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Effect of Corporate Reporting and Leadership on performance of Kenya Football Premium League

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ABSTRACT: Football is an "industry" and clubs "businesses" characterized by competition for resources. The opportunities presented by expanding markets and the challenges of an environment characterized by increasing competition require that clubs successfully position themselves to build sustainable, competitive advantage. The main aim of the study was to analyze the effects of corporate reporting and leadership structures on performance of soccer management in Kenya Premium League. The study adopted descriptive research design taking 96 elected officials and 48 employees giving a total of 144 target population who understood key issues of football governance as the target population of the study. The study used probability sampling random sampling technique to select the respondents. Data was collected using both primary data collection tools. Structured questionnaires administered to the selected respondents was used elicit information related to governance structure of the Clubs whereas both structured questionnaire and secondary data collection form was used to collect information related to Kenya Football Premium League Performance. Although the boards had fair corporate reporting practices, their leadership practices were not to the standard of corporate governance practices characterized by most clubs aligned to specific tribe or counties, the idea which was a replica of their respective boards.

KEYWORDS: Corporate Governance, Football Performance, Corporate Structures, Corporate Leadership and Corporate Reporting

1 INTRODUCTION

Corporate Governance is the system by which companies are directed and controlled. It specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. It also provides the structure through which company objectives are set and monitoring performance attained (OECD, 1999). A system of organization governance not only provide framework in which business organization are directed and controlled but helps to provide degree of confidence that is necessary for proper functioning of market economy (OECD, 2004).

The purpose of corporate reporting is disclosure of information useful to those stakeholders who have an active interest in the organization (Zairi & Letza 1994). It provides society-at-large with information about the extent to which the organization has met the responsibilities imposed upon it (Gary, Owen & Maunders 1991). An accountability model explained by Gary, Owen and Adams (1996) states that accountability involves responsibility to undertake certain actions and responsibility to provide an account of those actions, so that reporting is assumed to be responsibility-driven rather than demand-driven. Corporate reporting includes financial reporting and information beyond what regulations require companies to provide to their shareholders and other stakeholders (Eccles 2004).

On the other hand, An important mechanism of board structure is its leadership, which is reflected in the positions of chairman and CEO. Combined leadership structure occurs when the CEO wears two hats, one as the CEO and the other as the chairman. Cadbury (2002) refers to this as combined leadership. Alternatively, separate leadership is when two different people occupy the positions of chairman and CEO (Rechner & Dalton 1991).

1.1 Statement of the Problem

Since the inception of the Football Kenya Federation (FKF) and its leadership, the quality of soccer in Kenya continues to deteriorate. There have been continuous wrangles between the Football Clubs, FKF, the football governing body and the government. Football Clubs on the other hand have a share of their challenges with complaints of players not paid their stipends and poor conditions that discourage players. All these are issues to do with governance which affect football performance. The management of Football in Kenya has faced a myriad of challenges, which include constant leadership wrangles, poorly organized leagues, misused of funds at the federation, lack of sponsors among many challenges. Existing literature that documents how corporate reporting and leadership structure practices affect football performance by the Football Clubs and the Football governing body is scanty of which this study hopes to fill by analyzing the effects of corporate reporting and leadership structure practices on performance of soccer management in Kenya Premium League.`

1.2 Significance of the Study

The present study will contribute to the existing body of knowledge concerning corporate governance practices and firm performance by analyzing the effect of corporate governance practices on performance of Kenya Football Premium League. First the findings from the study will be of great importance to FKF which is Football Governing Body in Kenya in informing exiting policy on how corporate reporting and leadership structure practices affect performance of Kenya Football Premium League. Secondly, the finding from the study will be of interest to scholars in corporate governance, sports and more especially football, advertisement and media on how corporate governance practices affect football performance. Third, football being a big entertainment and sports industry with wide patronage, the findings from the study will be of interest to football fans, football logistics companies, and football related equipment producers in understanding how Clubs and FKF board composition, board structure, existing reporting practices and corporate leadership structure affect performance of Kenya Football Premium League.

2 Literature

2.1 Introduction to Corporate Governance

Corporate Governance is the system by which companies are directed and controlled. It specifies the distribution of rights and responsibilities among different participants in the corporation, such as the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. It also provides the structure through which company objectives are set and monitoring performance attained (OECD, 1999). A system of organization governance not only provide framework in which business organization are directed and controlled but helps to provide degree of confidence that is necessary for proper functioning of market economy (OECD, 2004).

According to Denis (2001) the fundamental perception and understanding of the field of CG originated from the fact that there are potential problems associated with separation of ownership and control which was inherent in the modern corporate form of organization and as a result they viewed CG as a structure with a set of institutional and market mechanisms that induce self-interested managers to maximize the value of the residual cash-flow of the firm on behalf of its shareholders. Jensen and Meckling (1976) stated that the agency theory apply to modern corporation and they explained that a manager who owns anything less than 100 percent of the residual cash-flow rights of the firm will tend to have conflict of interest with outside shareholders.

Pati (2005) stated that the boards and managers are accountable for pursuing effective CG. The role of effective CG is of great significance for society as whole and it enhances the efficient use of scarce resources both within the organisation and larger economy, and therefore there is flow of resources to those sectors where there is efficient production of goods and services and the return is adequate to satisfy the demand of the stakeholders. It assists the managers to remain focused on enhancing performance and ensure they are replaced if they fail to perform. CG forces the organisation to comply with laws and regulations in the corporate environment, and helps the supervisors to regulate the economy objectively without favouritism and nepotism. Effective CG enhances the confidence of investors, which encourages them to invest in those economic systems which are doing well. It also decreases the risk of capital flight from an economy and increases the flow and variety of capital in the economy and as a result, the cost of financing is lower therefore firms are encouraged to use resources more efficiently, thereby underpinning growth. CG has become such a prominent topic in the past two decades and it has attracted worldwide attention because of its apparent importance, particularly due to the much-unexpected collapse of giant corporations like Enron, and WorldCom (OECD, 2004).

The set of mechanisms guiding good CG decision making has been introduced in recent years through the enactment of governance codes throughout the world. The corporate financial scandals have made good CG an important tool for investors and other stakeholders. The scandals have resulted in countries introducing codes of good governance to complement their commercial codes or corporate laws and majority of the codes are voluntary. The principles formulated have provided a broad framework for a large number of countries to develop their own specific principles of corporate governance (Monks and Minow, 2002). The broad membership of the Organisation for Economic Co-operation and Development (OECD) and the Commonwealth Association for Corporate Governance (CACG) organizations suggest that these principles reflect the views of a large number of countries with respect to addressing Corporate Governance (CG). The CG principles are minimum benchmarks against which member countries can compare their systems and carry out country specific initiatives (OECD, 1999).

Turnbull (1999) noted that although the principles are important, their limitations need to be recognized. She posits that these principles, which carry notions of codes of best practice, can be misleading. The codes tend to be portraying that they are ethically correct and righteous. She further points out that even if companies follow these principles, there is still no assurance to the shareholders that the business is either a good investment or ethical. Therefore these principles should be understood as minimum acceptable practices as this will alert investors to the possibility of superior governance standards.

Corporate governance is a uniquely complex and multi-faceted subject. Devoid of a unified or systematic theory, its paradigm, diagnosis and solutions lie in multidisciplinary fields i.e. economics, accountancy, finance among others (Cadbury, 2002). As such it is essential that a comprehensive framework be codified in the accounting framework of any organization. In any organization, corporate governance is one of the key factors that determine the health of the system and its ability to survive economic shocks. The health of the organization depends on the underlying soundness of its individual components and the connections between them. According to Morck, Shleifer and Vishny (1989), among the main factors that support the stability of any country‟s financial system include: good corporate governance; effective marketing discipline; strong prudential regulation and supervision; accurate and reliable accounting financial reporting systems; a sound disclosure regimes and an appropriate savings deposit protection system.

Corporate governance has been looked at and defined variedly by different scholars and practitioners. However they all have pointed to the same end, hence giving more of a consensus in the definition. Coleman and Nicholas-Biekpe (2006) defined corporate governance as the relationship of the enterprise to shareholders or in the wider sense as the relationship of the enterprise to society as a whole. However, Mayer (1999) offers a definition with a wider outlook and contends that it means the sum of the processes, structures and information used for directing and overseeing the management of an organization. The Organization for Economic Corporation and Development (1999) has also defined corporate governance as a system on the basis of which companies are directed and managed. It is upon this system that specifications are given for the division of competencies and responsibilities between the parties included (board of directors, the supervisory board, the management and shareholders) and formulate rules and procedures for adopting decisions on corporate matters.

In another perspective, Arun and Turner (2002) contend that there exists a narrow approach to corporate governance, which views the subject as the mechanism through which shareholders are assured that managers will act in their interests. However, Shleifer and Vishny (1997), Vives (2000) and Oman (2001) observed that there is a broader approach which views the subject as the methods by which suppliers of finance control managers in order to ensure that their capital cannot be expropriated and that they can earn a return on their investment. There is a consensus, however that the broader view of corporate governance should be adopted in the case of banking institutions because of the peculiar contractual form of banking which demands that corporate governance mechanisms for banks should encapsulate depositors as well as shareholders (Macey and O‟Hara (2001). Arun and Turner (2002) supported the consensus by arguing that the special nature of banking requires not only a broader view of corporate governance, but also government intervention in order to restrain the behaviour of bank management. They further argued that, the unique nature of the banking firm, whether in the developed or developing world, requires that a broad view of corporate governance, which encapsulates both shareholders and depositors, be adopted for banks. They posit that, in particular, the nature of the banking firm is such that regulation is necessary to protect depositors as well as the overall financial system governments in their effort to evaluate and improve legal, institutional and regulatory framework for corporate governance in their countries. The above principles also provide guidance in developing good corporate governance for those interested. Even though cultural and institutional differences exist between countries, the underlying principles may allow a more fundamental compatibility.

2.2 EMPIRICAL REVIEW ON CORPORATE REPORTING PRACTICES

Corporate reporting is an important mechanism of corporate governance that represents board accountability. It is considered that the board of directors is accountable to shareholders and other stakeholders who are affected by the activities of the firm (Deegan 2004; Rezaee 2009). The purpose of corporate reporting is disclosure of information useful to those stakeholders who have an active interest in the organization (Zairi & Letza 1994). It provides society-at-large with information about the extent to which the organization has met the responsibilities imposed upon it (Gary, Owen & Maunders 1991). An accountability model explained by Gary, Owen and Adams (1996) states that accountability involves responsibility to undertake certain actions and responsibility to provide an account of those actions, so that reporting is assumed to be responsibility-driven rather than demand-driven. Corporate reporting includes financial reporting and information beyond what regulations require companies to provide to their shareholders and other stakeholders (Eccles 2004).

It is comprised of mandatory reporting required by regulations such as the Companies Act, accounting standards and stock exchange listing requirements and voluntary disclosures, which vary in the level of disclosure (Ghazali 2008). The governance role of accounting information contributes directly to economic performance by managing the resources of the firm efficiently and reducing the expropriation of the wealth of investors by managers. Therefore, financial accounting information is considered to reduce the risk premium demanded by investors to compensate for the risk of losses due to the opportunistic behaviour of managers (Bushman & Smith 2001).

Corporate reporting is not only financial reporting but information beyond that which is required by the regulation (Corporate Law and Accounting Standards), provided through the annual reports to their shareholders and other stakeholders (Eccles 2004). Corporate social accountability and reporting is information over and above that which is mandatory, and is seen as a key driver for engaging the wider community as an important stakeholder in business activities (Zairi & Peters 2002). In support of this view, other stakeholder theorists consider that a firm’s responsibility is not only to its shareholders, but to all stakeholders whose contribution is necessary for its success (Balabanis, Philips & Lyall 1998).

Monitoring costs are expenditures paid by the principal to observe and control an agent’s behaviour. The economic impact of asymmetric information also results in various corporate agency problems. Firm managers (insiders) know more about their firm than shareholders and debt financiers (outsiders). When outsiders are unable to judge over the firm's performance, they tend to qualify a firm’s performance as moderate. A result of this asymmetric information is that shares of a firm with a great performance are undervalued and vice versa. More specifically, information asymmetries between shareholders or bondholders and corporate executive management creates the necessity of monitoring (costs) and complications for the structuring of financial contracts. They may include the costs of preparing reliable accounting information and audits, writing executive compensation contracts and even ultimately the cost of replacing managers.

Denis (2001) contended that effective monitoring is restricted to certain groups or individuals. Such monitors must have the necessary expertise and incentives to fully monitor manager. In addition, such monitors must provide a credible threat to management’s control of the company. To minimize monitoring costs, managers tend to set up structures and try to act in shareholder’s best interests. The costs of establishing and adhering to these systems are known as bonding costs. They may include the costs of additional information disclosures to shareholders. Agents will stop incurring bonding costs when the marginal reduction in monitoring equals the marginal increase in bonding costs. As suggested by the agency theory, the optimal bonding contract should aim to entice managers into making all decisions that are in the shareholder’s best interests. However, since managers cannot be made to do everything that shareholders would wish, bonding provides a means of making managers do some of the things that shareholders would like by writing a less than perfect contract.

It has been predicted that corporate governance systems which promote corporate transparency and accountability are significantly associated with voluntary disclosures (Huafang & Jianguo 2007). Examination of the impact of board composition on corporate disclosures, as measured by the ratio of independent directors, is positively associated with mandatory disclosures (Chen & Jaggi 2000) and increases in the number of independent directors improves voluntary disclosures (Donnelly & Mulcahy 2008; Huafang & Jianguo 2007). Studies also report that combined leadership structure is associated with a lower level of voluntary disclosures (Gul & Leung 2004; Huafang & Jianguo 2007).

According to Lishenga (2012) boards normally increases the frequency of their meetings following poor performance and as a consequence of such an increase, the performance of firms improves as captured by the increase in the firms’ value. Frequent meetings allow for better communication between management and directors. However, frequent meetings might also distract the firm’s managers from their day-to-day operational responsibilities. Ongore and K’Obonyo (2011) considered the effects of ownership structures on performance of listed companies in Kenya. The period of study was only two years and only a single CG mechanism was considered.

2.3 EMPIRICAL REVIEW ON CORPORATE LEADERSHIP PRACTICES

According to Suryanarayana (2005), another advantage of the appointment of an independent chairman is that he/she brings experience in running similar businesses or handling the functions of finance, as well as the independence, objectivity and dispassionate views needed on crucial matters. A separation of the two roles seems to be a prudent and effective means of ensuring proper focus and also eliminating potential errors and conflict of interest that may arise as a result of combining the roles (Banks 2004).

According to Suryanarayana (2005), leadership is a matter of how the board functions, whether there is one person or two persons at the top. It is the efficacy of the other members of the board that determines if these two roles should be separated or combined. However, the post of chairman and CEO requires different skills and abilities, but both positions do require leadership skills. The chairman needs to have a strategic sense, the ability to analyse and understand and foresee changes in the business environment. In contrast, the CEO's role is to formulate and implement the strategy and also requires making right things happen at the right time, which is to run the company as it stands today, whereas the chairman's responsibility is to create tomorrow's company out of today's.

Stulz (1988) established that the cost of large shareholdings and entrenchment predicts a negative relationship between managerial ownership and firm value. As managerial ownership and control increase, the negative effect on firm value associated with the entrenchment of manager-owners starts to exceed the incentive benefits of managerial ownership. The entrenchment costs of manager ownership relate to a managers' ability to block value-enhancing takeovers. Claessens et al. (2002) also found that firm value increases with the cash-flow ownership (right to receive dividends) of the largest and controlling shareholder, consistent with "incentive" effects. But when the control rights (arising from pyramid structure, cross-holding and dual-class shares) of the controlling shareholder exceed its cash-flow rights, firm value falls, which is consistent with "entrenchment" effects. La Porta et al. (2002), using samples in 27 wealthy countries, found evidence in firms with higher cash flow ownership by controlling shareholder improves firm valuation, especially in countries with poor legal investor protection.

Financial economists have paid considerable attention to the role of boards in monitoring managers and in removing non-performing CEOs. Jensen (1993) voices his concern that a lack of independent board leadership makes it difficult for boards to respond to failure in the top management team. Fama and Jensen (1983) also argue that concentration of decision management and decision control in one individual reduces a board's effectiveness in monitoring top management.

Turning to Asian markets, Leung and Horwitz (2010) find Hong Kong firms with the positions of CEO and board chairperson were occupied by the same individual experienced a smaller stock price decline following the onset of the Asian Financial Crisis. Another study on Malaysian listed companies by Faisal and Azlinda (2011) reveals that CEO duality has significant influence in reducing the probability of companies becoming financially distressed. It suggests that a powerful CEO-Chairman helps in decision making as he/she can concentrate on the company's goals and objectives facilitating quick implementation of organization's operational decisions, thus able to perform effective business operational plans to prevent the company from suffering financial problems.

Faleye (2003) presents an interesting proposition. He argues that no "one hat fits all" and board leadership structure depends entirely on individual firm characteristics such as organizational complexity, availability of other controls over CEO authority and CEO reputation and power. Using a sample of 2,166 U.S. companies, he finds that companies with complex operations (implying a need for the CEO to make swift actions), alternative control mechanisms and sound CEO reputation are more likely to have CEO duality.

Rechner and Dalton (1991) found that firms with separate leadership structures outperformed joint structures when measured on return on equity, return on investment and profit margins, whereas Dalton et al. (1998) found no evidence of a relationship between leadership structure and financial performance. According to Abdullah (2004), board independence and combined leadership either singly or jointly are not related to performance.

Studies by Hillman and Dalziel (2003), Pfeffer and Salancik (1978) and Yoshikawa & McGuire (2008) report that the expertise and knowledge non-executive directors bring to the firm and the resource dependence role which allows them to provide advice and resources, help the firm to perform better. Peng (2004) also found that institutional outside directors impact positively on firm performance, which implies the effective resource role played by them. The results of the study by Haniffa and Hudaib (2006) indicated that the market measure of performance based on Tobin's Q or accounting measures of performance based on ROA and board composition were not significantly related to performance.

2.4 KENYA FOOTBALL PREMIUM LEAGUE PERFORMANCE

Firm performance in the literature is based on the value of the firm. CG affects value as a result of reduced expropriation by insiders and improvement in the expected cash flow that can be distributed to investors (Black et al., 2006). To evaluate performance, it is necessary to determine the constituents of good performance using performance indicators. To be useful, a performance indicator must be measureable, relevant and important to the organization (Oakland 1989). Financial performance used in empirical research on CG fit into both accounting-based measures and market-based measures.

The measurement of sports performance depends on the competition and the perspective on which the study is focused. For instance, if the purpose of analysis is the effect of performance on the pitch on attendance, it will be more useful to make use of variables such as the 'percentage of victories' (Dawson et al., 2003), 'number of goals scored' (Palacios-Huerta, 2002), 'team's goal average weighted by relative quality of rival team' (Koning et al. 2001), 'score/goal difference', and even variables which incorporate the 'playing style' (Cocco and Jones, 1997). Koning (2003) worked on an evaluation of the effect of hiring coaches on team performance used 'average goal difference,' 'goals conceded,' and 'goals scored.' Goddard (2005) developed two approaches for studying forecast models: goals-based model and resultsbased model. The variables he considered are 'goals scored', 'goals conceded' and 'results', with a 'points score' of one point for a win, a half for a draw and zero for a defeat. This study will utilize three sports performance variables: league position variable, league points variable and compound index variable.

The main aim of this study is analyze the effects of corporate reporting and leadership structure practices on performance of soccer management in Kenya premium league. The review considered theoretical review on theories surrounding corporate governance, principles in corporate governance and Kenya Football Premium League performance. The following are the literature gap that this review established; There is scanty literature on the application of sound corporate governance in the management of the Clubs in the Kenya Football Premium League performance; The literature reviewed indicates inadequacy of literature in terms of relationship between corporate governance reporting practices and performance of Kenya Football Premium League performance; The literature reviewed indicates inadequacy of literature in terms of relationship between corporate leadership structures and performance of Kenya Football Premium League performance.

CONCEPTUALIZATION

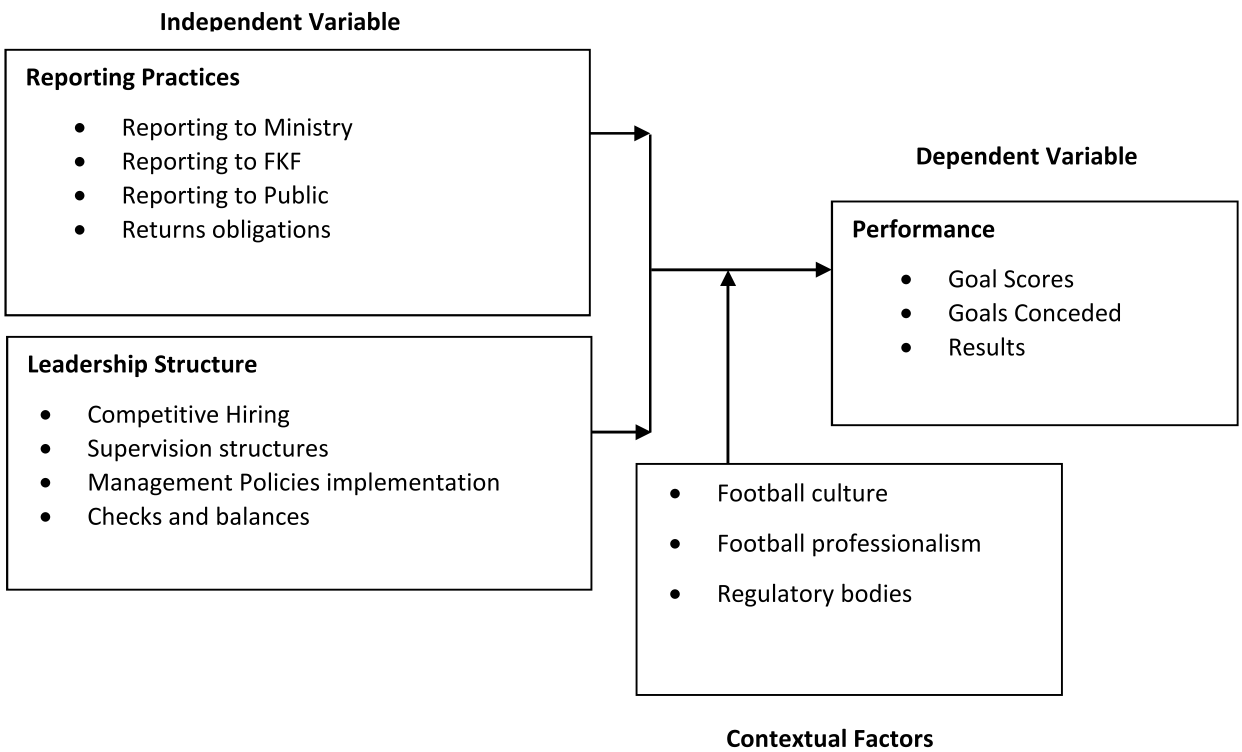

Figure 1: Effect of board composition and Structure on Football performance

3 METHODS

This study adopted descriptive research design. The target population of the study was the 6 office bearers and 3 employees in the 16 Kenya Premier League teams that comprise the following; Patron, Chairman, Vice Chairman, Secretary General, Treasurer and Organizing Secretary (club officials) and Chief Executive officer, finance officer and the coach (employees). The target population of the study was 96 officials and 48 employees in the in the 16 Kenya Premier League teams which was the 144 people.

Normally, it was preferable to collect data from all the 96 officials and 48 employees in Kenya Premium League. However, due to cost, time and logistics constraints, sampling was inevitable. The study used probability sampling random sampling technique to select the respondents.

Sample size formula was arrived at using the following formula

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

Where

n= Sample size

N= Population size.

C= coefficient of variation which is$21\% \leq CV \leq 30\%$

e= margin of error which is fixed between $2\% \leq e \leq 5\%$

The study sample was calculated at 25% coefficient of variation and 5% of margin of error (Nassiuma, 2000).Nassiuma formula is used to calculate the final sample size

$$n = \frac{NC^2}{C^2 + (N-1)e^2}$$

n=$\frac{144 \times 0.3^2}{0.3^2 + 143x0.02^2}$

n= $\frac{12.96}{0.14472}$

n=88

The researcher therefore collected data from 59officials and 29 employees in the 16 Kenya Premium League teams.

Allocation to the two strata is as follows =$\frac{n}{N}\ x\ Ni$ where n= sample size, N= total population and Ni= population of strata

Elected officials = $\frac{n}{N}\ x\ Ni$

= $\frac{88}{144}\ x\ 96$

= 59

Employees = $\frac{88}{144}\ x\ 48$

= 29

The total Sample (59 elected officials +29employees) was 88 samples.

Data was collected using both primary data collection tools. Structured questionnaires administered to the selected respondents was used elicit information related to governance structure of the Clubs whereas both structured questionnaire and secondary data collection form was used to collect information related to Kenya Football Premium League Performance.

The analysis of the board composition and structure as corporate governance practices and Kenya Premium League performance was analyzed using Pearson Correlation.

To analyze the combined relationship between board composition and structure practices and Kenya Premium League performance, regression model below was used.

$y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Where;

y= Kenya Premium League performance

α =constant

$\beta_1 \ldots \ldots . \beta_{2d}$ = Parameter estimates

X_1 = Corporate reporting

X_2 = Leadership Structure

ε = the error of prediction.

4 RESULTS

4.1 DESCRIPTIVE STATISTICS ON CORPORATE REPORTING PRACTICES

The third objective of the study was to find out the effect of corporate reporting practices on performance of Kenya Football Premium League. The key variables used to analyze corporate reporting practices included; reporting to relevant ministries and Federation of Kenya Footballers, boards accountability to the public, the management reporting to the board, the board filling society and tax returns as per the Law.

Table 1: Board Reporting Structure

Reporting Practices	SA	A	NS	D	SD	X^2	P-value
Reports to the Ministry	10	3	-	53	34	57.2	.000
Reports to FKF	3	10	2	44	41	83.6	.000
Accountable to the public	9	17	-	47	27	31.7	.000
Reports directly to the board	11	18	-	43	28	30.0	.000
Fills society returns	19	-	-	55	26	40.4	.000
Fill Tax returns	9	-	-	45	46	33.3	.000

Source: Field Data (2016)

The results of analysis of the board reporting structure was presented in table 4 above. Majority of respondents 87% disagreed that the boards of the football clubs in Kenya Premier league reported to the Ministry of Sports on issues of regulations compared to 23% who agreed. Majority of respondent 85% disagreed that the clubs reported to Federation of Kenya Footballers which is the national body of all the football clubs and also organizers of Kenya Premier League compared to 13% who agreed and 2% who were not aware. Majority 74% disagreed that the clubs were accountable to the public compared to 26% who agreed. Majority 71% disagreed that management of the clubs reported to their respective boards compared 29% who agreed. Majority of respondents 81% disagreed that boards of their clubs filled company returns as per the Law compared to 19% who agreed. Majority 91% disagreed that their boards filled Tax returns according to the law compared to 9% who agreed.

The study established a poor reporting practice by the boards of the football clubs in the League as is supported by a number of scholars; Eccles (2004)Corporate reporting is not only financial reporting but information beyond that which is required by the regulation (Corporate Law and Accounting Standards), provided through the annual reports to their shareholders and other stakeholders. Corporate social accountability and reporting is information over and above that which is mandatory, and is seen as a key driver for engaging the wider community as an important stakeholder in business activities (Zairi & Peters 2002). In support of this view, other stakeholder theorists consider that a firm's responsibility is not only to its shareholders, but to all stakeholders whose contribution is necessary for its success (Balabanis, Philips & Lyall 1998).

This finding indicated that the boards of the clubs in Kenya Premium League had ineffective corporate reporting practices affecting the performance of the clubs. The boards did not report to the Ministry of Sports who is mandated to regulate sports policies in Kenya nor did they report to FKF which is their association umbrella body and also the organizers of Kenya Premium League and therefore were not accountable to the public. The poor reporting practices also affected the clubs internally with their management team also failing to report to the board complicating the issues of accountability further. The boards contravene the law by failing to fill annual society returns and also filling tax return which requires them to declare their income and pay taxes as is required by law.

4.2 Descriptive Analysis of Clubs' Corporate Leadership Structure

The fourth objective of the study was to find out the effect of corporate leadership structure on performance of Kenya Football Premium League. The corporate leadership structure variables analyzed in this section included; competitive hiring of the management, supervision, making sure that the management implements board's policies, board relationship with the management, resource availability for implementation of board's policies, remunerate and motivation of management.

4.3 Descriptive Analysis on Corporate Leadership Practices

Table 2: Board's Corporate Leadership Structure

Leadership structure	SA	A	NS	D	SD	X^2	P-value
Competitively hiring	1	10	-	64	25	80.2	.000
Supervise activities	3	10	2	44	41	73.4	.000
Implements of policies	8	17	-	48	27	30.8	.000
Relationship	13	16	-	43	28	20.5	.000
Required resources	11	18	-	43	28	20.0	.000
Remuneration	21	-	-	56	23	17.9	.000
Motivates of management	2	11	-	43	44	48	.000

Source: Field Data (2016)

Table 5 was used to present the results of the descriptive analysis of corporate leadership structure. The study established that majority of respondents 89% disagreed that the clubs' boards competitively hire the management compared to 11%. Majority of the respondents 85% disagreed that the clubs' board supervised activities of the management making the management unaccountable to the boards compared to 15% who agreed. Majority 75% disagreed that the management implemented board policies compared to 25% who agreed. Majority of respondents 71% disagreed that the board did not interfere with the management activities and provided all the required resources to the management compared agreed respectively. Majority of respondents 79% disagreed that the clubs' board properly remunerated the management compared to 21% who agreed and lastly, majority 77% disagreed that the board positively motivates the management compared to 23% who agreed.

The leadership structures in the clubs are poorly constituted leading to poor performance evident by conflicting roles and unaccounted for decisions as is supported by Monks & Minow (2004) who observes that separating the role is believed to lead to a more objective evaluation of the CEO, creating an environment of greater accountability. According to Suryanarayana (2005), another advantage of the appointment of an independent chairman is that he/she brings experience in running similar businesses or handling the functions of finance, as well as the independence, objectivity and dispassionate views needed on crucial matters. A separation of the two roles seems to be a prudent and effective means of ensuring proper focus and also eliminating potential errors and conflict of interest that may arise as a result of combining the roles (Banks 2004).

This finding is further supported by a number of Studies by Hillman and Dalziel (2003), Pfeffer and Salancik (1978) and Yoshikawa & McGuire (2008) report that the expertise and knowledge non-executive directors bring to the firm and the resource dependence role which allows them to provide advice and resources, help the firm to perform better. Peng (2004) also found that institutional outside directors impact positively on firm performance, which implies the effective resource role played by them. The results of the study by Haniffa and Hudaib (2006) indicated that the market measure of performance based on Tobin's Q or accounting measures of performance based on ROA and board composition were not significantly related to performance.

This finding indicated that the clubs in the Kenya Premium League failed to provide the required leadership in enhancing their performance evident by; their failure to establish competitive hiring of employees and subsequent supervision making the clubs to be run by unqualified and unsupervised employees who were unable to articulate and implement the boards' policies leading to poor performance. The boards also failed to properly remunerate and motivate their employees, the employees on the other hand were unable to perform their duties effectively due boards' interference and failure to provide the required resource for the smooth running of the clubs.

4.4 Effects of Corporate Reporting and Leadership Structure on Performance of Soccer Management

The main objective of the study was to analyze the effects of corporate reporting and leadership structure practices on performance of soccer management in Kenya Premium League. In order to analyze how each of these corporate governance practices affected performance of soccer management in Kenya Premium League, Pearson correlation was used and in order to further analyze which corporate governance practice contributed more to the performance of soccer management in Kenya Premium League, regression analysis was used.

4.4.1 Pearson Correlation between Corporate reporting and leadership Practices and Performance of Soccer Management in Kenya Premium League

Table 3: Correlation between Corporate Governance Practices and Performance of Soccer Management

Variable	Corporate Reporting Practices	leadership structure Practices
Soccer Management Performance	.350*	.106

Source: Field Data (2016)

The study established a strong positive correlation 0.350 with significance of 0.001<0.05 between corporate reporting practices and Performance of Soccer Management indicating that Clubs in Kenya Premium League corporate reporting practices had positively effect on Performance of Soccer Management. Further finding indicated a week positive correlation leadership structure practices with significance level 0.106>0.05 with Performance of Soccer Management indicating that Clubs in Kenya Premium League board composition, board structure and leadership structure practices had insignificant effect on Performance of Soccer Management.

4.4.2 Regression Analysis between Corporate Governance Practices and Performance of Soccer Management

The results of the analysis are presented in Tables 4 and 5.

Table 4: Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.31	0.27	0.27	0.82

The R square value was 0.27, which indicated a low degree of correlation. The R^2 value indicates how much of the dependent variable, “Performance of Soccer Management ", was explained by the independent variables, "corporate reporting and leadership structure practices". In this case, 27% was the R Squared, which was fairly small indicating that the data collected was not closely fitted to the regression line. 27% of variation in performance is explained by all the independent variables (4) 73% of the variation is unexplained.

Table 5: ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	1.232	3	1.077	2.604	0.279
Residual	7.832	49	.405		
Total	**9.064**	**52**			

Predictors: corporate reporting and leadership structure practices. The Dependable variable: Performance of Soccer Management. Table 5 indicated that the regression model did not predicted the outcome variable significantly with p=0.279, which was greater than 0.05, and indicated that; overall, the model did not predicted the outcome variable.

Table 6: Full Regression Model

Model	Unstd. Coef.	Std. Error	Std.Coef.	t	Sig.(P)	VIF
(Constant)	1.258	.578		2.177	.034	
Reporting structure	.492	.141	.452	3.488	.000	1.14
Leadership structure	.017	.101	.018	.146	.916	5.19

The first research question was stated as; do corporate reporting practices affect performance of Kenya Football Premium League? The independent variables; board composition, board structure and leadership structure were held constant. Reporting structure practice contributed significantly to performance of soccer management this is because reporting structure had P=0.0.000<0.05 indicating that reporting structure practice affected performance of soccer management in Kenya Football Premium League.

The second research question was stated as; does corporate leadership structure affect performance of Kenya Football Premium League? The independent variables; reporting, board composition and structure were held constant. Leadership structure practice contributed insignificantly to the performance of soccer management this is because board structure practice had P=0.916>0.05 indicating that leadership structure practice did not the performance of soccer management in Kenya Football Premium League.

From the unstandardized coefficients, the following equation was developed:

$y= 1.258+0.492x_1+0.017x_3+\varepsilon$

5 Conclusions and Recommendations

The main aim of the study was to analyze the effects of corporate reporting and leadership practices on performance of soccer management in Kenya Premium League.

The first research question stated as do corporate reporting practices affect performance of Kenya Football Premium League? The study established that reporting structure practice contributed significantly to performance of soccer management this is because reporting structure had P=0.0.000<0.05 indicating that reporting structure practice affected performance of soccer management in Kenya Football Premium League.

The second research question stated as; does corporate leadership structure affect performance of Kenya Football Premium League? The study established that leadership structure practice contributed insignificantly to the performance of soccer management this is because board structure practice had P=0.916<0.05 indicating that leadership structure practice did not the performance of soccer management in Kenya Football Premium League.

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