

**INFLUENCE OF TEA FACTORIES' GOVERNANCE PRACTICES ON
EDUCATION DEVELOPMENT IN KISII COUNTY, KENYA**

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DECLARATION

This research project is my original work and has not been presented for award of a degree in any other University.

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DEDICATION

I dedicate this work to my husband David Nyabuto Maranga, my children Birundu, Brenda, Sagini, Maranga and Cynthia and friends.

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LIST OF ABBREVIATIONS AND ACRONYMS

APRA	Australian Prudential Regulation Authority
CSR	Corporate Social Responsibility
KTDA	Kenya Tea Development Agency
NACOSTI	National Commission for Science, Technology and Innovation
OECD	Organisation for Economic Co-operation and Development
SPSS	Statistical Package for Social Science
UK	United Kingdom
USA	United States of America

ABSTRACT

Effective governance promotes educational standards leading to efficiency in service delivery. Improved governance has been known for reducing mismanagement, demonizing corruption and ultimately improving overall efficiency in offering educational services. This study sought to investigate the influence of tea factories' governance practices on education development in Kisii County as guided by the following specific objectives: To examine sponsorship procedures on education development by tea factories in Kisii County, to establish the extent to which tea factories influence provision of facilities towards education development in Kisii County, to examine the influence of promoting co-curricular activities on education development in Kisii County and to assess the influence of training education stakeholders on education development in Kisii County. The study adopted a descriptive survey design and targeted employees of the tea factories estimated at 414. A sample of 124 respondents was selected using stratified random sampling based on various departments within the tea factories. This research relied on primary data which was collected using a semi-structured questionnaire which contained open ended and close ended questions. Both descriptive and inferential statistics were used to analyze data. The study findings revealed that majority of the respondents agreed that tea factories in Kisii County financed their employees to advance their studies. However, financing of students who were not employees of the tea factories was to a moderate extent. The findings further revealed that tea factories participated in construction of roads for easy access to institutions of learning to great extent. Majority of the respondents were of the opinion that factories participated in sponsorship of games in terms of trophies and cash rewards. However they did not participate in prize giving events. Finally, the findings revealed that tea factories carried training on planting tea seedlings for farmers to a great extent. They also partnered with schools to mainstream agricultural issues into their curriculum. Based on the study findings it was concluded that sponsorship, provision of facilities, promotion of co-curricular activities and training of education stakeholders respectively influenced education development in Kisii County. Based on the research findings the following recommendations are given: Management of tea factories to increase scholarship funding for bright and needy students, partner with other like-minded institutions in construction and repair of facilities; management of tea factories to consider providing laboratory equipment and increase sponsorship of training for various educational stakeholders.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Education forms the basis upon which economic, social and political development of any nation is founded. Investment in education can help to foster economic growth, enhance productivity, contribute to national and social development and reduce social inequality (World Bank, 2010). United Nations Educational Scientific and Cultural Organization (2005) argues that the level of country's education is one of the Key indicators of its level of development. Globally, education is recognized as a basic human right. Education for all has been discussed in international forums, for example United Nations Educational Scientific and Cultural Organization (UNESCO) World Conference at Jomtien, Thailand in 1990 and its follow up in Dakar, Senegal in 2000 (Republic of Kenya, 2005). Consequently, governments around the world have invested huge amounts of their expenditure on education (Fraser Education Report, 2009). Education provision involves many stakeholders hence need for their cooperation. The government needs to provide education infrastructure and resources.

Since the world conference on education for all, the expansion and improvement of basic education has regained prominent place on the agenda of the main international organizations and bilateral cooperation agencies and in the action plans prepared by educational authorities in majority of developing countries (World Bank, 2010).

According to Mintzberg (2003) corporate governance has become indispensable. The strategic decisions of large companies involve social as well as economic consequences, which are intimately connected. Porter and Kramer (2006) discuss the existence of the interdependence between corporations and society, since a company's activities have a direct impact on the communities with which they work. This can lead to either positive or negative consequences. Strategists and executives should take into account societal expectations and decisions, as there can be some attractive alternatives when goodwill or services to society are considered.

Governance is concerned with structures and processes for decision making, accountability, control and behaviour at the top of organizations. Corporate governance is a concept that involves practices that entail the organization of management and control of companies. In Kenya, corporations have heightened their corporate social responsibility participations across the board, be it in sponsoring sporting events or offering educational scholarships to needy students. Despite all these heightened activities, there is still a wide gap between the objectives of the CSR programmes and their actual results. It seems that the CSR projects do not result in desired effects to either the local communities or the corporations, thus necessitating an incisive examination into the ailment (Wanyama, 2010).

The government should ensure that learners have a conducive environment specifically security to enable them learn effectively. The role of parents is to prepare learners from their homes by providing the basic needs to the students. They should give them moral

support and parental guidance. Teachers are the implementors of the curriculum hence need for adequate preparation as they disseminate knowledge. The impact of institution operating in school environments should be felt in terms of various contributions. Organizations operating in Kisii County like tea factories therefore need to foster education development as part of their corporate social responsibility.

Worldwide, the corporate sector plays a significant role in the education development of academic institutions. The priority given to governance as a contributor to institutional leadership can have a major effect on institutional leadership and for that matter, the respective roles of the key players in the governance system (Namoga, 2011). According to Pandya (2011), governance has a narrow and broader meaning. In a narrow sense, governance involves a set of relationships amongst the company's management, its board of directors, its shareholders, its auditors and other stakeholders. These relationships, which involve various rules and incentives, provide the structure through which the objectives of the company are set, and the means of attaining these objectives as well as monitoring performance. In a broader sense, governance refers to how institutions are run in an open and honest manner.

According to Gregory and Simms (2009) effective governance in an institution is important as it promotes the efficient use of resources both within the firm and the larger economy, as well as assisting firms and economies in attracting lower-cost investment capital via the improved confidence of investors and creditors, both domestically and

internationally. They also suggest that it helps in increasing the responsiveness of firms to societal needs and expectations and in improving their livelihoods.

Garay and Gonzalez (2008), argue that while governance efforts may be significant in promoting economic growth, the importance of strengthening internal governance systems in public and private enterprises in developing nations cannot be overlooked. This is because these systems impact on the performance of private and public enterprises and the business sector, hence influence the economic growth of nations. According to Garay and Gonzalez (2008), corporate governance systems play a central role in economic performance as they provide the mechanisms that affect firm performance and subsequently the returns on investments.

Cheng and Cheng (2003) have observed that efforts to enhance organizational performance have featured stakeholders involvement in schools corporate governance. This encourages stakeholders at all levels of an organization in the analysis of problems, development of strategies and implementation of solutions. Involvement in governance has been acknowledged as an essential ingredient in quest for better school performance. This is in terms of involvement of teachers, pupils, parents and school management committees (Pasiardis, 2004).

Fullar (1999) contends that high levels of parental involvement in school governance has a direct link with the school academic performance. Schools are an inextricable part of the society as well as the community to which it belongs. They are social subsystems

which cannot function in isolation from the hyper system on the social environment (Polydoron, 1995).

A study conducted in Philippine public schools (2006) indicated that effective involvement of stakeholders in corporate governance would lead to a more democratic approach in which planning and decision making are devolved to the individual schools which leads to high academic performance. In Kenya for example, public institutions are faced with multiple challenges arising from increased competition from the private sector and public scrutiny. To remain competitive as well as profitable, some have resulted to privatization (Gikang'a, 2008). The Kenya Tea Development Authority (KTDA) has faced serious challenges both in the internal operating and external environment which required urgent attention to avoid any serious impact in the local tea industry. This was made worse by global developments in the tea industry, resulting in low returns in the entire tea value chain and the firm level (Kinanga, 2008). The focus therefore is shifting to what KTDA can do to the community so as to remain relevant in the industry by positively impacting on the community.

Public institutions in Kenya are faced with multiple challenges arising from increased competition from the private sector and public scrutiny. To remain competitive as well as profitable, some have resulted to privatization (Gikang'a, 2008). The Kenya Tea Development Authority (KTDA) has faced serious challenges both in the internal operating and external environment which required urgent attention to avoid any serious impact in the local tea industry. This was made worse by global developments in the tea

industry, resulting in low returns in the entire tea value chain and the firm level (Kinanga, 2008). The focus therefore is shifting to what KTDA can do to the community so as to remain relevant in the industry by positively impacting on the community.

Tea factory managers have established an education programme where it identifies bright and needy students and sponsors students in higher institutions of learning. It mainly sponsors students to undertake studies in the agricultural and engineering fields who much of the time get jobs in tea factories. This helps them the struggles of looking for jobs and being as role models to students still undertaking their studies. Tea factories also have an employee scholarship programme where it sponsors its employees to advance their studies hence increased expertise (Mulili, 2011).

According to Kinanga (2008) tea factory managers have realized the need of having proper infrastructure like classrooms, latrines, proper roads to school, furniture, laboratories and water in schools. It has a project management unit which undertakes need assessment in schools and decides which kind of infrastructure needs much attention. Some schools in Kisii County have benefited from this initiative whose results have positively impacted on education standards in these schools because of improved and conducive learning environment present.

Co-curricular activities helps break boredom from classrooms. In schools they include participation in games, music and drama festivals. Tea factories have allocated funds to facilitate these activities though to a small extent in Kisii County. These funds are used to

organize tournaments, buy trophies, reward the winning schools and maintenance of venues for the co-curricular activities. Much of the time, KTDA uses the co-curricular activities as a way of conducting public awareness on its mandate and role in the community hence public education. It distributes its promotional materials to the community who attend hence creating a mutual relationship (Waithaka, 2012).

Barbara (2004) contends that training is a key component in improving the expertise of employees in any organization. Tea factories in Kisii County sponsor training workshops for various education stakeholders. During these workshops, the stakeholders mainly teachers and parents are educated on their role and importance in the education system. Barbara (2004) posits that the governance practices in many organisations in Kenya could be analyzed at two levels, namely, at the level of policy making and also at the level of internal management. Therefore, in order to explain the governance practices of KTDA factories in Kisii County one must examine what pressures are exerted on the firm, by whom and by what means (Barbara, 2004). KTDA governance practices need to be complied with education development. Having this in mind this study therefore seeks to assess the influence of KTDA governance practices on development of education in Kisii County, Kenya.

1.2 Statement of the Problem

The King Commission on corporate governance (2002) in South Africa advocated for an integrated approach to good governance, in the interest of a wide range of stakeholders having regard to the fundamental principles of good financial, social, ethical and

environmental practice. Governance issues arising from the conduct of business of tea factories has arisen over time. Many tea factory managers have been accused of being negligent of community needs. An organization with good governance practices positively impacts on its surrounding community. Institutions involvement in tackling education problems is paramount for an organizations' presence to be felt in a community (Barbara, 2004).

Complaints of poor governance by directors of tea factories in Kisii County have come into sharp focus with shareholders raising their voices against being neglected. Many of the shareholders indicate that KTDA is rarely involved in community development. Specifically, little has been done with regards to education development by tea factory managers in Kisii County. For instance, there seems to be inadequate education sponsorship, poor provision of facilities, low promotion of co-curricular activities and lack of stakeholders training on education development. Having this in mind this study therefore sought to investigate the influence of tea factories' governance practices on education development in Kisii County, Kenya.

1.3 Purpose of the Study

This study sought to investigate the influence of tea factories' governance practices on education development in Kisii County.

1.4 Objectives of the Study

The objectives of this study were:

- i. To examine sponsorship procedures by tea factories on education development in Kisii County.
- ii. To establish the extent to which tea factories influence provision of facilities towards education development in Kisii County.
- iii. To examine the influence of promoting co-curricular activities by tea factories on education development in Kisii County.
- iv. To assess the influence of training education stakeholders by tea factories on education development in Kisii County.

1.5 Research Questions

The research questions for this study were:

1. What are the sponsorship procedures by tea factories on education development in Kisii County?
2. What is the influence of provision of facilities by tea factories towards education development in Kisii County?
3. What is the influence of promoting co-curricular activities by tea factories on education development in Kisii County?
4. What is the influence of training education stakeholders by tea factories on education development in Kisii County?

1.6 Significance of the Study

The findings of this study would help managers of KTDA factories in Kisii County to recognize the importance of governance practices and how they influence the society in which they operate with specific reference to education development. At the same time, the study would avail to managers of public sector entities in Kenya with appropriate corporate governance structures that can enhance expected firm performance. The study would contribute to the available knowledge on corporate social responsibility and performance of the public entities. The findings of this study may also contribute to the advancement in the area of corporate governance such as designing successful organizational governance geared towards optimal performance.

1.7 Limitations of the Study

The limitations of this included difficulty in obtaining information from unwilling respondents citing reasons such as busy work schedules and fear of victimization in the event the study findings turning negative. Some respondents were suspicious to give information due to fear of victimization. However, the researcher assured them that the information they were to give could be used for academic purposes and their identity was to be concealed.

1.8 Delimitations of the Study

This study focused on only governance practices in relation to development of education in Kisii County. The aspects that were looked into included: participation in education development, education awareness, training of education stakeholders and funding of

students on education development. The study was confined to the tea industry in Kisii County and therefore the study findings generation could not extend to other Counties and sectors. At the same time the study was not able to incorporate the views of the entire population but used only a sample size of 124 employees that acted as representative of the total population.

1.9 Assumptions of the Study

The study was carried out on the basis of the following assumptions:-

- i. That all the KTDA tea factories in the area of study are governed through governance structures.
- ii. That the sample taken would be a fair representation of the population and therefore the findings would be generalized.

1.10 Definition of Terms

Corporate Governance refers to the system of structures, rights, duties, and obligations by which corporations are directed and controlled.

Development refers to advancement or a process of growth

Education Development refers to an education process aimed at increasing awareness and understanding of the rapidly changing, interdependent and unequal world in which we live. It seeks to engage people in analysis, reflection and action for local and global citizenship and participation.

Kenya Tea Development Agency refers to an agency contracted by the tea factory companies in Kenya to manage tea cultivation, develop and maintain tea husbandry, pay

farmers for green leaf delivered, manufacture green leaf into tea, market manufactured tea, develop and provide sound technical financial and managerial infrastructure and provide services in procurement, ICT and HR.

Participation refers to a joint consultation in decision making, goal setting, teamwork and other such measures through which an organization attempts to increase commitment to collective objectives.

1.11 Organization of the Study

This research consists of five chapters. Chapter One provides a general introduction to the whole study. It conveys the background of the research which leads to the aims of the research and the problems considered in this research. In this chapter, the justification for the research and the processes of this research, as well as definitions, are provided. In addition, the structure and organization of this study are outlined.

Chapter Two provides a review of the literature relating to corporate governance and education development. A brief overview on the history and the nature of corporate governance around the world, such as in the USA, the UK, and Australia are summarized. This chapter also describes the evidence from previous studies on the effects of governance practices on education development. The theoretical underpinnings of this study and the conceptual framework on which the study is based are also discussed in this chapter.

Chapter Three describes the research design, the sample selection and the data collection method and its criteria as well as the research instruments employed and their validity and reliability. The chapter also discusses the way data collected in this research will be analyzed and also gives the ethical consideration for the research.

Chapter four contains an analysis of data collected from the Kenya Tea Development Factories in Kisii County which forms the basis for this research. Specifically, the chapter relates the data to the four research questions crafted for the purposes of this research.

Chapter 5 will present a summary of the findings and will give the conclusions and recommendations of the study. Suggestions for further studies will also be highlighted.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter offers a review of literature related to corporate governance and education development. Governance practices and education development are reviewed at length in relation to the study objectives. The theoretical underpinnings and the conceptual frameworks on which the study is founded are also discussed.

2.2 An Overview on Corporate Governance

According to Solomon and Solomon (2004) corporate governance refers to a system of checks and balances, both internal and external to companies, which ensures that companies discharge their accountability to all their stakeholders and act in a socially responsible way in all areas of their business activity. This study however relies on Solomon and Solomon definition as it encompasses the role of an institution to meeting the needs of the community.

El Mehdi (2007) while undertaking a study on Empirical Evidence on Corporate Governance and Corporate Performance, noted that there was lack of empirical evidence on the impact of the board of directors characteristics, more so board meetings, on corporate performance in developing countries. El Mehdi states that an examination of the impact of board meetings on corporate performance in these countries would provide a more complete understanding of the effect of board meetings on corporate performance.

There have been several attempts on corporate governance around the globe. In the USA there have been several attempts geared towards enhancing good governance. Among them being the establishment of NYSE Corporate Accountability and Listing Standards Committee, and the Report of the NACD Blue Ribbon Commission on the Role of the Board in Corporate Strategy and the introduction of Sarbanes-Oxley Act of 2002. This Act contains significant black letter law aimed at curbing some of the perceived worst abuses in corporate governance. The Sarbanes-Oxley Act of 2002 was a compromise bill, supported by Republicans and Democrats, designed to strengthen the criminal consequences for top management in cases of misrepresentation of financial results. In addition to requiring the chief executive to sign the audited statements of the company, the law strengthens the power of auditing committees and the regulatory oversight of auditing firms (Cornelius and Kogut, 2003).

Boards of directors in the USA include some of the very insiders who are to be monitored. In addition, it is not uncommon that the Chief Executive Officer (CEO) is also the chairperson of the board. The nature of the selection process for board members is such that management often has a strong hand in determining who the other members will be. Board composition characteristics of interest include the size and structure of the board, the number of directors that comprise the board, the portion of these directors that are outsiders, and whether the same individual holds the CEO and chairperson positions (Denis and McConnell, 2002).

Holderness (2002) studied the USA evidence on equity ownership by insiders and blockholders, where insiders are defined as the officers and directors of a firm and a blockholder is an entity that owns at least 5 percent of the firm's equity. He reported that average inside ownership in publicly traded USA corporations is approximately 20 percent varying from almost none in some firms to majority ownership by insiders in others.

Solomon and Solomon (2004) stated that the Cadbury Report, mentioned earlier, focused on the board of directors as the most important corporate governance mechanism, requiring constant monitoring and assessment. The accounting and auditing functions were also shown to play an essential role in good corporate governance, emphasising the importance of corporate transparency with shareholders and other stakeholders. Finally, Cadbury's focus on the importance of institutional investors as the largest and most influential group of shareholders has had a lasting impact.

Further UK reforms of corporate governance followed the Cadbury Code (1992). The Greenbury Report (1995) proposed guidelines for director remuneration, the Hampel Report (1998) focused on disclosure and best practice, the Combined Code (1998) outlined a mandatory disclosure framework, and the Turnbull Report (1999) offered advice on compliance with mandatory disclosure (Kiel-Chisholm, and Nicholson, 2004). The major recommendation of the Cadbury Report (1992) was the raising of the importance of non-executive directors on the board. The major recommendation of the

Higgs Review is the strengthening of the channels of communication between shareholders and the board via the senior independent directors (Mulili, 2011).

Dahya, McConnell and Travlos (2002) investigated the presumption that an important oversight role of boards of directors is the hiring and firing of top corporate management. They presume that corporate performance is a reliable proxy for the effectiveness of top management. They also investigated the relationship between top management turnover and corporate failure before and after the Cadbury Report (1992) recommendations. They selected a sample of 460 UK industrial companies listed on the London Stock Exchange (LSE) as of December 1988. For each company, they collected data on management turnover, board composition, and corporate performance for up to seven years before and four years after the issuance of the Cadbury Report (1992). They found an increase in the sensitivity of management turnover to corporate performance following the adoption of the Cadbury Report. Importantly, they found that the increase in sensitivity of turnover to performance is due to an increase in outside board members. These results are consistent with and support the argument that the Cadbury recommendations have improved the quality of board oversight in the UK. Franks, Mayer and Renneboog (2001) studied a sample of poorly performing firms in the UK and found that boards dominated by outside directors actually impede the disciplining of poorly performing management.

The Australian corporate governance framework is characterised by a mix of legal regulation largely contained in the Corporations Act 2001 and common law principles and self-regulation most notably set out in the Australian Stock Exchange (ASX) Listing

Rules, which require disclosure of corporate governance practices. In Australia there have been two recent major corporate collapses, HIH Insurance and OneTel. The Australian government tried to appear undisturbed by these events, insisting that the more robust and long-standing disclosure requirements in the Australian market made any further unanticipated corporate failure unlikely (Mulili, 2011).

Since then, corporate governance has been a major focus of the changes which introduced three elements to achieve good corporate governance in Australia. First, the CLERP 9 Bill, incorporated into the Corporations Act, provides further black-letter law concerning auditors, the use of accounting standards and the requirements of regulatory authorities such as the Australian Prudential Regulation Authority (APRA). Second, 'Standards Australia' released guidance on corporate governance, 'Good Governance Principles' (AS 8000-2003). This standard includes comment on board structure, director independence and the skills and experience represented on the board. In 2003, The Council released the Principles of Good Corporate Governance and Best Practice Recommendations (ASX guidelines). The ASX guidelines were aimed at encouraging boards to think about and debate how effective corporate governance could be brought to their organisations (Kiel et al., 2004).

Although corporate governance reforms have been occurring around the globe, corporate governance reforms in developing countries often take place with a view to promoting development. This context has resulted in the gravitation of developing countries towards an Anglo-American model of corporate governance (Allen, 2005; Reed, 2002).

According to Armstrong (2009), corporate governance practices in developing countries are so weak that they have led to poor economic growth, corporate failures and high debt levels. This in turn has forced financial institutions such as the World Bank, the IMF, and the International Finance Corporation (IFC) to intervene in an effort to instil better governance practices.

In Africa, the development of the corporate governance philosophy was guided by the insider and the outsider models as practiced in the Francophone and Anglophone countries respectively, and in their former and present colonies. The outsider model is also referred to as the Anglo-American model (Judge, 2010). Soobaroyen and Mahadeo (2008) indicate that the level of compliance with corporate governance code in most African countries is still poor. They reveal that there is no non-compliance particularly in relation to the low number of company boards being chaired by independent directors. In addition, there is non-compliance to uncertainties on the actual operation of board committee, and to the widespread non-disclosure of directors' remuneration. They also found that compliance statements are inconsistent with extent of compliance disclosure in the reports, suggesting that many organizations have adopted selective compliance of good corporate governance practices.

In Kenya, the country being a commonwealth country, its governance structures, both political and corporate, tend to heavily borrow from those of its former colonial master - the United Kingdom (Judge, 2010). Today, the differences between private sector and public sector governance in Kenya cannot be overemphasized. While private sector

boards are appointed by the shareholders, the boards of public institutions tend to be politically appointed (Mwanzia, 2011).

Developing countries are now increasingly embracing governance knowing it leads to sustainable economic growth (World Bank, 2010). Corporate governance has become an issue of worldwide importance in the private sector (Private Sector Corporate Governance Trust, 2000). It is an engine of growth internationally and increasingly responsible for providing employment, public and private service goods and infrastructure (Private Sector Corporate Governance Trust, 2000). Corporate governance is concerned with the establishment of an appropriate legal, economic and institutional environment that would facilitate and allow business enterprises to grow, thrive and survive as institutions for maximizing shareholder value while being conscious of and providing for the well being of all other shareholders and society (Vinton, 2002). Good corporate governance therefore, becomes a prerequisite for national economic development.

Good corporate governance is usually associated with well functioning, competitive markets, especially corporate finance markets, and solid legal protection for outside investors (both creditors and shareholders), with outside shareholders being able to influence the behaviour of directors and managers. On the other hand, poor corporate governance practices usually include inadequate disclosure, lack of independent oversight, and weak minority shareholder rights (Anandarajah, 2004).

In education, effective governance promotes educational standards leading to efficiency in service delivery, improved governance has been known for curbing, mismanagement, demonizing corruption and ultimately improving overall efficiency in offering educational services. Getting and retaining competitive managers is a nightmare (Barbara, 2004).

2.3 Influence of Sponsorship on Education Development

According to Barbara (2004) organizations which take part in corporate social responsibility significantly influence the livelihoods of the communities in which they operate from. Tea factory managers fund education development programmes to a small extent in Kisii County hence a gap which needs to be addressed. It is however clear that directors managing these factories spend alot on allowances and huge packages which could otherwise be channelled to the noble course of educating bright students who are not able to finance their education. Tea factories should therefore institute sound financial policies and procedures for education scholarships (Bolton, 2002).

In 2010, the Equity Group Foundation (of Equity Bank) under its corporate responsibility programme partnered with the MasterCard Foundation to launch a 9-year Shs.4 billion comprehensive secondary school education fund to assist academically gifted students from poor backgrounds to pursue secondary education. In 2011, the programme received support from UKaid, the Wings to Fly programme, which extended scholarships to 1,200 students who performed well in the 2010 K.C.P.E but who come from poor backgrounds.

The Wings to Fly programme hopes to reach 5,600 deserving children in the next 9 years (Daily Nation, 2011).

In Kenya, Kenol/Kobil (a multi-national oil corporation) engages in a number of long-term corporate social responsibility projects. These include the long-term rehabilitation and capacity-building programme for Mama Ngina Children's Home, and the Kenol Scholarship Fund that was set aside to enable bright children from underprivileged families to acquire quality education. The company has since been offering employment opportunities for bright graduates of its CSR projects (Mulili, 2011).

Organizations which take part in corporate social responsibility significantly influence the livelihoods of the communities in which they operate from. Many KTDA factories do not fund education development programmes hence a gap which needs to be addressed. It is however clear that directors managing these factories spend a lot on allowances and huge packages which could otherwise be channelled to the noble course of educating bright students who are not able to finance their education. KTDA factories should therefore institute sound financial policies and procedures for education scholarships.

Some tea factories in Kisii County have an education programme where it identifies bright and needy students and sponsors students in higher institutions of learning. It mainly sponsors students to undertake studies in the agricultural and engineering fields who much of the time get jobs in tea factories. This helps them the struggles of looking for jobs and being as role models to students still undertaking their studies. Tea factories

in Kisii County also have an employee scholarship programme where it sponsors its employees to advance their studies hence increased expertise (Mulili, 2011).

2.4 Provision of Facilities and Education Development in Kisii County

The World Bank report (2010) asserted that for nearly all African countries in the years to come, the biggest challenge with respect to secondary education would be expansion and how to satisfy the increasing demand for limited number of secondary school places (World Bank, 2010). The rapid expansion of primary education in African countries after independence resulted into a greater number of primary school leavers, many of whom could no longer find jobs in the modern sector that they had come to expect. The scramble to fill the limited number of secondary school places has generated political pressures for expansion. Generous public subsidies increased the demand for secondary school places (World Bank, 2010). Today, this demand still exists and the demand greatly surpasses the supply.

Investment in education has high pay off in promoting both growth and equity. Now, governments in developing countries are still the primary providers and financiers of such investments. However, governments have increasingly encountered some key constraints in their abilities to finance the investment and to manage the ever-growing educational systems efficiently to adequately meet the demand.

In education, the private sector is generally involved in creating and maintaining the basic infrastructure of educational systems through contracts for buildings, materials, energy

among other issues. The sector also supports improved learning environments through philanthropy that ranges from providing IT for schools, to distribution and supplies.

Benavot (2000) suggested that access to secondary education could be improved if secondary school systems are expanded. Taking into account that there are no special additional resources available to many African countries to be injected into their education systems, the option left to the governments is to establish partnerships with other stakeholders that will help address expansion, financing and resource requirements to expand access and improve the quality of education systems in African countries. In an attempt to enhance access and equity in education, governments have embraced the declaration of the 1990 World Conference on Education for All in Jomtien, Thailand, on the need to expand and strengthen broader partnerships than those bringing together donors and recipient governments in the development of education systems.

Secondary school education needs in Kenya are on the increase but the expansion, financing and resource requirements continues to be the greatest challenge to the government and other stakeholders. An estimated 206,282 (28percent) of pupils who sat K.C.P.E in 2010 did not go to form one in 2011 because there were no places for them (Daily Nation January 11th 2011). Although this represents a transition rate of 72 percent as compared to the MDGs target of 70percent, the number of pupils missing form 1 places in Kenya is still high.

However, despite grand financial plans to cater for the newly established national schools, the government spends almost 95percent of secondary education budget on teacher's salaries and other benefits leaving only 1.4percent of total secondary education budget allocation for operational costs, laboratory equipment and physical facilities (KIPPRA, 2007). Taking into account that there are no special additional resources to be injected into the education system, the proposal for new national secondary schools require radical reforms to address expansion, financing and resource requirements to avoid the proposed national schools becoming decadent 'jua kali' national schools lacking academic excellence (Standard Newspaper, Feb.2011). These require the government therefore to explore and strengthen alternative financing options for secondary education such as public-private partnerships.

Due to its believe that education is an important factor in the economic growth and well-being of the communities in which it works, Chevron partnered with the Discovery Channel Global Education Partnership (DCGEP), in advancing the quality of education in developing countries through technology, video programming and innovative teacher training. Schools with DCGEP learning centers reported an increase in student learning, improved teacher effectiveness and an increase in overall community access to information. Through the partnership, Chevron contributed more than \$5.3 million to establish 65 learning centers in Angola, Brazil, Nigeria, South Africa and Venezuela since 2002. These centers serve an estimated 104,000 students, 2,400 teachers and 312,000 community members. The program gives under-resourced schools a television, DVD player and a library of educational videos. These tools, together with extensive

teacher training, are making a proven, positive impact on student learning and teacher effectiveness (Chevron, 2011).

There has been increased recognition to the fact that a firm's corporate governance affects both its economic performance and its ability to access information. Corporate governance demands that an institution should create a business model that is not shy about creating benefits for its stakeholders. At the same time, institutions should keep an eye on the various social issues that surround the community in which they operate (Satish, 2013).

Through Corporate Social Responsibility, Kenya Airways (KQ) helped in supporting the renovations of 14 classrooms and administration block of Farasi Lane Primary School located in Lower Kabete, Nairobi. Kenya Airways also helped in replacing windows and doors, painting and plastering of walls and in addition new floors were constructed and the entire school was painted. The technical team donated used furniture and talks are under way to construct a kitchen and dining hall. Kenya Airways also commissioned a secondary school project in Kisii town as part of its Corporate Social Responsibility. Corporate social responsibility initiatives by firms have led to implementation of various development projects in communities (Satish, 2013).

The airline also fully renovated classrooms, administrative block and staffroom and installed a gate to improve security at a cost of Kshs 2 million for Riobara PAG Secondary School in a bid to improve learning facilities for about 250 students and staff

(Kenya Airways CSR, 2008). In 2007, Telkom Kenya in her pursuit of Social Responsibility supported the Good Neighbors Foundation, a programme by State House Girls' School parents and students to cater for the needy students in the school.

In order to connect and bond with the local communities as well as create awareness of its brand through corporate governance, the management of the Bank of Africa initiated CSR activities in 2010. The initiative witnessed the bank donate text books to the Sacred Heart School for the needy based at the Baba Dogo Catholic Church, Ruaraka in Nairobi among other CSR activities (Bank of Africa, 2011).

In the last five years, tea factories in Kisii County invested over Ksh.600M in the construction and maintenance of extensive roads, bridges and drainages. KTDA tea factories have a total road network of over 700 kilometers. Tea factories in Kisii County strive to reduce transport distances through construction of bridges. Company assists in construction of access roads to schools, churches and markets. However there is not elaborate plan to provide facilities in schools in terms of classrooms, libraries, provision of amenities like classroom benches, tables and chairs, sanitation facilities and constructing compound walls.

According to Satish (2013) there are several ways of providing facilities to schools. The managers being the captain of the ship (KTDA factories) should set high standards in of accountability for funds towards the provision of these facilities. Davor (2005) also argues that the top management in an institution has to lead by example so as to ensure

proper management of funds allocated for provision of infrastructural facilities in schools.

2.5 Co-curricular Activities and Education Development in Kisii County

According to (Waithaka, 2012) co-curricular activities are an integral part of our students' holistic education. Through Co-curricular activities, students discover their interests and talents while developing values and competencies that will prepare them for a rapidly changing world. Co-curricular activities also promotes friendships among students from diverse backgrounds as they learn, play and grow together. Participation in co-curricular fosters social integration and deepens students' sense of belonging, commitment and sense of responsibility to school, community and nation. Some of the co-curricular activities range from clubs and societies, physical sports, uniformed groups and visual and performing arts group. This gives students the chance to pursue their specific interests or ideas, and expands the range of activities available in school (Solomon and Solomon, 2004).

According to Satish (2013) there are several ways of increasing corporate governance awareness in an institution. Tea factories in Kisii County need to participate in education awareness campaigns where they educate the community on the importance of education through sponsoring co-curricular activities. They should have a presence in co-curricular activities where they recognize talent.

In Kenya, corporations have heightened their community participations across the board, be it in sponsoring sporting events or offering educational scholarships to needy students.

Sony Sugar supports sporting activities for various schools in Migori County. This has gone a long way in supporting local talent and provides sporting entertainment both at national and grass root level (Wanyama, 2013). According to Bolton (2008) co-curricular activities helps break boredom from classrooms. Co-curricular activities in schools include participation in games, music and drama festivals. Tea factories have allocated funds to facilitate these activities though to a small extent in Kisii County. These funds are used to organize tournaments, buy trophies, reward the winning schools and maintenance of venues for the co-curricular activities. Much of the time, tea factories use the co-curricular activities as a way of conducting public awareness on its mandate and role in the community hence public education. It distributes its promotional materials to the community who attend hence creating a mutual relationship.

2.6 Influence of Stakeholders Training on Education Development

A recent project funded by Sanyo (2009) found that an organisation with strong corporate governance focuses in training, developing and managing the human resources so as to influence productivity, retention and recruitment. These are internal processes that should take into consideration issues such as diversity, ensuring no discrimination, rewards and corporate governance issues. In organizations, effective governance depends on both the competencies that individual managers bring with them and the training that the

organization provides to help the managers master institutional issues and develop the skills needed to participate effectively (Barbara, 2004).

Competence is the possession of characteristics that enable a person to perform specified duties and responsibilities, and it is a critical success factor for directors and school boards. Unfortunately, selection of managers does not always hinge on competence. Some schools boards are elected, some are appointed and some have a clearly defined selection process. Still others select members who are known to the board managers, or for their public prestige, or to fulfil some personal or political agenda. In some of the latter instances, competence rates are very low in the selection process (Satish, 2013).

Satish (2013) argues that there are several competencies that are essential for board members: the knowledge of the primary vision and the goals and objectives of the organization. This is because without a road map, it is difficult to plot a course. Board members should also have interpersonal communications' skills to work effectively within the collegial environment often present in governing bodies, and the ability to communicate effectively in oral and written form.

Workers in a country should be regarded as the most significant component of the citizen of the community and they should be psychologically satisfied by providing them with opportunities for education and training. The major capital stock of an industrially advanced country is not in its physical equipment, it is the body of knowledge amassed from the tested findings and the capacity and training of population to use this knowledge

effectively. It has now been increasingly realized that there is a growing need for the kind of education that will properly equip the workers to meet their increasingly heavy economic and social responsibilities (Tripathi and Arya, 2002). The training undertaken can be used throughout an employees course to provide the participant an opportunity to practice the techniques and skills taught throughout the training.

Robbinson and Coulter (2007) contend that there is need for systematic short in-service courses which should be conducted on a continuous basis, more so in the wake of any revision of national development objectives and priorities in human resource management in secondary schools. Elsewhere, Iravo (2002) argues that like in-service programme, workshops and seminars help purpose all those involved in the implementation process by equipping them with the human resources management and familiarizing on how management has been initiated and how it can be implemented.

Management of tea factories can provide funds for organization of in-service courses, workshops and seminars for teachers and other stakeholders. They can also provide incentives to teachers to raise their morale and encouraging them to implement the curriculum and encourage teamwork among the teachers so that they can discuss their teaching techniques and methods of evaluation (Kapkiyai, 2007). If the tea factory managers can organize such events they can be base of operating in the areas where the factories are situated with minimal hostility and rest assured of future educated managers for their initial input in support of education development.

KTDA Annual Report (2013) reveals that schools were allocated Kenya Shillings 12 Million to facilitate training of stakeholders countrywide. The capacity building training sessions create a forum where various stakeholders meet and share experiences. These trainings have had an impact on various schools including those in Kisii County. Training is a key component in improving the expertise of employees in any organization. Tea factories in Kisii County sponsor training workshops for various education stakeholders. During these workshops, the stakeholders mainly teachers and parents are sensitized on their role and importance in the education system (Barbara, 2004).

2.7 Overview of KTDA Tea Factories

In the recent past, many organizations in Kenya have experienced the performance and management challenges as a result of ineffective governance practices. Organizations which fail to practice good corporate governance eventually fail to win public confidence which may lead to an eventual collapse (Karuma, 2015).

Kenya Tea Development Agency Ltd is the Leading Management agency for the small scale tea farmers in Kenya. KTDA was formed on the privatization of Kenya Tea Development Authority as part of the government comprehensive Public Enterprise Reform and Privatization Programme. Privatization was seen as able to introduce into the sector efficiency and competition and contribute to the economy while privatization and divestiture involved the transfer of a function, activity, organization or investment holding from the public to private sector (Waithaka, 2012).

2.8 Theoretical Framework

This study was based on the Stakeholder Theory as proposed by Freeman (1980). The Stakeholders theory challenges agency assumptions about the primacy of shareholder interests. Instead it argues that a company should be managed in the interests of all its stakeholders. These interests include not only those of the shareholder but also a range of other direct and indirect interests.

The employee is obviously a key stakeholder and there have been long-running arguments amongst governance academics such as Margaret Blair that employees just as much as shareholders are 'residual risk-takers' in a firm. An employee's investment in firm-specific skills means that they too should have a voice in the governance of the firm. But stakeholder theory would also insist that other groups - suppliers and customers - have strong direct interests in company performance while local communities, the environment as well as society at large have legitimate indirect interests.

The argument that is repeatedly raised against a stakeholder view of the firm is that it is hard to operationalize because of the difficulties of deciding what weight should be given to different stakeholder interests. The community is a major stakeholder to the KTDA factories and as such governance structures instituted by these factories impact on the community in one way or another.

2.9 Conceptual Framework of the Study

A conceptual framework is graphical diagrammatic depiction of the proposed relationship between the stated variable in a research study (O'Leasey, 2010). Mugenda and Mugenda, (2003), define a variable as measurable characteristic that assume different

Figure 2.1 shows the Interrelationship between variables in the influence of governance practices on education development. A conceptual framework is graphical diagrammatic depiction of the proposed relationship between the stated variable in a research study (O'Leasey, 2010). Mugenda and Mugenda, (2003), define a variable as measurable characteristic that assume different values among the subjects. Kothari, (2004), defines a dependent variable as one that depends upon other variables. An independent variable is defined as one that is antecedent to the dependent variable. The dependent variable," education development in Kisii County" is the subject of this study and is the one that is influenced by corporate governance practices as the independent variable in terms of funding scholarships, provision of learning facilities, promotion of co-curricular activities and training of education stakeholders. Education development is indicated in terms of specialized expertise, infrastructure development, motivation and performance.

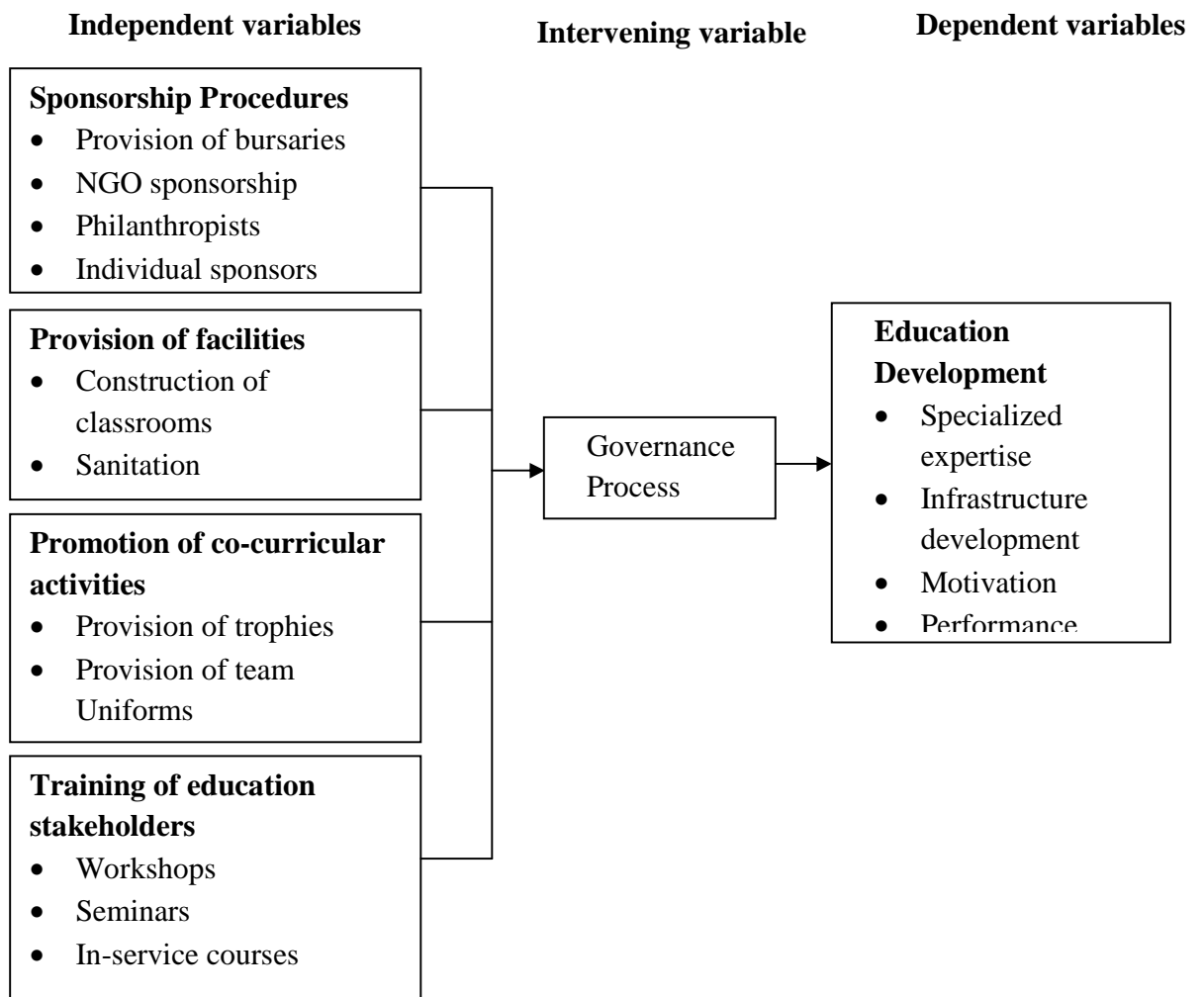


Figure 2.1: Influence of Governance Practices on Education Development

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The research methodology entailed the research design that was applied in the study giving explanations as to why the study adopted the given approach. The research methodology also described the sample size and sampling procedure, the data collection instruments, evaluates the validity and reliability of the research instruments and describes the method of data collection and analysis.

3.2 Research Design

This study adopted a descriptive survey design. A descriptive survey design is concerned primarily with determining “what is” (Mutai, 2000). Surveys are excellent vehicles for collecting original data for the purpose of studying the attitudes and orientations of a very large population. Using descriptive survey design, a large population can be studied with only a portion of that population being used to provide the required data. Therefore, descriptive survey design was the most appropriate method for the study on tea factory governance practices since it describes the nature of existing conditions and governance practices (Cohen & Manion, 2007; Wiersma and Jurs, 2005).

3.3 Target Population

In this study all KTDA factories in Kisii County were targeted. The County has the following KTDA factories: Nyamache, Rianyamwamu, Itumbe, Kiamokama, Eberege

and Ogembo Tea factory. Employees estimated at 414 in these factories formed the target population for this study (Kisii Focus, 2013).

3.4 Sample Size and Sampling Procedures

Sampling is the process of selecting a sub set of cases in order to draw conclusions about the entire lot (Orodho, 2009) .Gay (2011) asserts that in descriptive research 30 percent of the population may be required for consideration of the study where the population is small. Stratified random sampling techniques was applied to select employees from various departments in KTDA factories. The departments ranged from: corporate planning, human resource management, finance, production, information technology and customer care. This therefore implies that 30% of 414 employees is 124 employees.

The 124 questionnaires were administered proportionately to employees across the six key departments proportionately. Table 3.1 gives the sample size of each of the selected factories. The employees were selected using stratified random sampling procedure based on their departments.

Table 3.1: Sampling Frame

Factory	Employees	Sample (30 percent)
Corporate Planning	97	29
Human Resource	83	24
Management		
Finance	61	20
Production	60	18
Information Technology	58	17
Customer Care	55	16
Total	414	124

3.5 Research Instruments

This study mainly used a semi-structured questionnaire which contained both open ended and close ended questions. Due to the expansive nature of the study area and due to logistical issues the questionnaires were considered ideal in enabling the researcher to target as many respondents as possible. A questionnaire has a diverse number of merits upon which a researcher may opt to use it as an instrument to collect data. In this case the questionnaire was used due to its ability to gather data over a large sample. The questionnaires were administered to employees within the tea factories.

The questionnaire was divided into five main sections. Section A captured background information of respondents, Section B sponsorship procedures, Section C questions

provision of facilities, Section D questions promotion of co-curricular activities and Section E questions on training of education stakeholders.

3.6 Validity of the Research Instrument

According to Mugenda and Mugenda (1999), validity is the degree to which results obtained from analysis of data actually represents phenomenon under study. To achieve content validity the researcher gave the tools to the supervisors for their appraisal on various sections in the questionnaire which were the primary instruments for data collection. Adjustments were made to accommodate the recommendations.

3.7 Reliability of Research Instrument

Mugenda and Mugenda (1999) defines reliability as a measure of the degree to which a research instrument yields consistent results to data after repeated tests when administered a number of times. To enhance the reliability of the instrument, a pilot study was conducted. The aim of pretesting was to gauge the clarity and relevance of the instrument items so that those items found to be inadequate for measuring the variables were either discarded or modified to improve the quality of the research instruments. This was to ensure that the instrument captures all the required data. Pearsons' Product Moment Correlation Coefficient formula was used.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}}$$

According to Mugenda and Mugenda (1999) a coefficient of 0.80 or more showed that there is high reliability of the instruments. The questionnaire revealed a coefficient of 0.82 hence it was deemed reliable.

3.8 Data Collection Procedures

In carrying out this study, the researcher adopted a semi-structured questionnaire. The questionnaire was adopted as the principle data collection instrument because it was administered across board. The questionnaire contained questions which addressed the objectives of the study. By structuring the questionnaire, the researcher boosted uniformity in question answering and increased response rate. This strategy also found relevance during analysis as coding and tabulation were made easier.

This research relied on primary which is data collected for the first time. Primary data was collected through different methods namely mail surveys, telephone surveys, self-administered surveys, personal interviews, focus groups, observations etc. The choice for a self-administered survey in this study was based on the advantages and disadvantages of the different methods and also on the research question and objectives. Survey research through a self-administered questionnaire was the best choice for this research which investigated variables which could not be directly observed.

The researcher first obtained permission from the university and thereafter sought research permit from the National Commission for Science, Technology and Innovation (NACOSTI). Having obtained the permit the research visited all the tea factories in Kisii

County where she administered questionnaires to randomly selected employees. In order to minimize interference with the work schedule of the employees, they were allowed to complete the questionnaires on their own and arrangements were made on the date they were to be collected back. The questionnaire included both closed and open-ended questions with subheadings to guide the respondents respectively.

3.9 Data Analysis Techniques

The data generated by questionnaires was checked, edited organized and coded by computer to reduce the mass of data obtained into a form suitable for analysis. The coded data was then analyzed using Statistical Package for Social Science Programme (SPSS) version 20. Descriptive statistics ranging from frequencies, percentages, means and standard deviations were used to analyze quantitative data. Content analysis was used to analyze qualitative data. The research findings were presented in form of tables and graphs. Frequencies and percentages were adopted to present, discuss and interpret findings obtained. The findings obtained were discussed and formed the basis for the research findings, conclusion and recommendations.

3.10 Ethical Considerations

The researcher sought authority to undertake the data collection from the National Council for Science, Technology and Innovation and an introductory letter from the University. Protocol was observed by following the chain of command in respective tea factories. A preliminary visit to the tea factories to inform them and set dates to administer the questionnaires was done by the researcher.

During the study, sampled respondents were given all the relevant details of the study and requested to give an informed consent voluntarily. The researcher assured the participants' confidentiality and anonymity.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

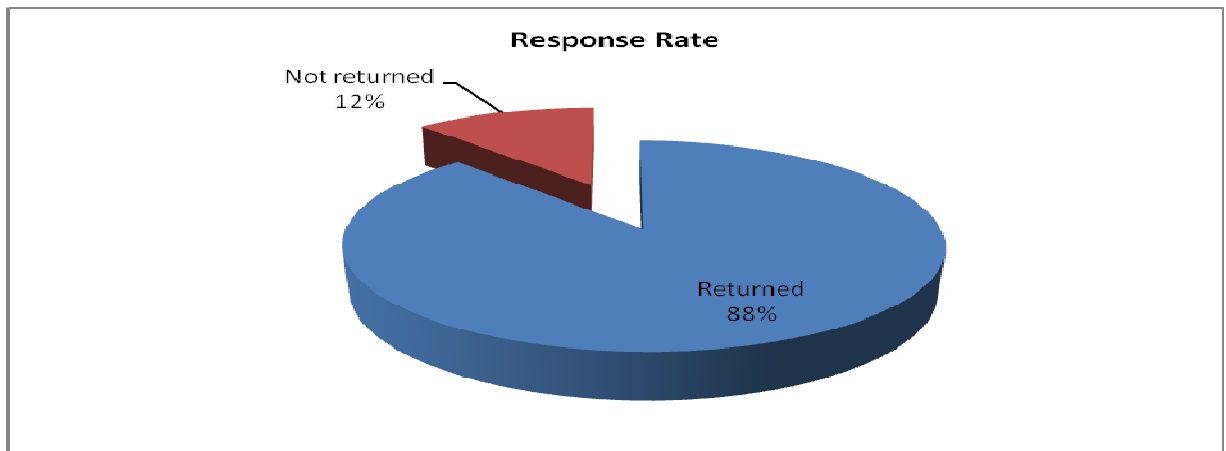
4.1 Introduction

This chapter is on data presentation, interpretation analysis and discussion of findings of the study as set out in the research methodology. Data was gathered exclusively from questionnaires as the research instrument. The questionnaire was designed in line with the objectives of the study. To enhance quality data obtained, Likert type questions were also included whereby respondents indicated the extent to which the variables were practiced. The study targeted 124 respondents in collecting data with regards to influence of tea factories' governance practices on education development in Kisii County. The data was fed into the Statistical Package for Social Sciences (SPSS) version 21 computer for analysis. Descriptive statistics comprising of frequencies and percentages were used.

4.1.1 Response Rate

From the data collected, out of the 124 questionnaires administered, 109 were filled and returned, which represents 88 percent response rate.

Figure 4.1 Response Rate



Mugenda and Mugenda (2003) observed that a 50 percent response rate is adequate, 60percent good and above, while 70 percent rated very good. This collaborates with Bailey (2000) assertion that a response rate of 50 percent is adequate, while a response rate greater than 77 percent is very good. This implies that based on this assertion, the response rate in this case of 88 percent was therefore very good. This response rate is considered satisfactory to make conclusions for the study.

4.2 Demographic and Background Information of the Respondent

Data for this study was collected through self-administered questionnaires to sampled factory workers from all the six identified tea factories in Kisii County. These questionnaires were administered to a total of 124 workers. All the questionnaires were completed and therefore the analysis involved questionnaires from six tea factories. The demographic information was sought to determine whether it influenced tea factories governance practices on education development in Kisii County. The personal information sought comprised of: Gender of respondent, age, marital status, department worked, highest level of education and period worked.

4.2.1 Gender of Employees

The composition of the sampling of the respondents by gender is represented in Figure 4.2. This section sought to establish whether the gender of the employees of KTDA factories in Kisii County affected adoption of various governance practices which were deemed to have an influence on education development within the County.

Figure 4.2 Gender of Employees

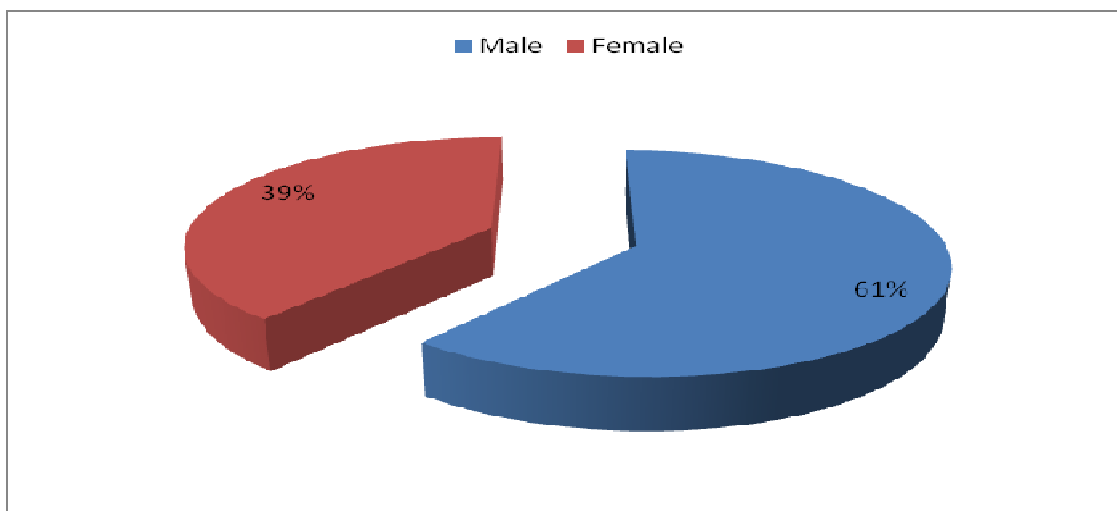
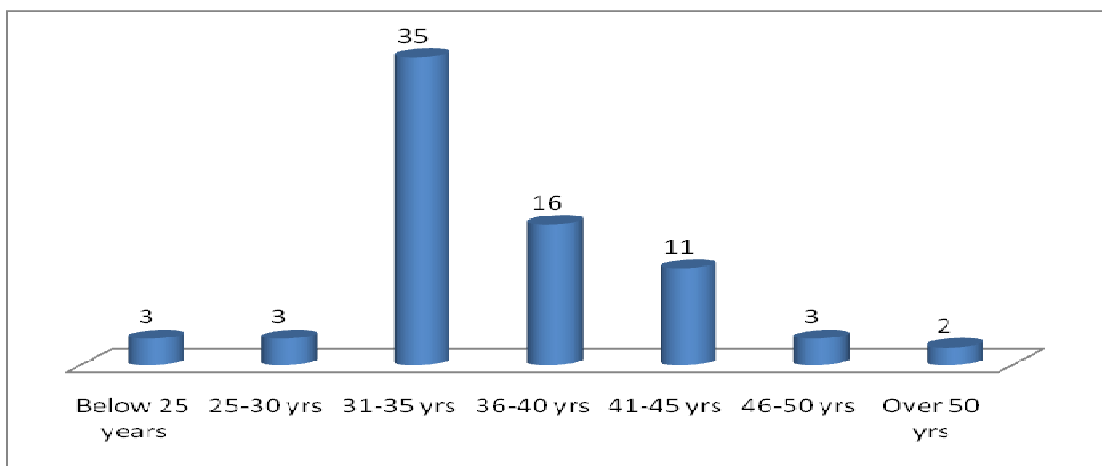


Figure 4.2 shows that there were more male (61 percent) than females (39 percent) in the tea factories in Kisii County. 31.2% of the male employees were from corporate planning department and another 25.3% were from management. Thus greater gender disparity among employees of tea factories within the County. This revealed that there is no balance in terms of gender among the tea factory workers thus need to bridge this gap so to appreciate the needs of different genders in terms of education. However, the gender distribution was deemed appropriate to give information about influence of tea factories governance practices.

4.2.2 Age of Employees

This section inquired on the age of the respondents to ascertain the age bracket that majority of the factory employees' fall so as to determine whether the age of employees affected the adoption of various governance practices. The findings are as presented in Figure 4.3.

Figure 4.3 Age of Employees

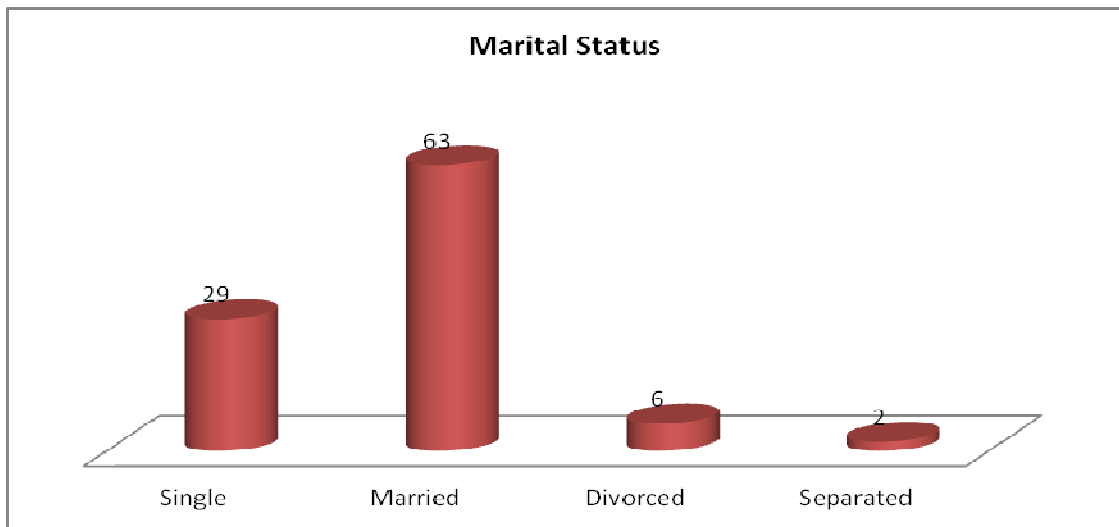


Results presented in Figure 4.3 revealed that most of the employees were aged between 31-35 years as represented at 35 percent. Majority (62.9%) of the employees in this age category were from the corporate planning department. This implies that majority of the employees were mature enough and energetic to deliver on their job specifications. A young and energetic work force is easy to govern and it is able to passionately drive the vision of an organization.

4.2.3 Marital Status

This section sought to establish the marital status of the respondents to establish whether the marital status of the workers had an impact on the adoption of various governance practices in factories within Kisii County. The findings are as presented in Figure 4.4.

Figure 4.4 Marital Status

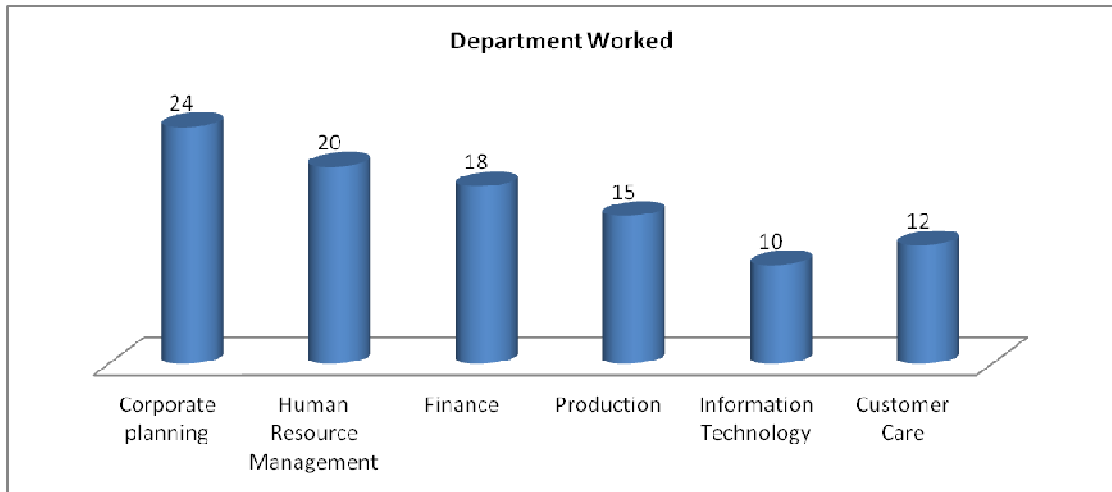


The descriptive statistics shown in Figure 4.4 revealed that majority (63 percent) of the employees were married and as such are able to easily embrace any governance practices aimed at enhancing education development within the County. Majority (54.9%) of the employees who were married mainly worked in the human resource department. This is attributable to the fact that their children are beneficiaries of the same much of the time.

4.2.4 Department Worked

Respondents were further required to indicate the departments in which they worked. This aimed at establishing whether various departments within the tea factories supported education development initiatives as a result of governance practices. The findings are as presented in Figure 4.5.

Figure 4.5 Department Worked

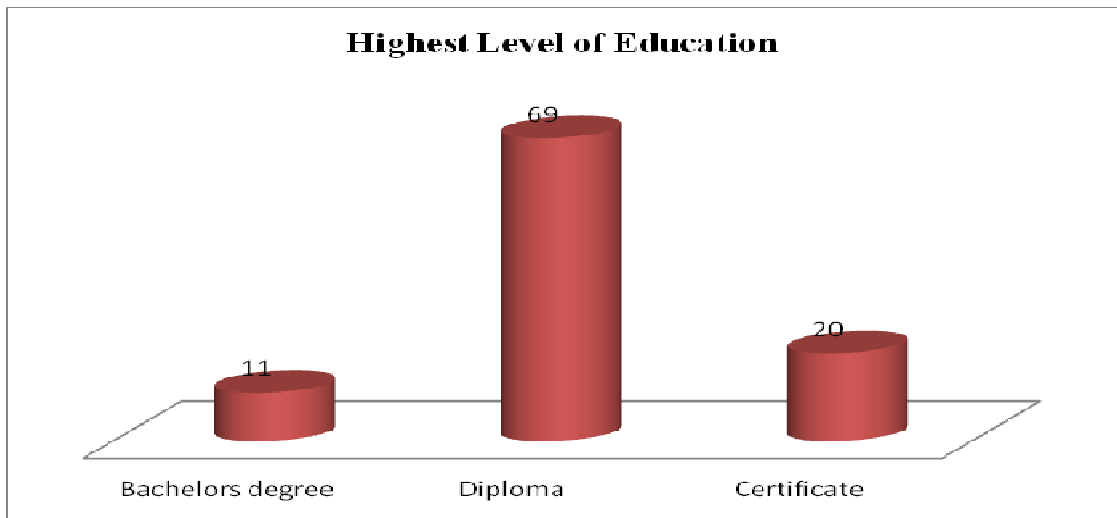


Results presented in Figure 4.5 revealed that majority of the employees in this study worked in the corporate planning and human resource management departments as represented at 24 percent and 20 percent respectively. The findings therefore depict that the corporate planning and the human resources management departments are mainly responsible in ensuring governance issues in the tea factories within Kisii County are implemented.

4.2.5 Highest Level of Education

This section presents the findings of the employees' highest level of education. This is aimed at establishing whether the level of education amongst workers influenced implementation of various governance practices aimed at enhancing education development by tea factories. The findings are as shown in Figure 4.6.

Figure 4.6 Highest level of Education

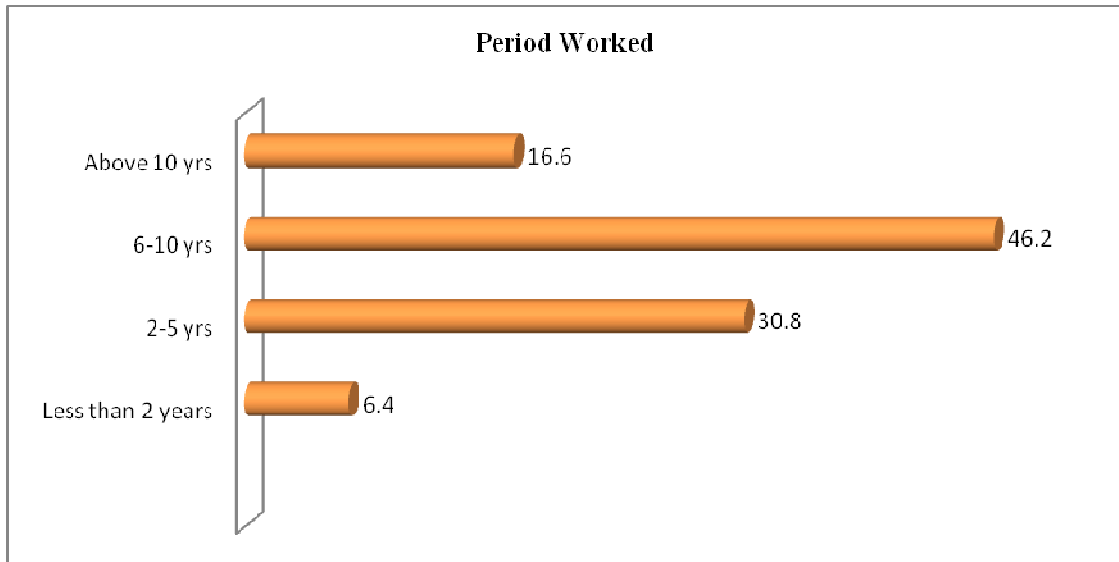


The research findings as presented in Figure 4.6 revealed that 69 percent of the employees in this study were diploma holders who were mainly from the production and ICT department. The findings therefore reveal that majority of the employees had attained adequate education to enable them clearly articulate the aspects under study. Workers who are well educated appreciate the value of education and will do what it takes to implement initiatives aimed at enhancing education development in an organization. This therefore implies that majority of educated workers within the tea factories in Kisii County supported implementation of governance practices aimed at enhancing education development within the County.

4.2.6 Period Worked

This section aimed at establishing the working experience of the employees and whether it had an impact on the implementation of various governance practices aimed at enhancing education development. The findings are as presented in Figure 4.7.

Figure 4.7 Period Worked



Results depicted in Figure 4.7 revealed that majority of the employees (46.2 percent) working in the tea factories had work experience of between 6-10 years. Majority (42% and 38%) of those who had this work experience were from the corporate planning department and human resource management department respectively. The results are an indication that majority of the respondents had worked in the tea factories for a period long enough to respond to the issues sought by this study. Tea factory workers who have enough experience are able to easily implement various governance practices aimed at enhancing education development within the County.

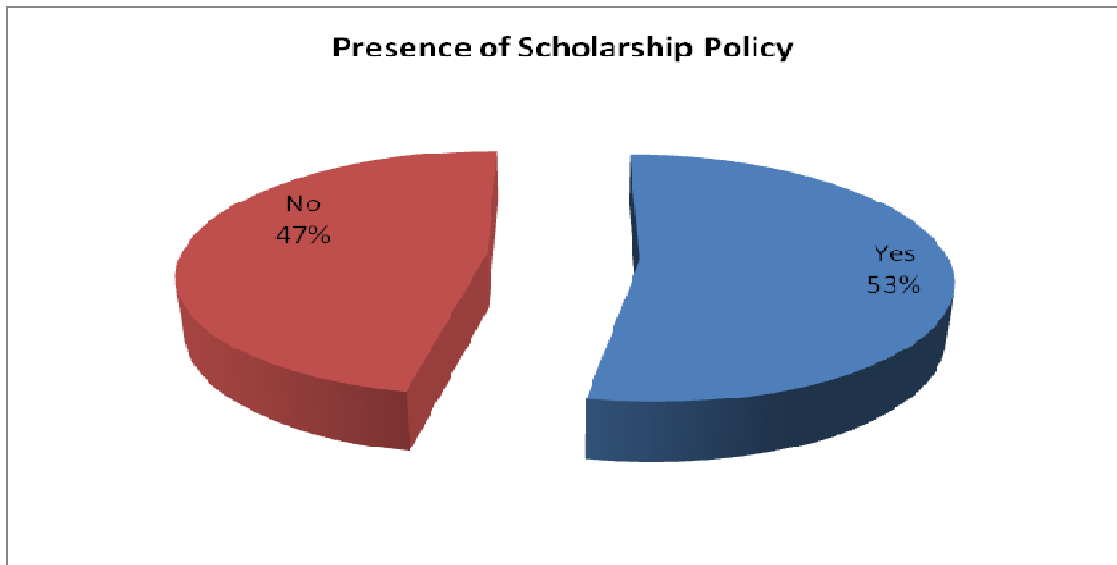
4.3 Sponsorship Procedures and Education Development

Objective one sought to examine sponsorship procedures on education development by tea factory managers in Kisii County.

4.3.1 Presence of Scholarship Policy

To address this objective, employees were asked to indicate whether their factories had a scholarship funding policy in place. The findings are presented in Figure 4.8.

Figure 4.8 Presence of scholarship policy



The research findings presented in Figure 4.8 revealed that the majority (53 percent) of the employees were in agreement that their factories had scholarship funding policies in place.

4.3.2 Influence of Sponsorship Procedures on Education Development

Employees were further required to indicate their level of agreement with various sponsorship procedures aspects as pertains to education development. The findings are as presented in Table 4.1.

Table 4.1 Descriptive Statistics on Sponsorship Procedures

N= 109

	SD		D		M		A		SA	
	F	%	F	%	F	%	F	%	F	%
Tea factories sponsor bright and needy students to advance their studies	5	4.6	29	26.6	12	11.0	4	3.7	50	45.9
Tea factories finance their staff to advance their studies	7	6.4	71	65.1	9	8.3	4	3.7	18	16.5
Tea factories annually have a budget to finance education programmes for various stakeholders	6	5.5	21	19.3	7	6.4	9	8.3	66	60.6
It is easy to obtain funds to advance studies as an employee of tea factories	7	6.4	63	57.8	4	3.7	24	22.0	11	10.1

KEY: SD: Strongly Disagree; D: Disagree; M: Moderate; A Agree; and SD: Strongly

Disagree

Results depicted in Table 4.2 revealed that majority (45.9%) of the employees were of the opinion that tea factories in Kisii County did not sponsor needy students to advance their studies. However, 65.1% of them were in agreement that tea factories financed their staff to advance their studies. Another 60.6% of them disagreed that tea factories in Kisii County annually had budgets to finance education programmes for various stakeholders in the county. Finally, 57.8% of the employees categorically agreed that it was easy to obtain funds to advance their studies as an employee of tea factories in Kisii County. These findings complement the findings of Bolton (2002) who contends that tea factories should institute sound financial policies and procedures for education scholarships. Barbara (2004) also argues that organizations which take part in corporate social responsibility significantly influence the livelihoods of the communities in which they operate from. This therefore implies that tea factories should actively participate in sponsorship of education programmes so as to effectively contribute to education development in the community.

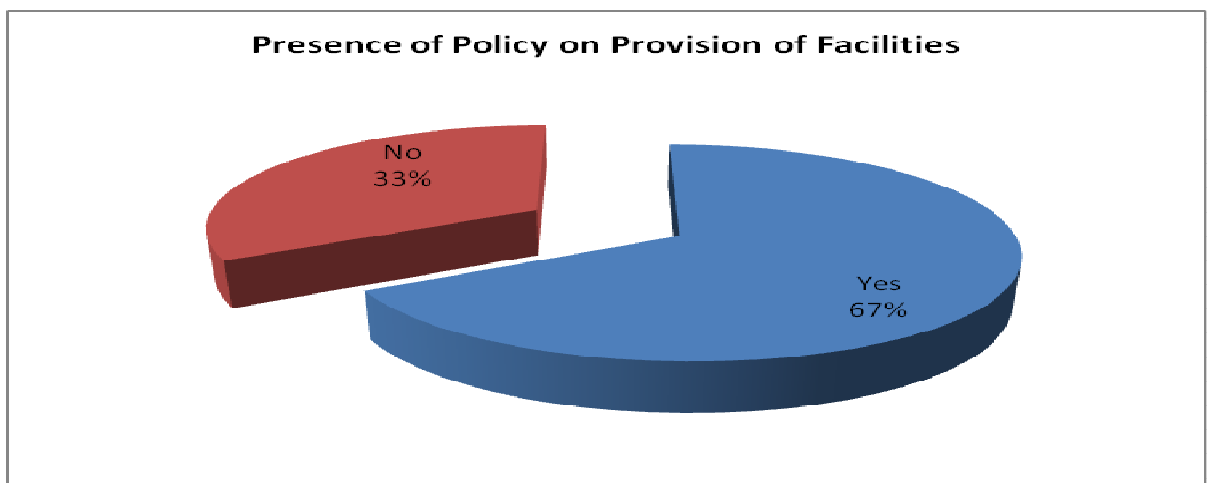
4.4 Provision of Facilities and Education Development

Objective two sought to establish the extent to which tea factory managers provided facilities towards education development in Kisii County.

4.4.1 Presence of Policy on Provision of Facilities

Employees were required to indicate whether their factories had a policy on provision of facilities for communities in which they operated from. The findings are as presented in Figure 4.9.

Figure 4.9 Presence of Policy on Provision of Facilities



The findings presented in Figure 4.9 revealed that majority (67percent) of the employees indicated that their factories had a policy on provision of facilities to schools.

4.4.2 Provision of Facilities and Education Development

Employees were further required to indicate their level of agreement with various aspects on provision of facilities aimed at enhancing education development within Kisii County. The findings are as shown in Table 4.2.

Table 4.2 Descriptive Statistics on Provision of Facilities**N=109**

	SD		D		M		A		SA	
	F	%	F	%	F	%	F	%	F	%
Your factory has increased fund allocation towards construction and repair of classrooms for schools in Kisii County	4	3.7	70	64.2	7	6.4	11	10.1	17	15.6
Your factory participates on construction of roads for easy access to schools	5	4.6	75	68.8	9	8.3	17	15.6	3	2.8
Your factory has partnered with other like-minded institutions in construction and repair of latrines in Kisii County	6	5.5	10	9.2	12	11.0	23	21.1	58	53.2
Your factory has played a key role in equipping laboratories for schools in Kisii County	5	4.6	10	9.2	9	8.3	25	22.9	60	55.0

KEY: SD: Strongly Disagree; D: Disagree; M: Moderate; A: Agree; and SD: Strongly

Disagree

The research findings presented in Table 4.3 indicated that 64.2% of the employees agreed that their factories had increased fund allocation towards construction and repair of classrooms for schools in Kisii County. Another 68.8% of the employees agreed that their factories participated in construction of roads for easy access to schools. However, 68% of the employees were of the opinion that their factories had not partnered with other like minded institutions in construction and repair of latrines in Kisii County. Finally, the findings revealed that 53.2% of the employees disagreed that factories in Kisii County played a key role in equipping school laboratories. These study findings are in agreement with the findings of Benavot (2000) who suggested that access to secondary education could be improved if infrastructure and amenities were expanded. Elsewhere, Satish (2013) argues that managers being the captain of the ship (KTDA factories) should set high standards in of accountability for funds towards the provision of these facilities. Therefore, tea factories in Kisii County should be actively involved in the provision of basic facilities to schools within the County.

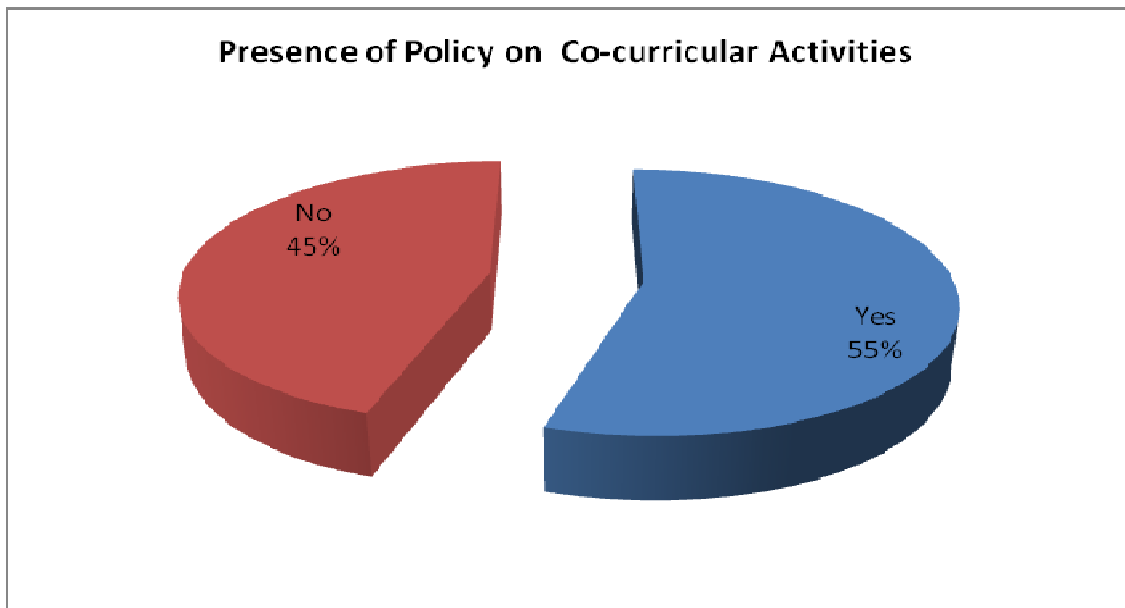
4.5 Promotion of Co-curricular Activities and Education Development

Objective three sought to examine the promotion level of co-curricular activities by tea factory managers on education development within Kisii County.

4.5.1 Participation in co-curricular activities

Employees were required to indicate whether tea factories in Kisii County participated in co-curricular activities. The findings are as shown in Figure 4.10.

Figure 4.10 Presence of Policy on Co-curricular Activities



The findings presented in Figure 4.10 depicted that majority (55 percent) of the employees were of the opinion that their factories participated in co-curricular activities organized by schools within the county.

4.5.2 Promotion of Co-curricular Activities and Education Development

Employees were further required to indicate their level of agreement with various aspects on promotion of co-curricular activities and its effect on education development by tea factories within Kisii County. The findings are as shown in Table 4.3.

Table 4.3 Descriptive Statistics on Promotion of Co-curricular Activities N=109

	SD		D		M		A		SA	
	F	%	F	%	F	%	F	%	F	%
Prize giving	5	4.6	31	28.4	9	8.3	18	16.5	46	42.2
Sports (Games)	8	7.3	64	58.7	5	4.6	23	21.1	9	8.3
Science congress and academic contests	7	6.4	12	11.0	5	4.6	21	19.3	64	58.7
Motivation talks	10	9.2	7	6.4	13	11.9	29	26.6	50	45.9
Environmental conservation programmes	22	20.2	4	3.7	5	4.6	70	64.2	8	7.3

KEY: SD: Strongly Disagree; D: Disagree; M: Moderate; A: Agree; and SD: Strongly Disagree

The research findings presented in Table 4.4 reveals that majority (58.7%) of the employees agreed that most tea factories in Kisii County participated in sports/games where they mainly sponsored the games in terms of trophies and cash rewards. According to Waithaka (2012), co-curricular activities are an integral part of students' holistic education. Co-curricular activities promote friendship among students from diverse background as they learn, play and grow together. The research findings further

64.2% of the employees agreed that tea factories participated in environmental conservation programmes. On the other hand, the research findings revealed that majority (42.2%) of the employees disagreed that tea factories in Kisii County participated in prize giving. Sony Sugar supports sporting activities for various schools in Migori County. This has gone a long way in supporting local talent and provides sporting entertainment both at national and grass root level (Wanyama, 2013).

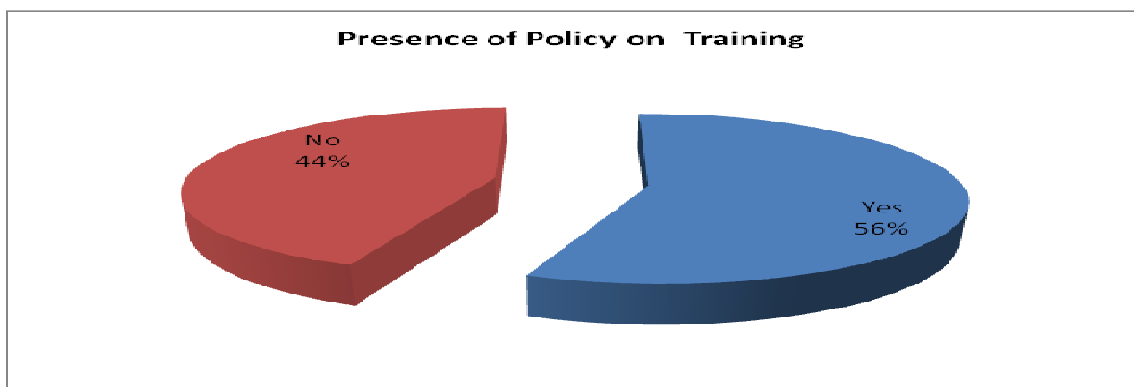
4.6 Training of Education Stakeholders and Education Development

Objective four sought to assess the contribution of tea factories towards training of education stakeholders on education development in Kisii County.

4.6.1 Presence of Policy on Training

Employees were required to indicate whether tea factories in Kisii County had a training policy for various stakeholders in place. The findings are as presented in Figure 4.11.

Figure 4.11 Presence of Policy on Training



The research findings presented in Figure 4.11 revealed that majority (56 percent) of the employees agreed that their tea factories had policies for training of various education stakeholders.

4.6 .2 Training of Education Stakeholders

Employees were further required to indicate their level of agreement with various aspects on training of stakeholders by tea factories and its effect on education development in Kisii County. The findings are as shown in Table 4.4.

	SD		D		M		A		SA	
	F	%	F	%	F	%	F	%	F	%
Sponsorship of school heads to attend in service course	4	3.7	20	18.3	9	8.3	66	60.6	10	9.2
Sponsorship of community leaders to leadership courses and academic seminars	5	4.6	9	8.3	10	9.2	25	22.9	60	55
Organization of annual education workshops for parents	7	6.4	24	22.0	9	8.3	40	36.7	29	26.6
Enhanced public awareness on importance of education	6	5.5	66	60.6	5	4.6	9	8.3	23	21.1
Partnered with community to plant tea seedlings and trees	7	6.4	79	72.5	9	8.2	3	2.7	11	10
Partnered with schools in mainstreaming agricultural issues into curriculum	10	9.2	72	66.1	9	8.3	12	11	6	5.5
KEY: SD: Strongly Disagree; D: Disagree; M: Moderate; A: Agree; and SD: Strongly Disagree										

The research findings presented in Table 4.5 revealed that majority (72.5%) of the employees agreed that tea factories in Kisii County had partnered with the community on planting tea seedlings. On the same note 66.1% of the employees agreed categorically that tea factories in Kisii County had partnered with schools to mainstream agricultural issues into their curriculum. On the other hand, 55.0% of the employees disagreed that tea factory in Kisii County sponsored community leaders on leadership courses and in academic seminars. Robinson and Coulter (2007) contend that there is need for systematic short-in-service courses which should be conducted on a continuous basis for community leaders to make them conversant with current leadership trends. Further, the findings revealed that 60.6% of the respondents agreed that tea factories in Kisii County sponsored school head and teachers to attend in service courses on how to manage their institutions .

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the findings of the study and the conclusions, recommendations and suggestions for further research. Data was interpreted and the results of the findings were correlated with both empirical and theoretical literature available. The conclusion relates directly to the specific objectives/research questions. The recommendations were deduced from conclusion and discussion of the findings.

5.2 Summary of Study

The purpose of this study was to investigate influence of tea factories, governance practices on education development in Kisii County. The study was guided by the following objectives:

- i. To examine sponsorship procedures by tea factories on education development in Kisii County.
- ii. To establish the extent to which tea factories influence provision of facilities towards education development in Kisii County.
- iii. To examine the influence of promoting co-curricular activities by tea factories on education development in Kisii County.
- iv. To assess the influence of training education stakeholders by tea factories on education development in Kisii County.

Research question one sought to examine the sponsorship procedures of tea factory managers towards education development in Kisii County. Research question two sought to establish the influence of provision of facilities by tea factory managers on education

development in Kisii County. Research question three examined the influence of promoting co-curricular activities by tea factory managers on education development in Kisii County. Finally, research question four aimed at assessing the influence of training education stakeholders by tea factory managers on education development in Kisii County.

This study employed descriptive survey. In this study, the target population consisted of all the six tea factories in Kisii County. Kisii County has six KTDA tea factories. The study was conducted in all the tea factories in Kisii County and targeted employees of the tea factories estimated at 414. A sample of 124 respondents was selected using stratified random sampling based on various departments within the tea factories. This research relied on primary data which was collected using a semi-structured questionnaire which contained open ended and close ended questions. The questionnaires were administered through drop and pick method. The researcher managed to obtain 109 completed questionnaires out of 124 administered questionnaires hence a response rate of 88percent. Pearsons Product Moment Correlation was used to establish the reliability of data. The coefficient was 0.82 hence above the accepted 0.80.

With regards to sponsorship procedures, the research findings revealed that majority of the employees agreed that tea factories finance their staff to advance their studies than outsiders. The findings further revealed that there is minimal allocation of funds towards education programmes by tea factories in Kisii County. Very few factories have a budget to finance education programmes for various stakeholders within the County.

On the provision of facilities, the findings revealed that majority of the employees agreed that tea factories in Kisii County participated on construction of roads for ease access to schools than in any other activity. Further, majority of the tea factories had increased fund allocation towards construction and repair of classrooms for various schools within the County. However, it was clear that tea factories in Kisii County did not play a key role in equipping laboratories in various schools. These findings complement the findings of Satish (2013) who contents that there are several ways of providing facilities to schools hence need for accountability. Elsewhere, Davor (2005) also argues that the top management in an institution has to lead by example so as to ensure proper management of funds allocated for provision of infrastructural facilities in schools.

Majority (55%) of the employees were categorical that participation of tea factories in Kisii County in co-curricular activities was minimal. However, they sponsored various games i.e. ballgames, athletics and field events. Tea factories participation in environmental conservation programmes was moderate. On the same note, participation in motivation talks and science congress and academic contests by tea factories was minimal. According to Bolton (2008) co-curricular activities help break boredom from classrooms. Co-curricular activities in schools include participation in games, music and drama festivals.

With regards to training of education stakeholders, it was clear from the research findings that 56% of tea factories in Kisii County had a training policy in place. The findings further revealed that majority of the tea factories had partnered with the community on

planting tea seedlings. However, majority of the employees were categorical that tea factories in Kisii County did not sponsor community leaders on leadership courses and in academic seminars. According to Tripathi and Arya (2002) the major capital stock of an industrially advanced country is not in its physical equipment, it is the body of knowledge amassed from the tested findings and the capacity and training of population to use this knowledge effectively. It has now been increasingly realized that there is a growing need for the kind of education that will properly equip the workers to meet their increasingly heavy economic and social responsibilities. There is therefore need to invest in training of various stakeholders so as to appreciate the role of education in a community.

5.3 Conclusions

The purpose of this study was to investigate the influence of tea factories governance practices on education development in Kisii County. The study conclusion is informed by the findings of each of the study objectives. The first objective was to examine sponsorship procedures by tea factories on education development in Kisii County. The study findings revealed that tea factories mostly financed their employees to advance their studies than outsiders. The findings further revealed that majority of the tea factories allocated minimal funds towards education programmes in Kisii County.

Objective two sought to establish the extent to which tea factories influence provision of facilities towards education development in Kisii County. The findings revealed that tea factories participated in construction of roads for easy access to institutions of learning to

great extent. However, they did not play a major role in equipping school laboratories within the County.

Objective three was to examine the influence of promoting co-curricular activities by tea factories on education development in Kisii County. The findings revealed that factories participated in sponsorship of games in terms of trophies and cash rewards. However they did not participate in prize giving events.

Objective four was to assess the influence of training education stakeholders by tea factories on education development in Kisii County. The findings revealed that majority of the employees agreed that tea factories carried training on planting tea seedlings for farmers. They also partnered with schools to mainstream agricultural issues into their curriculum.

5.4 Recommendations

This study is a justification that tea factories' governance practices have a significant positive effect on education development in Kisii County. With due regard to the ever increasing desire to have high education development in Kenya, there is need to invest in various governance practices. This should be done in a manner in which all the stakeholders are happy. Based on the objectives of the study, the following recommendations were made:

1. Increase sponsorship for bright and needy students to advance their studies. This will enable the students access education hence develop to be better citizens.

2. Partner with other like-minded institutions in construction and repair latrines for schools in Kisii County. This will go a long way in improving sanitation status of schools within the County hence reduced cases of infections. Tea factories should also help schools in equipping their laboratories to enable students perform well in science subjects.
3. Sponsor prize giving events for schools within the County thus increasing teachers and students motivation.
4. Sponsor community leaders on leadership courses and in academic seminars. This will go a long way in making them understand their role in education development in the County hence better decision making. They should also consider sponsoring schools heads and teachers to attend in service courses on how to manage their institutions.

5.5 Suggestions for Further Research

From the findings of the study the following areas of are suggested for further research:

1. This study focused on governance practices by tea factories in Kisii County and therefore, generalizations cannot adequately extend to factories outside Kisii County. Based on this fact among others, it is therefore, recommended that a broad based study covering all players in the tea industry in Kenya be done to find out the effect of governance practices on education development.
2. A study should also be carried out in other counties to establish whether similar results will be obtained. Further the study recommends that it is important to analyze governance practices by managers on productivity of tea factories.
3. There is also an opportunity for further research to investigate the influence of corporate governance on practices on organizational performance.

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APPENDICES

Appendix I: Letter of Introduction

Omae Hellen Nyabuto,
University Of Nairobi,
Kikuyu Campus,
P.O. Box 92
Kikuyu

Dear Sir/Madam,

RE: REQUEST TO FILL THE QUESTIONNAIRES FOR RESEARCH PURPOSE

I am a Postgraduate student at University of Nairobi undertaking a study titled “*The Influence of Tea Factories Governance Practices on Education Development in Kisii County*”. I kindly request you to fill the attached questionnaire as sincerely as possible.

You are assured that your identity will be held in confidence.

Thank You.

Yours Sincerely,

Omae Hellen Nyabuto,

Appendix II: Employees Questionnaire

I am Mrs. Hellen Omae Nyabuto a postgraduate student at the University of Nairobi undertaking a study on *“The Influence of Tea Factories Governance Practices on Education Development of Kisii County.”* The study is intended to assist me meet my academic requirements for Degree of Master of Education in Corporate Governance. I hereby request your participation in this study. All information provided will be considered confidential and treated as such.

Section A: Demographic Information

1. Gender

Male ☐

Female ☐

2. Marital Status

a) Single ☐

b) Married ☐

c) Divorced ☐

d) Separated ☐

e) Widowed ☐

3. Indicate your department

Corporate planning ☐

HRM ☐

Finance ☐

Production ☐

Information Technology ☐

Customer care ☐

4. Level of Education

a) None ☐

b) Primary ☐

c) Secondary ☐

d) Tertiary ☐

e) University ☐

5. How long have you worked with this tea factory?

Section B: Sponsorship Procedures

11. Does your tea factory have a policy on scholarship funding for education development?

Yes ☐ b) No ☐

12. Indicate the extent to which tea factories fund scholarships for education development in Kisii County on a Likert scale of 1-5 where: 1= Strongly Disagree, 2=Disagree 2, 3= Neutral, 4= Agree, and 5=Strongly Agree.

No	Description	Strongly Disagree(1)	Disagree (2)	Moderate (3)	Agree (4)	Strongly Agree (5)
i.	Tea factories sponsor bright and needy students to advance their studies					
ii.	Tea factories finance					

	their staff to advance their studies					
iii.	Tea factories annually have a budget to finance education programmes for various stakeholders					
iv.	It is easy to obtain funds to advance studies as an employee of tea factories					

Section C: Provision of Facilities/Infrastructure

6.Does your tea factory have a policy on provision of facilities for communities in which they operate from?

Yes ☐ b) No ☐

10.Indicate the extent to which you to the following statements pertaining tea factories provision of facilities for schools in Kisii County on a Likert scale of 1-5 where: 1= Strongly Disagree, 2=Disagree 2, 3= Neutral, 4= Agree, and 5=Strongly Agree.

No	Description	Strongly Disagree (1)	Disagree (2)	Moderate (3)	Agree (4)	Strongly Agree (5)
i.	Your factory has increased fund allocation towards construction					

	and repair of classrooms for schools in Kisii County					
ii.	Your factory participates on construction of roads for easy access to schools					
iii.	Your factory has partnered with other like-minded institutions in construction and repair of latrines in Kisii County					
iv.	Your factory has played a key role in equipping laboratories of schools in Kisii County					

Section D: Promotion of Co-curricular Activities

7. Does your tea factory participate in regards to co-curricular activities aimed at education development in Kisii County?

a) Yes ☐ b) No ☐

ii) If yes, list the co-curricular activities which it participate in

.....

8. Indicate the extent to which tea factories in Kisii County participate in promotion of co-curricular activities aimed at education development function on a Likert

scale of 1-5 where: 1= Very Small Extent, 2=Small Extent , 3= Moderate, 4= Great Extent, and 5=Very Great Extent

No	Function	Very Small Extent (1)	Small Extent (2)	Moderate (3)	Great Extent (4)	Very great extent (5)
v.	Prize giving					
vi.	Sports (Games)					
vii.	Science congress and academic contests					
viii.	Motivation talks					
ix.	Environmental conservation programmes					

Section E: Training of Education Stakeholders

11. Do tea factories have a policy on training of education stakeholders?



Yes ☐ b) No ☐

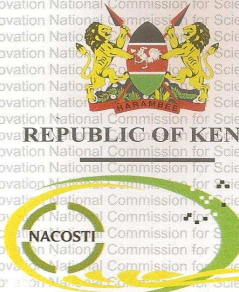
12. Indicate the extent to which tea factories train education stakeholders in Kisii County on a Likert scale of 1-5 where: 1= Strongly Disagree, 2=Disagree, 3= Neutral, 4= Agree, and 5=Strongly Agree.

No	Description	Strongly Disagree (1)	Disagree (2)	Moderate (3)	Agree (4)	Strongly Agree (5)
x.	Tea factories sponsor school heads and teachers to attend in service course on how to manage their institutions					
xi.	Tea factories sponsor community leaders on leadership courses and in academic seminars					
xii.	Tea factories organize annual workshops on education matters for parents					
xiii.	Your factory has increased and enhanced public awareness on the importance of education					
xiv.	Your factory has partnered with the community on planting tea seedling and trees					
xv.	Your factory has partnered with schools to mainstream agricultural issues into their curriculum					

Thank you for your participation

Appendix III: Authorization Letter

THIS IS TO CERTIFY THAT: **Permit No: NACOSTI/P/14/2717/4310**
MS. HELLEN NYABUTO **Date Of Issue : 1st December, 2014**
of UNIVERSITY OF NAIROBI, 505-40200 **Fee Received :Ksh 1,000**
Kisii, has been permitted to conduct
Research in Kisii County
on the topic: INFLUENCE OF TEA
FACTORIES GOVERNANCE PRACTICES ON
EDUCATION DEVELOPMENT IN KISII
COUNTY.
For the period ending:
31st December, 2015

Applicant's
Signature

Secretary
National Commission for Science, Technology & Innovation

CONDITIONS
1. You must report to the County Commissioner and the County Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed without prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2) hard copies and one(1) soft copy of your final report.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice.

REPUBLIC OF KENYA
NACOSTI
National Commission for Science, Technology and Innovation
RESEARCH CLEARANCE PERMIT
Serial No. A 3785
CONDITIONS: see back page

Appendix IV: Authorization Letter



NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY AND INNOVATION

Telephone: +254-20-2213471,
2241349, 310571, 2219420
Fax: +254-20-318245, 318249
Email: secretary@nacosti.go.ke
Website: www.nacosti.go.ke
When replying please quote

9th Floor, Utalii House
Uhuru Highway
P.O. Box 30623-00100
NAIROBI-KENYA

Ref: No.

Date:

1st December, 2014

NACOSTI/P/14/2717/4310

Hellen Nyabuto
University of Nairobi
P.O. Box 30197-00100
NAIROBI.

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on *“Influence of tea factories governance practices on education development in Kisii County,”* I am pleased to inform you that you have been authorized to undertake research in **Kisii County** for a period ending **31st December, 2015**.

You are advised to report to **the County Commissioner and the County Director of Education, Kisii County** before embarking on the research project.

On completion of the research, you are expected to submit **two hard copies and one soft copy in pdf** of the research report/thesis to our office.


DR. S. K. LANGAT, OGW
FOR: SECRETARY/CEO

Copy to:

The County Commissioner
Kisii County.

The County Director of Education
Kisii County.

National Commission for Science, Technology and Innovation is ISO 9001:2008 Certified