

Abstract

A successful corporation requires efficient and successful management. Development of good practice in corporate governance is a requisite for corporations aiming to prosper on the market. In Kenya, many organizations have indicated poor performance in their financial reporting, most of them being due to poor corporate governance practices. Good performing organizations contribute to the economy via payment of taxes and job creation thus enhanced sustainable development in the country. The study established that corporate governance influences sustainable development. There are five categories for corporate governance. The name of the categories has been fixed based on transparency, rights of stakeholders, board composition; independence and governance; functioning of board etc. Sustainable development is generally guided by social economic development. Findings revealed that all the measures of corporate governance accounted for 72.7% change or variance in social economic development ($R^2=.723$). The recommendations from the paper will aid in enhancing good corporate governance practices which will in turn enhance sustainable development in Kenya