

**A SURVEY OF CORPORATE GOVERNANCE PRACTICES IN
SHIPPING COMPANIES OPERATING IN KENYA**

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**A MANAGEMENT RESEARCH PROJECT SUBMITTED IN PARTIAL
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ABSTRACT

A few years ago the buzzword was Globalization, now it is Corporate Governance. Corporate Governance is concerned with the manner in which the power of a corporation is exercised in the stewardship of the corporation's total portfolio of assets and resources with the objective of maintaining and increasing shareholder value and satisfaction of other stakeholders in the context of its corporate mission. The purpose of the study was to survey, determine and document the corporate governance practices employed by shipping companies operating in Kenya. The specific objectives were to determine whether these shipping companies have any corporate governance practices that they practice in the day to day running of their affairs. This has come in the wake of many business failures in the corporate global world.

The research design used was descriptive design using questionnaire and individual interviews to enable the best responses. The target population of this study was 18 companies who act as agents of the over 28 shipping lines. The total population was examined. Data was collected through questionnaires that contained both open and closed ended questions, which were administered to the respondents. Data was analyzed by generating descriptive statistics such as percentages. In terms of presentation, the data was presented by using tables and pie charts.

The findings brought out the various practices of corporate governances and how some have refined practices from their principal headquarters to incorporate the business challenges of the area they operate in. The study recommended that time had come for the maritime industry to formally come up with a uniform set of corporate governance practices that every shipping company operating in Kenya should be

encouraged to comply. It also recommended that efforts are put in place by the boards of these companies to come up with measures of effectively manage risk in the industry. It was argued that the benefits of implementing a robust and effective risk management system will include greater flexibility, less frequent and severe sudden shocks, and greater investor confidence in the market. It is hoped that the research findings will go a long way in provoking further research and discussion in this direction which would result into the long awaited solutions to corporate failures.