

Corporate Governance and Financial Performance of Microfinance Institutions in Embu.

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Abstract

The research examined the effect of CG on the financial performance of MFIs in Embu. CG deals with accountability and responsibility through implementation of guidelines and mechanisms to ensure good behavior and sound ethics in the organization. CG measures discussed were; board size, board gender diversity and CEO duality. The study used descriptive research design. Secondary sources were used to gather data for a period of 4 years, 2015-2018. This study will increase the body of knowledge on the effects of CG on the performance of MFIs in Embu county and in Kenya as a whole. This study will help executives to understand the need for CG in improving the performance of MFIs as well as helping them in making decisions. Policy makers will use this study as a basis for coming up with policies that will be used for better governance of MFIs. The study will also help the management in the attainment of the organizational goals since the whole organization will be governed by the set rules and policies. Additionally, this study will add more information to previous studies on CG by adding the effect of CG on the performance of MFIs. Information gathered from the study will help scholars to make further studies on areas that have not been covered on CG.