

**CORPORATE GOVERNANCE ON EMPOWERMENT OF LOCAL
RESIDENTS IN KENYA: A CASE OF SUGAR COMPANIES IN
MIGORI COUNTY**

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ABSTRACT

This study was carried out with the main aim of knowing how corporate governance can be used in enhancing residents' empowerment in Migori County. The objectives of the study were: to determine the effect of transparency on the empowerment of the local residents, to assess the influence of the corporate board composition on the empowerment of the local residents, to establish the effect of residents mobilization on the empowerment of the local residents, to examine the influence of corporate charter on the empowerment of the local residents in and lastly to give recommendations on how to effect corporate governance for residents empowerment. The main question of the study was to find out the role of corporate governance on residents empowerment. The study adopted a descriptive research design. The target population of the study was 429 employees both in the management level and support staff of various departments from the sugar companies in Migori County. A sample size of 135 was used to represent the population that was under study, the study adopted a mixed sampling technique, where purposive sampling was adopted to select senior managers in the various departments, simple random sampling was used to select support staff and purposive random sampling technique was used to select local farmers and a few directors. Questionnaires were distributed to the selected support staffs while interview guide were distributed to the local farmers and the few chosen directors. In order to enhance the instrument's validity and reliability, a pilot test was conducted on the instruments by giving the questionnaire to three employees to see that the questions were answered as is the requirement. After which the score was computed to establish Pearson Product Moment Correlation Coefficient. Data collected by using a questionnaire was analyzed by applying descriptive statistics using the statistical package for social sciences (SPSS) and the results presented in percentages, means, frequencies and standard deviations. The information was presented by use of graphs, pie charts and bar charts and in prose-form for ease of analysis and interpretation. The findings of the study revealed that organizations observe transparency in exercising community empowerment. The study also found that shareholders were briefed on the progress of the community empowerment programmes to ensure disclosure of information. The study findings indicated that board members take part in community empowerment programmes where boards of directors are responsible of managing the interests of the company as well as that concerning the local residents. To the objective of residents' mobilization, the study concluded that corporate organizations take part in mobilizing local residents to empower

them. Further study found that organization has developed organizational charter to find locally sensitive and responsive solutions to residents' problems. The study recommended that community empowerment programmes to be communicated to the stakeholders in time and be done during the annual meeting as some of the stakeholders are not competent to the use of current technology where organizations post its information to their website. The study recommended that the number of board of directors to be minimal as possible in order to cut cost that may be accrued as their allowance payment. The study recommended that management to encourage local community participation on formulation of empowerment programmes so as to resist agency problems that are associated with conflict of interest. Finally, the study recommends mobilization of the average residents to be involved in governance matters.