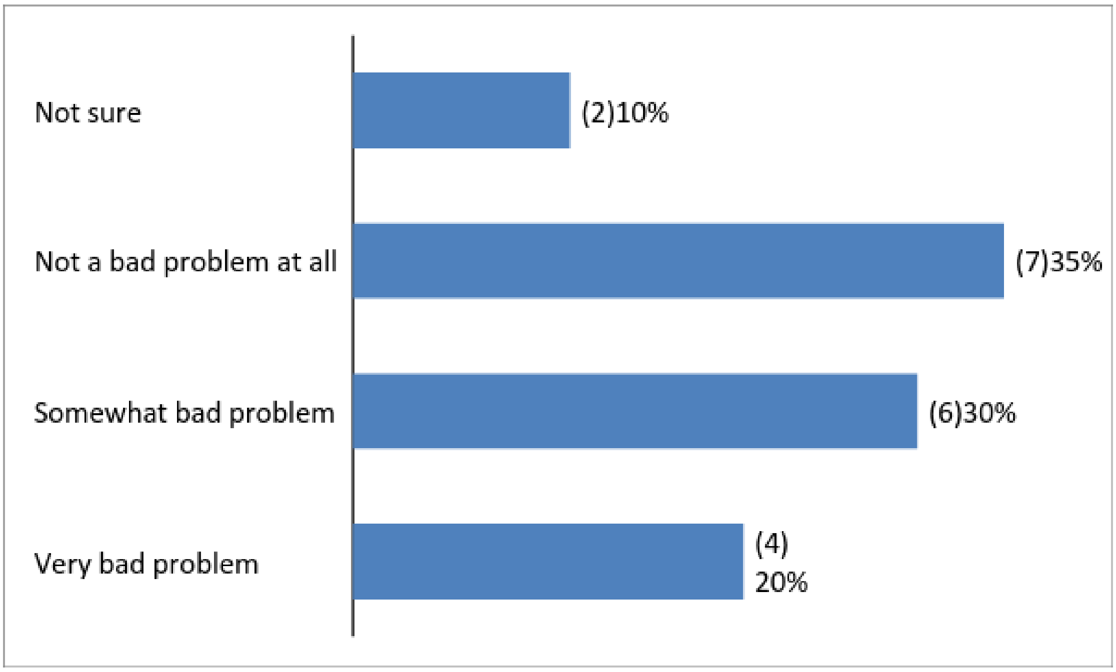
Figure 4.9 Effects of non-practice of corporate governance.



Many administrators 45% (n=9) were of the view that it is quite likely that financial management would be affected if corporate governance procedures were not embraced. Another 40% (n=8) believe that it is very likely that the financial management will be affected while 20% (n=4) believed that it is not likely that financial management would be affected. This is as shown in figure 4.9.

The most important theme of governance is the nature and extent of accountability it has on shareholders welfare. The emphasis of welfare of shareholders brings in positive effects and this shows the importance of corporate governance in institutions. The lack of adherence to corporate governance principles leads to destruction of structures set to pursue organizational objective.

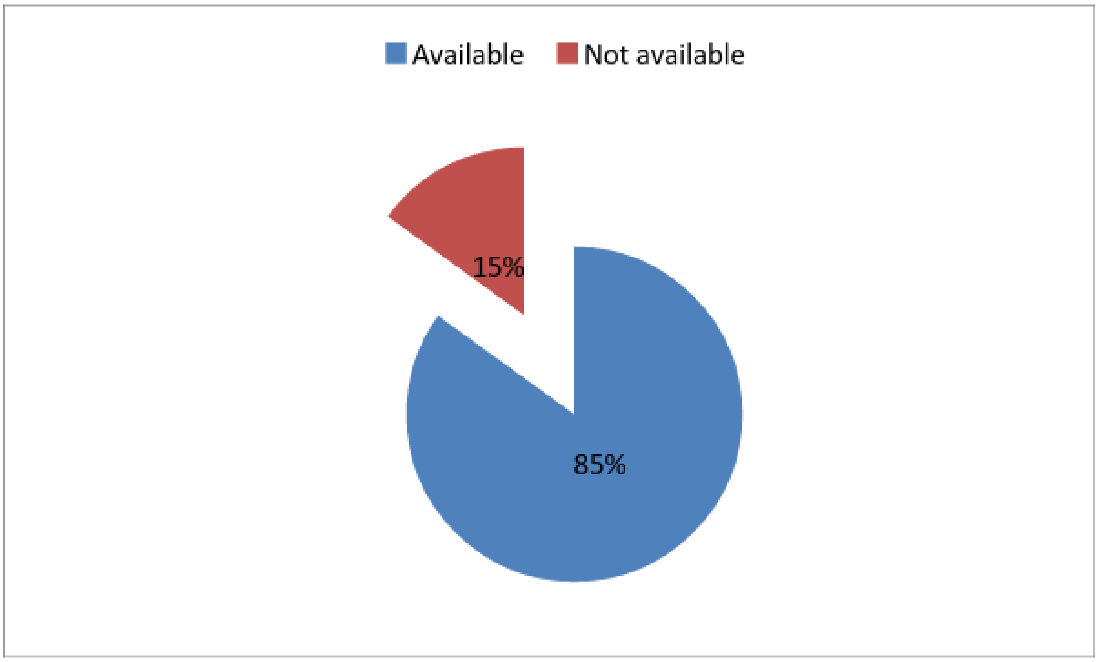
Figure 4.10 The Severity of problem incase CG is not practiced



The study investigated the severity of not practicing corporate governance in financial management. From the findings as shown in figure 4.10 above, the severity will be not a bad problem at all as reported by 35% (n=7) of the administrators, somewhat a bad problem as reported by 30% (n=6) of the respondents and very bad problem as reported by 21% of the respondents. However 10% (n=2) were not sure of the effects.

The availability of guidelines determines the standardization of corporate governance in pre-schools. The figure 4.11 outlines the level at which policy guidelines are available.

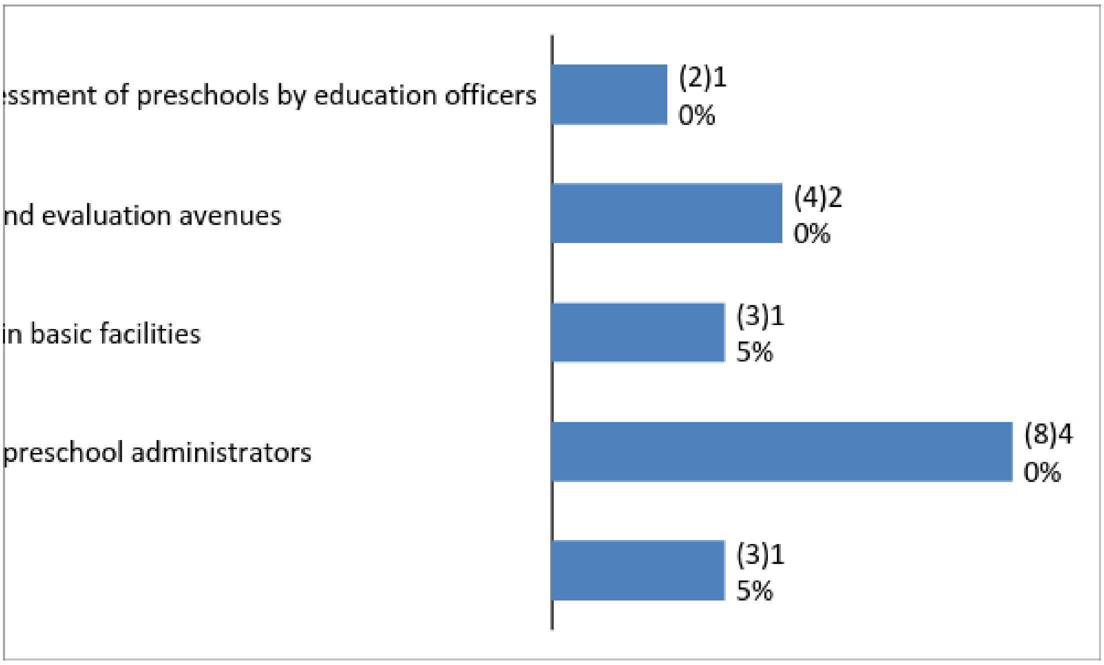
Figure 4.11 Availability of policy guidelines



Majority of the respondents (85%) were in agreement that there are policy guidelines on how to run financial management in preschools. Only 15% stated that there was no policy guideline on the way to run financial management issues in preschools. This is as shown in figure 4.11 above.

Due to the uniqueness of the area of study, the findings propose some recommendations that should be implemented to enhance corporate governance in pre-schools.

Figure 4.12: Recommendations



The administrators had other issues outside corporate governance that they proposed be addressed. Some of them (40%) reported need to have in service trainings for the preschool administrators. Increase in monitoring and evaluation avenues was cited by 20% of the respondents while 15% cited a problem of lack of enough teachers as was those who needed government support in basic facilities. Only 10% cited need for introduction of weekly assessment for preschools to keep track on management issues. This is as shown in figure 4.12 above.

CHAPTER FIVE

CONCLUSIONS AND IMPLICATIONS

5.1 Introduction

This chapter includes an interpretation and synthesis of the findings in relation to relevant literature, conclusions drawn from those findings; implications and suggestions for practice and for the future research.

5.2 Conclusions

In the study, one of the mostly stated problems that preschool administrators face in the financial management of their schools was implementation and evaluation. The administrators claimed that it was unnecessary to write evaluation every day. For them, there was no need for writing the daily evaluation because it created too much work-load on them and created bureaucracies. The administrators added that they easily get support from their seniors on how to practice corporate governance in financial management. According to the administrators, the practice is highly approved by most people. Though more administrators were able to practice corporate governance, some were not putting the knowledge and skills into practice due to various challenges as discussed in this study. Administrators faced a challenge of addressing demand for information. Supply of accounting information was also a challenge as well as monitoring costs.

5.3 Recommendation

The following recommendations were made by the researcher focusing on findings of the study.

1. Ministry of Education in cooperation should strive to employ more trained teachers.

2. There should be a joint venture between the regulators and the government to improve the situation through revision of resource allocation criterion to schools to put into consideration the special needs of the disadvantaged schools to address the problem of inequality in the education sector in the area.

3. School administrators to organize for stock taking events for the stakeholders to establish the status of the schools and act proactively towards addressing the problems that the schools face.

4. Ministry of education should ensure every preschool has a fully furnished & is equipped with necessary facilities. This will assist the government in trying to achieve the guidelines they have set in the vision 2030 economic blue print.

5.3 Implications for Further Research

The present study aimed to assess the level at which corporate governance is practiced in preschools in regard to financial management. The results cannot be generalized to whole country. The next step might be collecting the data from the entire Nairobi regarding the problems that preschool teachers face in the curriculum implementation. Moreover, rather than focusing on the many aspects of the problems that preschool teachers faced during curriculum implementation, single problem area can be chosen and investigated deeply. For example as inclusion is mostly stated problem by teachers, this problem area can be examined in detail by collecting data from different regions of the country.

On the other hand, rather than making quantitative study with large sample size, in depth analysis can be done in narrower sense with one or two schools. To be able to provide, applicable solutions that fits within the school system, being specific and to the point can be more efficient.

In addition to the place of the data collected, this study was limited with the type of the data gathered: first questionnaire was used and then interviews were conducted with the preschool administrators volunteered to participate. Then, in the future studies, observations in real practice settings might be added to the data to provide in depth analysis.

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APPENDICES

APPENDIX ONE: QUESTIONNAIRE FOR PRACTITIONERS

Barrier analysis questionnaire on using corporate governance principles on financial management in pre-schools.

Interviewer's Name: ____________________ Questionnaire No.:

____

Date: ____/____/____ School: ____________ Group: ☐ Doer Non-Doer ☐

Education qualification of the interviewee: ____ Main language interviewee speaks:

____

Language of Interview: ______________

Discuss confidentially

- **Purpose of study**
- **They can choose to participate or not participate in the study. No services will be withheld nor will they be discriminated against if they choose not to participate.**
- **Everything they say will be held in strict confidence and will not be shared with anyone else.**
- **Ask the person if they wish to participate. If not, thank them for their time.**

Section A: Doer/Non-Doer Screening Questions

1. Do you use corporate governance principles in financial management of your preschool?
   (a) Yes ☐
   (b) No → Skip to Q # 3 ☐
   (c) Don't know/won't say → End interview and look for another interviewee ☐
2. How many times do you use corporate governance principles in the financial management of your pre-school?
   (a) Three times or more ☐
   (b) Two or less times ☐
   (c) Do not know/no response → End interview and look for another interviewee ☐

SECTION B

EXPLAIN: We are conducting this study in order to appreciate factors that leading to either using or not using of courage governance in financial management of the pre-school.

(Perceived Self Efficacy/Skills)

3. With your present knowledge and skills, do you think that you could use corporate governance principles in financial management of the pre-school?
   (a) Yes ☐
   (b) Possibly ☐
   (c) No ☐
   (d) Don't Know ☐

(Perceived Positive and Negative Consequences)

4. What are the **advantages** of using corporate governance principles on financial management of the pre-school?

5a. What are the **disadvantages** of using corporate governance principles on financial management of the pre-school?

6. What makes it **easier** for you to use corporate governance principles on the financial management of the pre-school?

7. What makes it **difficult** for you to use corporate governance principles on financial management of the pre-school?

8. Do most of the people that you know **approve** your use corporate governance principles on your financial management of the pre-school?

9. Who are the people that **disapprove** of your use corporate governance principles on your financial management of the pre-school?

10. How difficult is it to get support to use corporate governance principles on financial management of the pre-school?

11. How difficult is it for you to remember to use corporate governance principles in financial management of the pre-school?

12. How likely is it that financial management would suffer if corporate governance principles are not used?

    (a) Very likely ☐

    (b) Somewhat likely ☐

    (c) Not likely at all ☐

    (d) Don't know/won't say ☐

    (Perceived Severity)

13. How bad of a problem would it be for the pre-school's financial management if corporate governance principles are not used?

a) Very bad problem ☐

b) Somewhat bad problem ☐

c) Not a bad problem at all ☐

d) Don't know/won't say ☐

(Perception of Divine Will)

14a. Do you think that God approves of your use of corporate governance principles in financial management of your pre-school?

15. Are there any Ministry policies in place that make it more likely that you to use corporate governance principles in financial management of the pre-school?

16. Are there any cultural norms or taboos for or against use of corporate governance in pre-schools?

a) Yes

b) No

c) Don't know/won't say

(Optional question on universal motivators)

17. What do you want for your pre-school?

(Write all response below. Probe with "What else?")

APPENDIX TWO: QUESTIONNAIRE FOR NON-PRACTITIONERS

Barrier analysis questionnaire on using corporate governance principles on financial management in pre-schools.

Interviewer's Name: _____________________ Questionnaire No.:

____

Date: ____/____/____ School: ___________ Group: ☐ Doer Non-Doer ☐

Education qualification of the interviewee: ____ Main language interviewee speaks:

____

Language of Interview: _____________

Discuss confidentially

- **Purpose of study**
- **They can choose to participate or not participate in the study. No services will be withheld nor will they be discriminated against if they choose not to participate.**
- **Everything they say will be held in strict confidence and will not be shared with anyone else.**
- **Ask the person if they wish to participate. If not, thank them for their time.**

1. What would be the **advantages** of using corporate governance principles on financial management of the pre-school? **(Write all responses below. Probe with "What else?")**

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2. What would be the **disadvantages** of using corporate governance principles on financial management of the pre-school? **(Write all responses below. Probe with "What else?")**

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(Perceived Self-efficacy)

3. What would make it **easier** for you use corporate governance principles on financial management of the pre-school?

(Write all responses below. Probe "What else?")

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4. What would make it **difficult** for you to use corporate governance principles on financial management of the pre-school? **(Write all responses below. Probe "What else?")**

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(Perceived Social Norms – Who Approves/Supports)

5. Would most of the people that **would approve** your use corporate governance principles on your financial management of the pre-school?

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6. **Non Doers**: Who are the people that **would disapprove** of your use corporate governance principles on your financial management of the pre-school?

(Perceived access)

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7. How difficult would it be to get support to use corporate governance principles on financial management of the pre-school?

(a) Very difficult ☐

(b) Somewhat difficult ☐

(c) Not difficult at all ☐

(d) Don’t know/won’t say ☐

(Perceived Cues for Action/Reminders)

8. How difficult do you think it would be for you to remember to use corporate governance principles in financial management of the pre-school?

(a) Very difficult ☐

(b) Somewhat difficulties ☐

(c) Not difficult at all ☐

(d) Don’t know/wont say ☐

(Perceived susceptibility/perceived risk)

9. How likely is it that financial management would suffer if corporate governance principles are not used?

(e) Very likely ☐

(f) Somewhat likely ☐

(g) Not likely at all ☐

(h) Don't know/won't say ☐

(Perceived Severity)

10. How bad of a problem would it be for the pre-school's financial management if corporate governance principles are not used?

e) Very bad problem ☐

f) Somewhat bad problem ☐

g) Not a bad problem at all ☐

h) Don't know/won't say ☐

(Perception of Divine Will)

11. Do you think that God would approve of your use of corporate governance principles in financial management of your pre-school?

a) Yes ☐

b) No ☐

c) Don't know/won't say ☐

(Policy)

12. Are there any Ministry policies in place that would make it more likely that you use corporate governance principles in financial management of the pre-school?

a) Yes

b) No

c) Don’t know/won’t say

(Culture)

13. Are there any cultural norms or taboos for or against use of corporate governance in pre-schools?

d) Yes

e) No

f) Don’t know/won’t say

(Optional question on universal motivators)

14. What do you want for your pre-school?

(Write all response below. Probe with “What else?”)

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