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**GOVERNANCE STRATEGIES FOR CORPORATE
ENTERPRISE VIRTUES IN FIVE LISTED BANKS IN
KENYA**

Jude Anyiko

Student Registration No: 90736



Masters in Applied Philosophy and Ethics

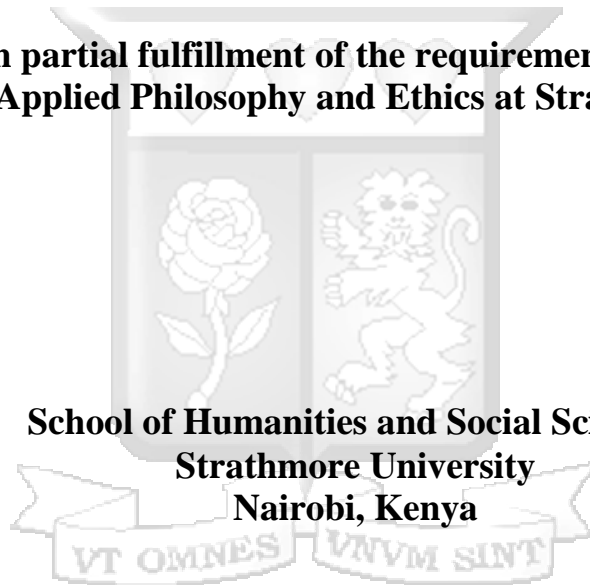
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KENYA**

Jude Anyiko

Student Registration No: 90736

**Submitted in partial fulfillment of the requirements for the Degree of
Masters of Applied Philosophy and Ethics at Strathmore University**



**School of Humanities and Social Sciences
Strathmore University
Nairobi, Kenya**

NOVEMBER 2020

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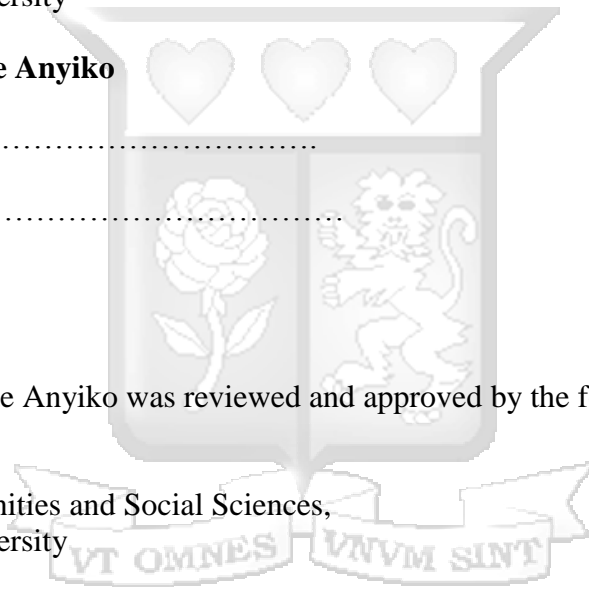
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ABSTRACT

The study examined the extent of corporate virtuous leadership practice in listed Banks in Kenya, through review of the corporate governance. The study made use of Corporate Enterprise Virtues as practised by the Board of Directors. It adopted the perspective of the Company Secretary, who, although is not a member of the Board of Directors, is tasked as the overall governance concerning sound corporate governance practices in any institution. The study identified the various strategies the top five listed banks on the Nairobi Securities Exchange adopt Corporate Enterprise Virtues (CEVM) in their governance practices. The strategies identified that various components of the CEVM framework are included in the governance documents and practices, where the Board of Banks primarily focuses on the Clarity and Congruency principles of CEVM. Board of Directors selection is primarily guided by the level of experience and broadly the assumption that professional experience results in good ethical conduct by a Board of Directors. CEVM training was found to be limited to Clarity and Congruency, and the training was embedded as part of the corporate governance regulation training. The top five banks' focus on sustainability was found to be primarily driven by consequential ethical motive as opposed to the need to achieve human flourishing as defined in the Aristotle Virtue Theory (AVT).



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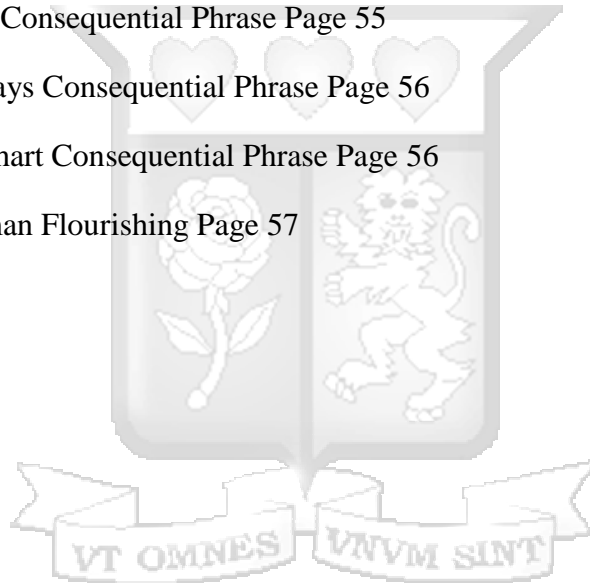
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LIST OF ABBREVIATIONS

AVT	Aristotle Virtue Theory
CBK	Central bank of Kenya
CDO	Collateralized Debt Obligations
GoK	Government of Kenya
LLC	Limited Liability Company
NSE	Nairobi Securities Exchange
OECD	Organization of Economic Development
CEVM	Corporate Enterprise Virtue Model
ZAR	South African Rand
SEC	United States Securities Exchange Commission
UK	United Kingdom
USA	United States of America



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CHAPTER 1: INTRODUCTION

1.1 Introduction

The recent national and international banking scandals seem to be due more to unethical behaviour of Corporate Firms than to lack of regulations. In fact, the regulations are applied when punishing the culprits of the scandals. Common people wonder whether the banking sector promotes virtue or not. This dissertation investigated, more specifically, whether the Corporate Enterprise Virtue Ethics (CEVM) improved the ethical performance of Banks. The study reviewed the extent to which CEVM was exhibited in the governance practices of the five largest banks through documentary review and was supplemented by interviews of the respective Company Secretaries of the listed Banks in Kenya.

The study showed that the various elements of CEVM are present in the governance of Banks, where the main element is Clarity. The Banking practices are seen to be driven primarily by the use of consequential approaches to ethics as opposed to the virtue-based approaches, which is in contrast to the exhibit of virtues seen in CEVM.

The study has been organized into the following six chapters set out as follows:

- Chapter one, the current chapter, presents the background to the study, the statement of the study problem, the objectives of the study; the research questions; and the justification for the study.
- Chapter two of the study provides a literature review of the existing empirical knowledge relating to the problem statement. It will synthesize the existing theoretical, and empirical knowledge in the area focused on by the study.
- Chapter three provides an outline of how the study was conducted. It highlights details of the study site, the research design, the study population and sampling procedures, data collection methods and procedures, the methods of data analysis, ethical considerations, and the limitations and delimitations of the study.
- Chapter four outlines the findings of the study structured along with the study objectives.

- Chapter five outlines the discussions and conclusions of the study structured along with the study objectives. The chapter presents the interpretation of the study's core findings as well as integrate the existing empirical knowledge to the theoretical frame underpinning the study. Further, it presents the conclusions drawn by the study
- Lastly, Chapter six, which forms the recommendations as well as the policy recommendations offered as well as areas for future study.

1.2 Background to the Study

The Oxford English Dictionary equates virtuous to righteousness and morality. It views virtue as the behaviour of exhibiting high moral standards. (Oxford, 2015). Virtue Theory is best regarded as Aristotle's Virtue Theory (AVT), which was derived from the writings of Aristotle in the Nicomachean Ethics. Its main focuses on the actions of the person, where the right action is that which the virtuous person would choose. This study defines corporate virtues as the character to distinguish right from wrong by an organization. In current society, virtues are deemed an important dimension of the moral, social life lived through institutions. Virtue ethics is seen as a solution to the modern liberalism common in business. Virtue ethics has been seen to have the following problems, as management cannot be virtuous: there is no link between management and virtues. The competitive context of business entails that profit is seen as the dominant element, (Dobson, 1997), which leads to vice instead of virtues in the context of business. Morse, on the other hand, argues that a little accumulation of wealth is important to the development of virtues (Morse, 1999). Aristotle's theory of the mean is important, as the business needs to balance the acquisition of external goods and virtues. Responsible leadership in the context of sustainability has been seen firstly as creating a sustainable business that is pursuing both social and business value (Wustenhagen, Hamschmidt, Sharma, & Starik, 2008). Secondly, it is the ongoing commitment by business to contribute to economic development while at the same time improving the quality of the societies and the environment (Development, 2012). Sustainability is driven through having cardinal virtues as a guiding point, where the corporate virtues that have been established using the

corporate ethical virtue framework (Kaptein, 1998) (Kaptein, 2008), (Kaptein, 2009), (Kaptein, 2011) (Kaptein, 2016b) are: **Clarity**; refers to the communication of moral expectations to employees by organizational practices: **Congruency**; moral expectations of the employees are detailed within the organizational practices: **Achievability**; the way which the Organization achieves a balance between the moral expectations of employees and the ability of the employees to live up to them : **Supportability**; refers to the extent to which the Organizations practices promote ethical behaviour by employees: **Visibility**; refers to the way ethical and unethical behaviour is made manifest in the Organization: **Discussability**; allows employees and managers to openly discuss ethical problems and propose solution : **Sanctionability**; refers to the likelihood of punishment or reward for unethical/ ethical behaviour. The virtue ethics perspective enables a firm to achieve goals that transcend the goals of the external good (Constantinescu & Kaptein, 2018). The common good of the firm is defined as “the collaborative work, insofar as it provides an opportunity to develop, knowledge, skills, virtues, and meaning, secondly as it produces goods and services to satisfy society’s needs and wants,” (Sison & Fontrodona, 2013). The common good has been linked to business where the search for eudemonia (“human flourishing”) has been linked to the social good of the community. The pursuit of economic goals in a collaborative setting should lead to the development of internal goods that are intellectual and moral virtues.

The need for Virtuous Companies has led to the taking of importance in the past years. Various high-profile company scandals that have occurred recently like Enron, Lehman Brothers, WorldCom, and Aldelphia among others have led to more companies focusing on virtues or lack thereof, by the enterprises (Odom & Green, 2003). More specifically, the collapse of Enron was largely in part all due to unethical behaviour. In the company, there were many signals that with continuous improvement in short-term financial numbers was critical. The workers that got new ways to upsurge the numbers without any regards to how they were doing it were the ones that were rewarded and recognized. Moreover, the environmental cues at Enron were also sturdy. Due to the lack of ethics at the company, it led to a lot of harm to many employees (Odom & Green, 2003) invoked greater government regulation and crippled consumer confidence in the financial industry.

Similarly, for Lehman Brothers, that is undoubtedly the largest bankruptcy case in America's corporate history brought to the forefront an ethical quagmire of whether people of high moral standards and ethics would knowingly and deliberately contradict the law and mislead others. For instance, Lehman Brothers Chief Executive Officer, Dick Fuld, would allow ambiguities in the accounting standards, which permitted repurchase agreements movements off the balance sheet (Allayannis & Brandriff, 2009). As repurchase agreements were considered a liability and hence lowered the company's leverage ratio, moving the repurchase agreements off their balance sheets would, therefore, convince investors. In the case of Lehman Brothers, *the Financial Crisis Inquiry Commission Report* concluded that there was a systemic collapse in culpability and ethics (FCIC, 2011). A good example of this situation is the way the Lehman's handled the subprime mortgages. From the onset it was clear the borrowers of the mortgages will end up not paying them in full and hence resulting in huge losses for the investors in the mortgage securities. Lehman bought a mortgage-backed security in small quantities from mortgage brokers. This led to an erosion of the standards of responsibility and ethics that intensified the fall of the Lehman Brothers and the start of the global financial crisis of 2008 (FCIC, 2011). Lehman's executives valued their own temporary success over the future of the firm and financially affected millions of people worldwide as a result (Allayannis & Brandriff, 2009). From a Virtue standpoint, Lehman Brothers have a responsibility to do what is right for their infinite stakeholders, even if it means slightly lower profits for the firm (Allayannis & Brandriff, 2009). Because of the vast interconnectedness and influence of these firms and the potential impact and effect to the global economy, it is absolutely critical that such an institution is ethical.

As seen with Lehman Brothers, a breakdown of one of these establishments can have pulverizing consequences. The leadership that was at Lehman did not want to be capable and responsible for their activities, and they aided in triggering The Great Recession accordingly. The pioneers of Lehman ought to have acted with a deontological centre to their activities. Deontologists base their choices about what' is directly on broad, theoretical all-inclusive standards or qualities, for example, trustworthiness, promise-keeping, reasonableness, dedication, rights, equity, sympathy, and regard for people and

property (Treviño & Katherine , 2011). For example, Lehman did not do what was right when it over-leveraged and loaded investor's money into risky financial instruments.

Additionally, they did not honestly fully disclose their financial situation, as referenced by the \$6.5 billion of Collateralized Debt Obligations ("CDO") the exposure that was kept off the company's fiscal summaries for a long while. Given the overall impact and intensity of enormous investment banks like Lehman Brothers, leaders at these kinds of enterprises have an obligation to act ethically and capably. Lehman failed to follow that rule, which legitimately added to their possible collapse. The organisation had an obligation to its limitless number of partners, and its leaders sacrificed dependability and honesty to seek after transitory momentary benefits (Anand & Rose, 2011). The Central Bank of Netherlands ("DNB"), through review of the behaviour and culture of financial institutions, during the financial crisis, adopted the need for corporate ethical culture developed from the CEVM model. The seven elements underpinning the ethical culture are balanced actions, consistent actions, openness to discussions, leading by example, feasibility enforcement, and transparency. DNB has approached a supervision regime based on the maturity of the financial institution based on the corporate ethical culture maturity level.

The collapse of banks in Kenya has been linked to poor governance, which is ultimately linked to the lack of stakeholder interest as proposed by virtue ethics (Mang'anyi, 2011). Each of the highlighted case examples depicts instances of self-interest, hindered moral development, and comparing moral conduct with legitimate behaviour, ignoring the fact that although the activity may not be unlawful, it still may not be ethical. The growth in management theories that are seen as morally neutral has led to the view that sets aside virtues from boardroom discussions. Although numerous studies have been undertaken on corporate governance reforms in Kenya, hailed the improvement in corporate governance (ACGN, 2016). The studies focused on the improved governance structures and legislation, and improved structural reform, with no mention of virtues. The governance failures in Kenya was not because of strong regulations, such as the collapse of Kenya National Assurance Company, Lake Star Assurance Company, Euro Bank, Trade Bank, and Stallion Insurance but because of self-interest. This approach is where

business runs; first, values come second needs a review as evidence suggests that where values are sidelined, unstable and assailable institutions are born. This research study seeks to make a contribution by reintroducing and championing for the outright adoption of virtues in particular CEVM for solid banking institutions in Kenya. The structure of the board and its role, which is defined in its charter, is seen as a key driver of the performance of the bank (Mang'unyi, 2011).

The Company Secretary is seen as a key champion of corporate governance as best captured in the Cadbury Report, “the company secretary has a key role to play in ensuring that board procedures are both followed and regularly reviewed” (Tricker, 2015). The Company Secretary is seen as having a formal role in corporate governance and has a legal role (Cadbury, 1992). The Chairman of the Board of Directors of the Company is entitled to advice from the Company Secretary to ensure that the Board is functioning properly.

1.3 Problem Definition

This study sought to establish whether there are governance strategies to promote virtues through Corporate Enterprise Virtues in the five largest listed commercial banks in Kenya. The ethical behaviour of the corporate body in society is critical. The corporate body is seen as an association of men who come together for the achievement of commercial ends, creating a need to regulate not only the end but also the means by which the ends are achieved. The recent corporate failures in Kenya evidence the apparent lack of virtues by the corporate has led to financial losses to various stakeholders that encompass shareholders, customers, and employees.

1.4 Research Objectives

1.4.1 General Objective

The main objective of this study was to establish the extent to which the Board of Directors of a company practices Corporate Enterprise Virtues, in its actions from the perspective of the Company Secretary.

1.4.2 Specific Objectives

The study sought specifically to:

1. To examine the extent to which Board charter and code of ethics exhibit Corporate Enterprise Virtues in the five largest listed Kenyan banks studied.
2. To determine the extent to which Directors training includes Corporate Enterprise Virtues in the five largest listed Kenyan banks studied.
3. To examine the extent to which the virtue tenet of human flourishing contributes to a listed company Board of Directors' decision-making in the five largest listed banks in Kenya.

1.5 Research Questions

The research was an empirical investigation into the influence of virtues in particular CEVM on corporate governance in Kenyan companies. The following questions have been developed:

1. Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?
2. How does Directors' training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?
3. Does the virtue tenet of human flourishing contribute to a listed company Board of Directors' decision-making in the five largest listed banks in Kenya?

1.6 Scope of the Study

The study focused on Listed Kenyan banks. There are currently 12 listed banks at the Nairobi Securities Exchange (NSE), (Nairobi Securities Exchange, 2019). Five of them formed a study base for the purposes of this research, which comprise part of the top ten largest banks in Kenya in terms of assets as at December 2018, the banks were Kenya Commercial Bank, Equity Bank, Cooperative Bank, Standard Chartered Bank, and Barclays' Bank. The researcher focused on the five largest listed Banks, with strict oversight being exercised by the regulators such as the Central Bank of Kenya (CBK) and the Nairobi Securities Exchange (NSE). They represented a good percentage of the General public as a majority of Kenyans bank in either of the listed Banks and thus represent a good sample of the larger Banking sector in Kenya. The study sought to look at the practice of virtues using the Corporate Enterprise Virtue Model, through the perspective of the Company Secretary. The Company Secretary is the guardian of the corporate actions of the Board, as the study looks at the practice of enterprise virtues.

1.7 Significance of the Study

The outcome of these research findings will be useful to policymakers who can develop effective legal frameworks to govern this sector that has a large public interest component. This will also be helpful to various government institutions such as the Central bank of Kenya and the Ministry of Finance by advancing the adoption of virtue-based corporate ethics, through the use of CEVM principles. The study will highlight some initiatives in which the government can adopt to fast track a sound-banking environment devoid of self-interest and self-preservation.

The research will be useful to the larger corporate entity, both public and private in developing their own code of ethics (using CEVM) that aligns the interests of all stakeholders and factoring the social constructs that influence corporate governance. This study will hopefully influence an adjustment of the board of director's strategic initiatives and decision-making process to look beyond profits and consider long-term sustainability

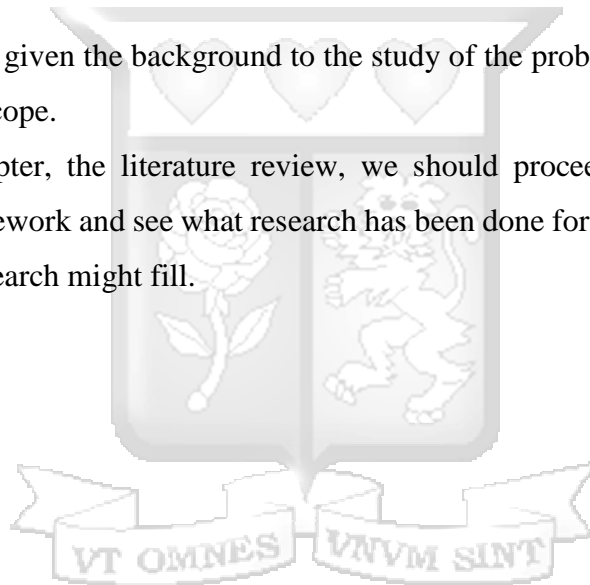
in decision-making. The study hopes to invoke a more informed, involved, and concerned board of directors.

Besides, the study will also be useful for regulatory bodies in terms of refining governance-training requirements touching on the role of mentors and trainers, such as the Nairobi Securities Exchange and Kenya Bankers Association. Lastly, the study will also be important for Universities and other training organizations to align Director training with correct governance practices.

1.8 Conclusion

This chapter has given the background to the study of the problem definition, objectives, questions, and scope.

In the next chapter, the literature review, we should proceed by finding the correct conceptual framework and see what research has been done for each of the questions, and the gaps this research might fill.



CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

This Chapter of the study provides a literature review of the existing empirical knowledge relating to the problem statement and establish the conceptual framework to be used in the study.

2.2 Literature Review

2.2.1 Literature Review on the 1st Research Question: Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?

Corporate governance philosophies/theories are seen to drive governance practices globally. Global research has identified the following corporate governance theories: (i) Agency theory can be described as the connection between the principals, for example, investors and agents, for example, the organization executives and managers, (Jensen & Meckling, 1976). Managers are put in charge of resources that are not theirs and create costs considered as the agency cost. An agency relationship is defined as a contract under which one or more persons (the principal) engage another person, the agent to perform some service on their behalf. It involves delegating some decision-making authority to the agent. The theory reduces the firm to comprise solely of the shareholders and managers. The governance mechanism focuses on reducing the conflicts between directors, managers, and shareholders. The viewpoint is from a shareholder perspective and is most prevalent in the United States of America and the United Kingdom, where it is seen as an exclusive governance regime (Rossouw, 2009). (ii) Stakeholder theory is related to the Japanese and Continental European governance practices. Stakeholder theory incorporates corporate accountability to a broad range of stakeholders, which combines the sociological and organizational disciplines. It incorporates philosophy, ethics, economics, law, and organizational science (Freeman, 1984). Managers in the corporation are seen to serve a network of stakeholders who are defined as any group or individual

who can affect or is affected by the achievement of the corporation's objectives. All decision-making and interests of stakeholders have intrinsic value and equal weight (Donaldson & Preston, 1995). (iii) Stewardship theory is a psychological and sociological model that depicts that a steward protects and maximizes shareholder's wealth through firm performance because by so doing, the stewards' utility function is maximized" (Donaldson & Davis, 1991). The theory in governance converts the agent to a steward and considers the relationship between Principal-Agents at a single point in time. The stewardship theory looks at the relationship from a behavioural perspective. Stewardship theory links the success of the shareholder and the corporation. (iv) The Resource Dependency theory links the board of directors with providing the necessary resources for the success of the Corporation. The Directors provide the link for the organization to the outside environment. A key resource of the firm is information access to key constituents such as suppliers, buyers and public policymakers (Hillman, Cannella, & Paetzold, 2000). The Directors can be classified as insiders, business experts, specialists, and influential community members. Insiders are the current and former management of the firm; they provide expertise relating to the strategy of the firm. Business experts are executives of other for-profit organizations who can provide expertise in law, finance, and strategy. Support specialists are bankers, lawyers, insurance specialists, and public relations experts. The communities influential are the political leaders, church leaders, and social organization leaders.

Review of research on Board Charters and code of ethics shows that Kenyan banks have adopted the agency theory with a deontological approach as captured by Wambua (2006). Wambua, in his review of ethical practices in the Kenyan banking sector, indicated that most banks rely on the code of ethics developed by the Kenyan Banking Association that are then adapted to the banks by the respective Board of Directors. The codes of ethics are focused on the following elements: gifts and entertainment, bribery, conflicts of interest, personal reputation and finances, insider trading, business practices outside employment, and illegal businesses. The aspects of the elements of the code of ethics touch on human virtues such as personal reputation and insider trading. The review of the codes rested the decision-making in the event of uncertainty with the human resource department. The

study by Wambua (2006), did not review the extent to which virtues are enshrined in the code of ethics with a view of serving all stakeholders served by the Bank. The study by Mang'anyi (2011), indicated that the presence of regulations touching on governance had a positive effect on the expected governance practices, but did not affect performance.

2.2.2 Literature Review on the 2nd Research Question: How does Directors' training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?

Globally the International Financial Corporation claims that the Board of Directors training has been a driver of company performance. They pointed out the following challenges (IFC, 2008):

- Board roles and responsibilities are unclear and overlap with management roles;
- Directors do not understand or embrace their duties as Board members;
- Board composition lacks diversity, skills, experience or objectivity;
- Board committees do not function properly; and
- Board procedures are poorly designed.

The Kenyan Capital Markets Authority in 2015 issued a code of corporate governance that outlined the need for continuous director development through training, where the Chairperson of the Board identifies the training needs (CMA, 2015). Ethics training has not been seen as a major item required for Board training, as the main assumption is that the Directors' selection process ensures that the individuals selected are ethical (Wanaina, 2017). Wambua (2006) looked at ethics being influenced by the Board of Directors through the approval of a code of ethics. The study did not touch on how Directors themselves are taught to be ethical. Cadbury (1992) indicates that the Company Secretary has the responsibility of assisting the Chairman in ensuring that the Board functions properly; identifying training needs is seen as one of the roles of the Company Secretary.

Previous research has outlined the gaps inherent in the Directors' training, where there was no focus on how Directors can be trained to be more effective when it comes to ethics.

The studies have focused more on corporate governance practices in particular Board member selection, which could be said to fit into level six of the Kohlberg moral development model (Kohlberg, 1969). The previous research by Wanaina (2017) and Wambua (2006) assumed that an ethical Board of Directors had been selected. There has been no research-linking Director training to ethical behaviour as proposed by Mele, where the training should be linked to the moral values, virtues, and rules, (Mele, 2005). Ethical training combined with reflection has been seen as the most effective in enhancing corporate governance (Driscoll, 2001).

This study reviews Board of Directors training arranged by listed banks and how the training can be best utilized to enhance virtue ethics, previous studies were undertaken have not reviewed training and its effectiveness to enhance virtue ethics.

2.2.3 Literature Review on the 3rd Research Question: Does the virtue tenet of human flourishing contribute to a listed company Board of Directors' decision-making in the five largest listed banks in Kenya?

Previous studies touching on leadership and ethics in Kenyan banks have assumed a dichotomy in leadership and ethics. Leadership has been looked at as the angle of transformative leadership. According to Gonnah and Ogollah (2016) “that is associated with a leader who takes over a change process and manages to create a vision that leads the change and ultimately inspires the people to believe in that vision and work towards living up to the same, has gained so much attention.” Transformative leadership is looked at delivering financial results for their shareholders, through having inspirational leadership through being a role model has a great effect on leadership results. The study on transformative leadership looked at an individual leader’s character and did not take the angle of the Board of Directors who are responsible for the corporate leadership of the bank. Corporate governance practice research by (Wanaina, 2017), looked at Board practices that lead to improved governance such as board competence, ethical dealing, risk management, and principled compensation decisions. Governance practices were looked at enhancing business profitability that is not linked to human flourishing.

The previous research on re-looking at leadership in Kenya brought out the perspective of

virtue leadership, but from an individual perspective (Minja, 2017), Kenyan leadership was seen as primarily driven by duty and called for including elements of integrity management, value-based culture and the organization leader as a custodian. The three levers of ethical leadership can be used to transform organizations to one that is not driven by duty but to one driven by duty and obligations to one that is driven by Character i.e. virtue ethics. A review of ethical practices looked at ethical behaviour as “the behaviour that creates mutual stakeholder benefit” in the Kenyan banking industry by Wambua (2006). The ethical practices were seen to be as at par with corporate governance, where the ethical practices were defined through the code of ethics. Wambua (2006) reviewed ethical practices for the entire staff within the organization and customers, where the staff viewed ethical practices along practices relating to bribery, conflict of interest, insider trading and misuse of banking systems. Customer perspectives were viewed using the same dimensions that resulted in the customer’s view of the bank as ethical.

Previous studies have focused on transformational leadership and its effects on business performance (Gonnah & Ogollah, 2016). The focus on the Board of Directors leadership has been largely ignored, and they have made use of deontological approaches i.e., made use of corporate governance rules (Wanaina, 2017). The previous studies touched on leadership and ethics as a dichotomy between productivity and ethics. They only study the duty of the leader on the company’s profitability. They do not link profitability with the flourishing human element of virtue ethics. The study by Wambua (2006) touched on corporate governance but did not link ethical practices of the Board of Directors to actions that influence customer perception. They have largely ignored virtuous leadership as based on MacIntyre (MacIntyre A., 1985), According to MacIntyre, Business managers cannot be said to be pursuing the internal goods i.e., moral virtues, as such the business leaders cannot be said to be virtuous leaders, as their actions are not related to the Practice. Kaptein proposes a Corporate Enterprise Virtue model (“CEVM”), that attempts to look at the virtues of the business organization and not the leaders, (Kaptein, 2008). The CEVM model attempts to identify the virtues necessary for the Organization to achieve human flourishing.

This study reviews Board of Directors decision making in the context of virtue ethics with

the view of achieving human flourishing. Previous studies did not focus on the Board of Directors as the main decision-makers of the Corporation.

2.3 Theoretical Framework

In the conceptual framework, we explain why Corporate Enterprise Virtue ethics is the preferred guideline in the review of the largest five listed banks on the Nairobi Securities Exchange.

2.3.1 Corporate Enterprise Virtue Model

According to Kaptein, “virtue theory shifts the focus on what accounts as good from the act to the agent, and from doing to being, and from conduct to and consequence to the character”, (Kaptein, 2016a). As virtue is based on the doctrine of the mean, i.e. virtue represents a balance between two extreme vices, the mean is not defined as an average or compared to a length, the mean is defined as the flexible point influenced by the individual circumstances (Aristotle et al., 1976). The Corporate Enterprise Virtue Model (“CEVM”) posits that an Organization is a moral individual and the character of the Organization should drive its employees to act with virtue. (Kaptein, 2016b). The shift to the agent is seen as superior to both the deontological and consequence approach to ethics, which focuses on the actions of the agent. The components of CEVM are **Clarity**; refers to the communication of moral expectations to employees by organizational practices: **Congruency**; moral expectations of the employees are detailed within the organizational practices: **Achievability**; the way which the Organization achieves a balance between the moral expectations of employees and the ability of the employees to live up to them: **Supportability**; refers to the extent to which the Organizations practices promote ethical behaviour by employees: **Visibility**; refers to the way ethical and unethical behaviour is made manifest in the Organization: **Discussability**; allows employees and managers to openly discuss ethical problems and propose a solution: **Sanctionability**; refers to the likelihood of punishment or reward for unethical/ ethical behaviour.

2.3.2 Ethics Training

Ethics training has been seen to enhance moral reasoning, where the link between moral reasoning and moral behaviour has not been defined (Beggs & Dean, 2007). The lack of a link between moral behaviour and moral education has been complicated by various factors (Trevino, 1986): The job context and immediate social pressures; Organization culture, the normative structure and responsibility for the consequences; and Characteristics of the work including role-taking and resolution of moral conflict. Lawrence Kohlberg proposed three levels of cognitive moral development that are useful in exploring how organizational members think about ethical dilemmas. The decision-making process focuses on the rational decisions one uses to explain moral choices (Kohlberg, 1969).

Table 2.1: Kohlberg Moral Stages

Level 1: Pre-conventional	
Stage One – Obedience & Punishment Orientation	Sticking to rules to avoid physical punishment.
Stage Two – Instrumental purpose and exchange	Following rules when it is for one’s own immediate interest.
Level 2: Conventional	
Stage 3 – interpersonal accord, conformity, mutual expectations	Living up to what is expected by people close to you.
Stage 4 – social accord and system maintenance	Fulfilling duties and obligations to which you have agreed.
Level 3: Principled	
Stage 5 – social contracts and individual rights	People hold a variety of values; rules are relative to the group. Rules are upheld to maintain the social contract.
Stage 6 – universal ethical principals	Following self-chosen ethical principles.

The various stages of moral development have been linked to culture and education, where stages five and six are regarded as the adult stages. Where the continuing moral education

for adults has been linked to work and higher education. Ethics training has been founded on the stages of moral development, where moral action has been linked to the level of moral development that is influenced by training (Rest, 1977). Immanuel Kant proposed that one needs intensive moral education to lead one to the “good”, where the training on ethics is entrusted to the most learned and wise citizens (Kant, 1960), which contrasts with the view taken by Plato that one cannot teach virtue, as one cannot get a teacher on virtue (Plato, 2018).

2.3.3 Business Ethics

The word ethics is derived from “*Ethikos*” in Greek, which stands for morals, or customs, or habits. It can be said to be a discipline focusing on the answers to the following question: “what standard should I use to guide my conduct” (Machan, 2007). They imply a certain set of customs that define accepted principles of right or wrong that govern the conduct of a person, members of a profession, or the actions of an organization. As business is deemed a corporate person, its actions are judged as a person in relation to society. **Business Ethics** is seen as a subset of applied ethics focusing on the special areas of commerce and profession of business, and it seeks the right answer to the question:” *“How ought I to act, in my capacity as a commercial agent or professional merchant, manager, marketer, advertiser, executive and even consumer?”* (Machan, 2007). Business ethics (Rossouw, & Neuren, 2014), entails the study of the ethical dimensions of organizational, economic activities on the systematic, organizational, and intra-organizational levels. Business ethics (Smith, 1759a) refers to what is excellent and correct in a certain economic activity, where various enterprises participate in moral analysis and valuation of such economic activities and practices.

2.3.4 Corporate Governance

Corporate governance is the system of standards, strategies, techniques and well characterized obligations and accountabilities utilized by partners to defeat the conflict of

interest in the corporate structure (Clayman, Fridson, & Troughton, 2008). Governance seen in the narrow form is seen to have the following major objectives: Outline of the privileges of the investors and different partners; clearly characterized manager and director governance duties to all the stakeholders; recognizable and quantifiable accountabilities for the performance of obligations; decency and the equal treatment in all dealings between the different partners; and Complete straightforwardness and precision in divulgements with respect to tasks execution, risk, and money related position. The widely accepted definition from the OECD (OECD, 2004), explains Corporate governance to be a form of relationship that is there between the management of the company, the board, the shareholders, and the various stakeholders and it gives the structure where the goals of the firm are formulated and the way in which the goals can be attained and monitoring the performance determined. The Board Charter outlines the roles and responsibilities of the Board so that it is distinct from the role of management.

2.3.5 Moral Philosophy

The philosophical thoughts outline the practical rationality on which the moral foundations of ethical decisions are made. The theories of governance encompass an ethical framework that may be grouped into three main classes as consequentialist teleology, deontological theory or virtue theory (Whetstone, 2001). The various theories are distinguished from the area of focus; utilitarianism focuses on an outcome, where each decision is considered as mutually exclusive, deontological focuses on the acts, virtue ethics focuses on the effect of an act on the character of a person, based on the influence of the outcome of the act on the character (Koehn, 1995). Virtue ethics is seen as a solution to the modern liberalism common in business, where the business has been driven by **Consequentialism**: which lead to conclude that any act is justifiable if it leads to good; **Deontological**: which require a common enforcing power and they are not practical as they shift from the agent to the act, (Foot, 2001).

2.3.5.1 Consequentialist

John Locke, in his essays concerning human understanding, stated that things are good or evil only in reference to pleasure or pain, or that we call good is what is apt to increase pleasure or diminish pain in us (Locke, 1690). The property to affect pleasure is utility. Jeremy Bentham, in his social ethic, defines the principle of utility, as the actions are right when they increase happiness and diminish misery, wrong when they have an opposite effect (Bentham, 1789). The use of the principle of utility requires that the person is enlightened and is capable of recognizing the pursuit of happiness should lead to maximizing the happiness of many people. The form of utilitarianism suggested by Bentham and John S. Mill are seen as hedonistic ethics from “*Hedone*” which means satisfaction or a happy feeling. Utility is seen as the ability to provide pleasure. Pleasure can be evaluated further according to the intensity, duration, purity, and the number of people the pleasure extends to. Utilitarianism is the principle that ought to guide one’s life is that which gives the greatest pleasure and minimal pain (Mill, 1863). Utilitarian perspective is challenging for banks due to the many stakeholders using the financial services. The perspective of various stakeholders seems to be competing with each other. Shareholder perspective would be to maximize profits and lower costs whereas for Employees increase salaries hence costs, versus the Customers, are looking for lower service costs.

2.3.5.2 Deontology

Immanuel Kant’s Critique of pure reason and Critique of practical reason focuses on how the “known-being” can be explained (Kant, 1785). Metaphysics is seen as the ultimate principle of knowledge. The metaphysics is always in flux. Kant argues that whatever is beyond our experience cannot be known scientifically; therefore, it cannot be legitimate knowledge. All realities that used to be central to the philosophical and metaphysical inquiry such as God, the world, and the soul cannot be known by reason in its speculative use because of the lack of sense of intuition. Kant explains a person has goodwill and capacity to respond to a particular situation (Kant, 1785). The categorical imperative has two formulations: act only on that maxim you can will as a universal law; always treat

humanity whether your own person or that of another never simply as a means but always at the same time as an end. All moral imperatives are categorical imperatives and apply equally to free and rational agents. Deontological systems tend to be the most popular in the financial service industry, where most of the companies make use of a rule-based system. The rule-based system has been open to abuse in the past, where the actions, if not captured in the rules, are deemed as ethical.

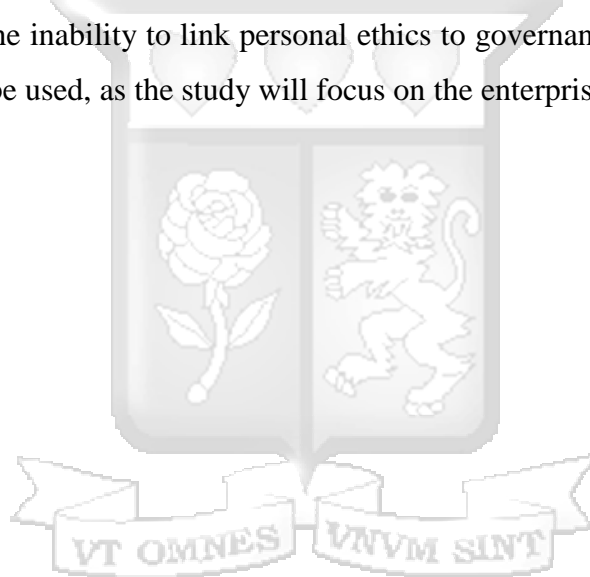
2.3.5.3 Virtue Theory

Virtue Theory is best regarded as Aristotle's Virtue Theory (AVT), which was derived from the writings of Aristotle in the *Nicomachean Ethics*. Its main focuses on the actions of the person, where the right action is that which the virtuous person would choose. Elizabeth Anscombe reignited it in her essay "Modern Moral Philosophy", where ethics require a view of the human person, (Anscombe, 1958). It was followed by two critical writings by Alasdair MacIntyre in the seminal book *After Virtue*, which focused on the need for virtues and re-looked at the agent and interpersonal relations within the community, (MacIntyre A., 1981). AVT is considered a whole approach to ethics and is linked to character. Character is developed over time and is fostered by role models and experience and an ability to make the right judgment and act on it. Virtue ethics is seen as agent-centered, centered on the question, "what sort of person should I be? Taking areteic concepts such as good and virtue, and rejecting the idea that ethics is codifiable in rules or principles, (Sison & Fontrodona, 2013). The main source of conflict is seen as a misconception that Virtue Ethics does not provide action guidance, as in the proper sense provides a general instruction – Do what is right, do what is charitable. A normal misconception is the conflict problem in virtue ethics, points that different virtues may lead to different actions, (Hursthouse-B, 1999a), this is a misconception as the conflict is apparent than real, where the best approach to use is normative theory and unity of virtues. Alasdair MacIntyre, in "After Virtue states," "virtue depends on practice, which is essential in achieving internal goods, (MacIntyre A., 1981)." Virtues flourish in a society where there is a common understanding of the good of man; liberal thought has elements

of irrationalism that makes the appreciation of virtue difficult. Havard (2013) views virtues as qualities of the mind, the will, and the heart that instil the strength of character and stability of personality. He connotes that virtues are acquired through repetition and views leadership as character.

2.4 Conclusion

This chapter provided an overview of business ethics literature both from a governance and moral philosophy perspective. It outlined that deontological and utilitarian perspectives have influenced governance practices, whereas the AVT has largely been ignored due to the inability to link personal ethics to governance. CEVM that is derived from AVT will be used, as the study will focus on the enterprise virtues of the firm.



CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

This chapter covers research design, sample selection, data collection, measurement and analysis of the variables, research quality and ethics. Research methodology gives details regarding procedures used in conducting the study. It includes all techniques, methods and procedures adopted in the research.

3.2 Research Design

Research design can be described as the plan and structure formulated to obtain answers to the research queries (Maxwell, 2013). It includes the outline of what the researcher did from writing the hypothesis to their operational inferences, to the final data analysis. The research adopted qualitative research. Qualitative research is of the view that reality can exist in various ways (Mugenda, 2013). This approach was found appropriate because the study involved fact-finding and enquiries to describe the state of the affairs (virtues and corporate governance).

3.3 Population and Sample

This study looks at the ways in which virtue in particular CEVM is applied in corporate governance in listed banks, from the perspective of the Company Secretary. The study population was derived from participants from listed banks on the Nairobi Securities Exchange.

The selection of the following was done through stratified sampling. Stratified sampling had been applied, a stratum is a subset of the population that shares at least one common characteristic. For purposes of this study, the strata share a sophisticated exposure to corporate governance practice being Company Secretaries at a listed bank.

The study selected five banks from the listed twelve banks on the basis of assets size. The five selected are the biggest representing more than 70% of the total bank assets in Kenya.

The study involved the interviewing of the Company Secretary of the five largest banks, as the Company Secretary is seen as the champion of governance for the Board. The interviews were conducted by video conference using the Zoom video conference application.

Table 3.1: Top Five Largest Banks

Bank	Share of Total Assets
KCB Bank Group	20.7%
Equity Bank Group	14.6%
Co-operative Bank	14.0%
Barclays Bank of Kenya (ABSA)	11.3%
Standard Chartered Bank	10.5%
Total	71.1%

Source: Central Bank of Kenya

3.4 Data Collection

As the research made use of qualitative research, desk top research and In-depth interviews of the Company Secretaries were used for the collection of primary data. Document analysis of Board Charters, code of ethics and Directors training materials was initially undertaken. The documents was obtained directly from the Banks. The interview guide was used to generate qualitative information, to supplement the document analysis. The interview guide is contained in the appendix. The interview guide consisted of the following parts:

Table 3.2: Interview Guide

Parts	Content
Part A	Focuses on the respondent's demographics
Part B	
Section 1	To examine the extent to which board charter and codes of ethics exhibit Corporate Enterprise Virtues in the five largest listed Kenyan banks. Question: 1
Section 2	Seeks to determine the extent to which Directors training includes Corporate Enterprise Virtues in the five largest listed Kenyan banks studied. Question: 2
Section 3	To examine the extent to which the virtue tenet of human flourishing contributes to a listed company Board of

Document analysis was undertaken on archival records to establish the extent to which Directors' training and code of ethics include CEVM.

3.5 Data Analysis and Representation

The collected information from both document analysis and interviews were analyzed using the notes taken on the interviews and categorizing and contextualizing them (Maxwell, 2013). Information collected from the interviews, made use of memos, to facilitate analytical review of the data. The qualitative analysis involved categorizing data into themes identified using the Corporate Enterprise Virtue Model (“CEVM”) and presented using charts.

Interview information from section two of the interview guide, on Directors’ training, was categorized using Kohlberg’s six principles as well as how it fits into ethics training. The Director’s use of ethics was fitted into the Kohlberg Model, where the level of ethics was fitted into the ethical training demanded.

Document analysis was undertaken for the various codes of ethics and Board Charters to establish the use of CEVM.

3.6 Research Quality

A Pilot study was conducted to ensure reliability, workability, and validity of the interview guide. The pilot was done by interviewing a Company Secretary of a Listed Bank that is not part of the sample. The final version of the interview guide is included in the Appendix. To ensure validity, the research used two levels of coding, a primary coder and a secondary coder to ensure consistency.

3.7 Research Ethics

Ethics are norms for conduct that distinguish between or acceptable and unacceptable behaviour. It is important for researchers to learn how to interpret, assess, and apply various research rules and how to make decisions and to act in various situations. The following are some of the ethical issues adhered to during the field study: honestly reporting data, results, methods and procedures, and publication status. Objectivity: There were no conflicts of interest, personal or financial, integrity: to focus on the consistency of the data analysis and results. Openness: data, results, ideas, and tools were shared with my Supervisor. Respect for Intellectual Property: to give proper acknowledgment or credit for all contributions to research. Confidentiality: The data collected from interviews was anonymized. Legality: Lastly, the fieldwork was carried under the correct legal framework being cautious about obeying relevant laws and institutional and governmental policies. The study took into consideration ethical issues in the administration of questionnaires; a research permit from the National Commission for Science, Technology, and Innovation (NACOSTI) was obtained as well as ethical clearance from Strathmore University.

3.8 Limitations of the Study

As the study covers the listed banks and collecting data from the 12 listed banks is time-consuming. Because of the exhaustive nature of the exercise, the time required to do research accurately is very long as compared to secondary data, which can be collected in a much lesser time duration. Thus, it will be virtually impossible to seek their contribution or input on the problem question from all the listed banks. Resultantly, a sophisticated sample of participants derived from select listed institutions in the private sector was approached in order to give relevant data in line with their experience and exposure on the modalities of the corporate governance practices for listed banks.

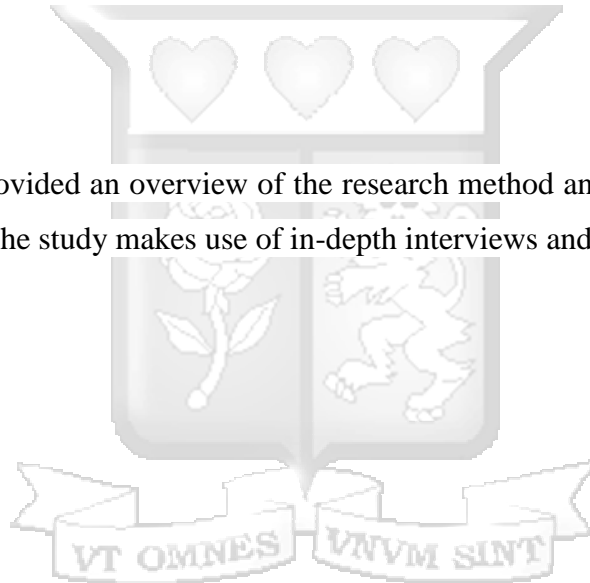
In addition, collecting data using primary research is a costly proposition as the researcher has to be involved throughout and has to design everything. Due to financial constraints, it is not possible to simultaneously collect data from all key participants on the subject matter as too much data may be available, some of which may be outdated

and difficult to synthesize within a short duration of time. To curb this limitation, the study made use of Company Secretary to represent each of the sampled companies.

Also, this research is required within a stipulated time, and as a result of the limited duration required to conclude this study, it was not possible for the study to collect primary data across all the listed companies, the top five banks are deemed to represent a large population of the banking population. The research findings were also subject to biases and human error due to the inherently human nature of the targeted audience. The researcher counteracted this through the use of computer software to analyze the data collected in an attempt to reduce further human error.

3.9 Conclusion

This chapter provided an overview of the research method and data collection methods to be utilized. The study makes use of in-depth interviews and document analysis.



CHAPTER 4: RESEARCH FINDINGS

4.1 Introductions

This Chapter of the study provides a presentation of the findings of the fieldwork undertaken and the review of the documents of the top five largest listed banks in Kenya. The review as presented by the research methodology involved the thematic analysis of the documents of the top five banks to identify the elements of CEVM, as well as Director's training and the sustainability theme driving the actions of the five banks.

4.2 Feedback from Review of the Code of Ethics/Conduct and Governance Charters of the Five Banks in Kenya

4.2.1 The Documents Reviewed

The following documents of the five largest banks were reviewed, where additional documents reviewed based on the cross-reference. The documents were reviewed as the formed the basis of the governance strategies employed by the Banks, they also touched on the training given to the Board of Directors. As shown in the study by Wambua (2006), most banks are reliant on the documentation provided by their regulators and the banking association.

Table 4.1: Documents Reviewed

Bank	Code of Conduct	Board Charter	Sustainability Report	Prudential Guidelines	Bank Charter
Equity Bank	√	√		√	√
KCB	√	√	√	√	√
Barclays	√			√	√
Cooperative Bank	√	√	√	√	√
Standard Chartered	√	√		√	√

KCB and Cooperative Bank had additional disclosures touching on sustainability in the form of sustainability reports that touched on the ethical conduct of the bank during the financial period being reported.

4.2.2 Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?

Thematic analysis of the documents as per the CEVM framework as the guideline:

- *Clarity*: refers to the communication of moral expectations to employees by organizational practices, through identifying words that connote moral expectations;
- *Congruency*; moral expectations of the employees, are detailed within the organizational practices, through practices imbued in the organization;
- *Achievability*; the way which the Organization achieves a balance between the moral expectations of employees and the ability of the employees to live up to them, through identifying words or phrases that support virtuous actions;
- *Supportability*; refers to the extent to which the Organizations practices promote ethical behaviour by employees, by identifying organizational practices that require specific ethical behaviour;

- *Visibility*; refers to the way ethical and unethical behaviour is made manifest in the Organization, through identifying words or phrases on guidance on how to make ethical decisions:
- *Discussability*; allows employees and managers to openly discuss ethical problems and propose a solution, by identifying words or phrases that promote discussion on ethical behaviour; and
- *Sanctionability*; refers to the likelihood of punishment or reward for unethical/ethical behaviour, through identifying actions undertaken when one breaks the code of conduct.

4.2.2.1 Prudential Guidelines and Bank Charter from the Central Bank of Kenya

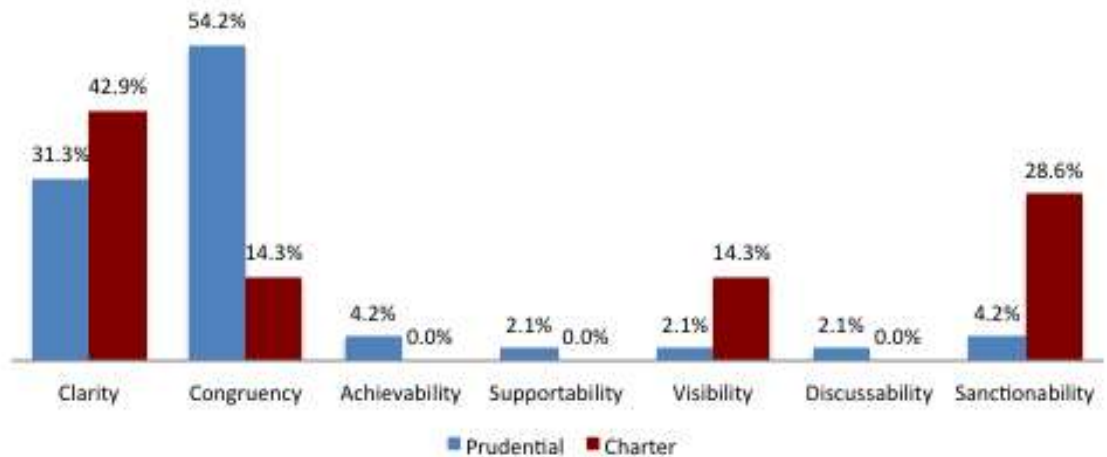
The overarching document guiding the conduct of Banks in Kenya was identified as the Bank Charter and Prudential Guidelines prescribed by the Central Bank of Kenya. Thematic analysis of the Bank Charter and Prudential Guidelines had the following terms, which were matched into the following themes:

Table 4.2: Prudential Guidelines and Bank Charter

Theme	Prudential Guidelines	Banking Charter
Clarity	Conducted fairly and equitably, adherence to code of conduct, communicate corporate values or code of conduct, prevention of money laundering,	Transparency, Fairness
Congruency	fair treatment of consumers, shall not be unfair, deceptive, treated equitability, honesty and fairly	Doing the right thing
Supportability	train staff	Entrench a responsible and disciplined banking sector
Visibility	anti-money laundering program should be documented and should establish clear responsibilities	Credit sharing
Sanctionability	If the board has issues regarding the integrity of a member action is taken. The contract is ended for being dishonest.	Failure to adhere to this clause will result to administrative sanctions, Quarterly submission of reports

Theme	Prudential Guidelines	Banking Charter
Discussability	Review and assess the integrity of the risk control systems	

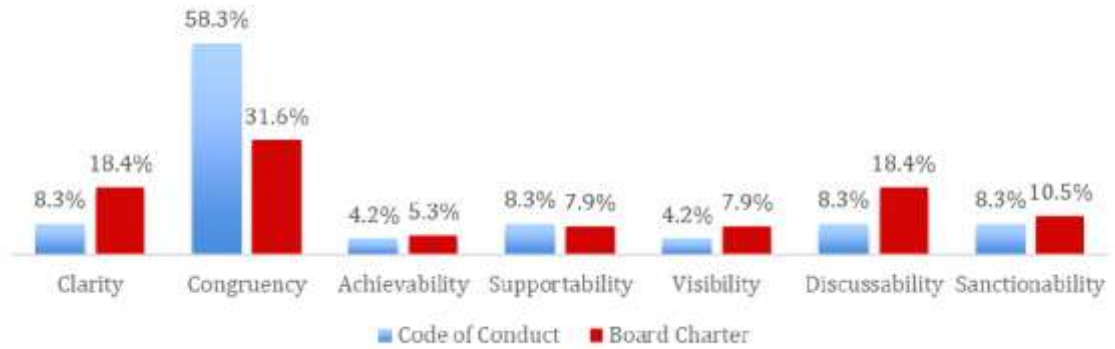
Thematic analysis of the two documents generated the following results:



4.2.2.2 Code of Conduct, Board Charter, and Sustainability Report's Review

4.2.2.2.1 Equity Bank

The Equity Bank Code of Conduct, Board Charter contained in the Equity Bank annual report was reviewed for alignment with the CEVM framework. The full list of words identified under the code of conduct and Board Charter are referred to as Appendix IV: Research Findings on page 77. The summary review of the results is shown below:



The table below shows a sample of the key words identified under the code of conduct and the Board Charter.

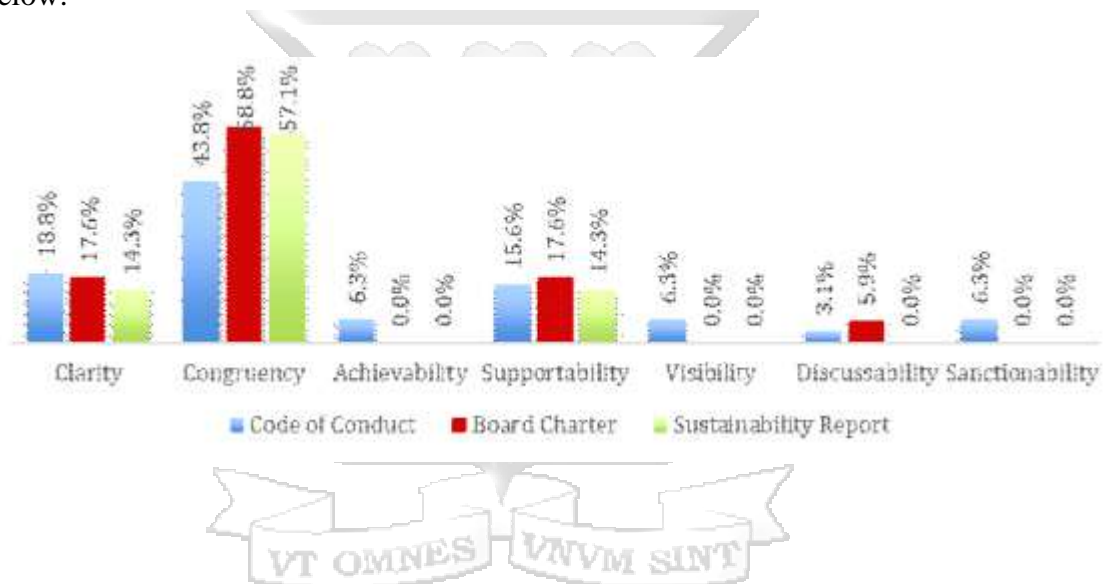
Table 4.3: Equity Bank CEVM

Theme	Sample Words
Clarity	The customer information as well as their transactions must be protected at all cost The corporate values are well said and reenacted, (Equity Bank, 2018).
Congruency	Maintaining confidentiality Not engaging in any improper or illegal activity Honesty, transparency and integrity, (Equity Bank, 2018).
Supportability	Anything reported to the board will not cause any form of revenge or the worker being discriminated All the employees will be fairly treated and be respected in every way, (Equity Bank, 2018).
Visibility	The annual report will publish all the information in a manner that is accurate, in time, fair and can be understood, (Equity Bank, 2018).
Sanctionability	Encouraging and Rewarding professional integrity If one fails to follow the code, they will be held accountable, (Equity Bank, 2018).
Discussability	There are channels given to help in reporting all the dishonest issues Talk with the stakeholders to ensure there is improved practices, (Equity Bank, 2018).

Theme	Sample Words
Achievability	There shall be waivers given for the corporate ethics as well as the officers will gave a conduct rule.

4.2.2.2.2 KCB Bank

The KCB Bank Code of Conduct, Board Charter contained in the annual report and Sustainability Report was reviewed for alignment with the CEVM framework. The full list of words identified under the code of conduct and Board Charter are referred to as Appendix IV: Research Findings on page 77. The summary review of the results is shown below:



The table below shows a sample of the key words identified under the Code of Conduct, Board Charter and the Sustainability Report.

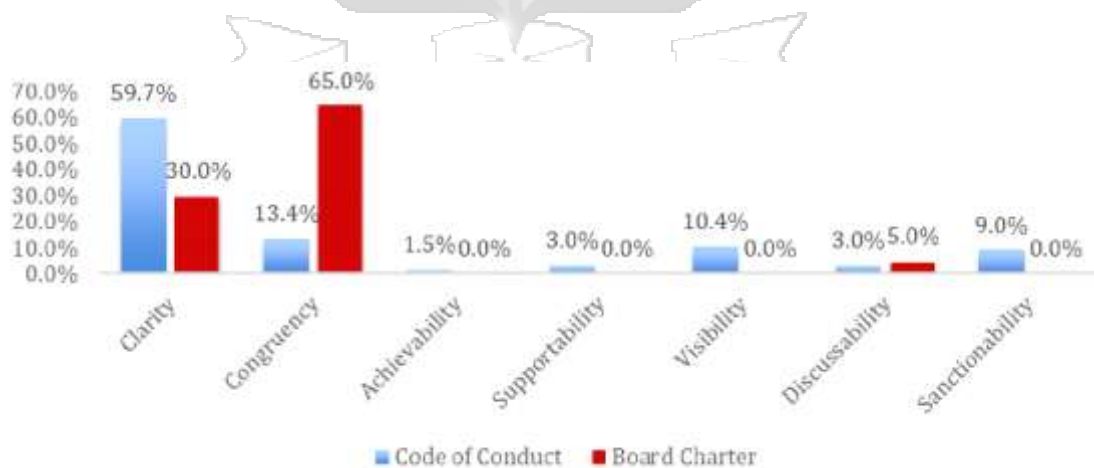
Table 4.4: KCB Bank CEVM

Theme	
Congruency	<ul style="list-style-type: none"> The bank does not support any form of corruption and other dishonourable business proceedings Uphold right business behaviour Business ethics prevail, (KCB Bank, 2018).
Supportability	<ul style="list-style-type: none"> Maintain ethics education and awareness Guide staff on how to avoid and counter bribery and corruption, (KCB Bank, 2018).
Visibility	<ul style="list-style-type: none"> Bribe has been offered must be reported

	<ul style="list-style-type: none"> ● Mechanisms to facilitate reporting unethical conduct, (KCB Bank, 2018).
Sanctionability	<ul style="list-style-type: none"> ● Terminate the relationship in the event that they are found to receive or ● Discussing confidentiality may cause disciplinary action including termination, (KCB Bank, 2018).
Discussability	<ul style="list-style-type: none"> ● Establish feedback mechanisms and other internal processes supportive of the Code of Ethical Conduct, (KCB Bank, 2018).
Achievability	<ul style="list-style-type: none"> ● KCB Group shall be responsible for fostering a work environment free harassment ● Maintain corporate responsibility and implement voluntary initiatives and codes of conduct , (KCB Bank, 2018).

4.2.2.2.3 Standard Chartered

The Standard Chartered Code of Conduct, Board Charter contained in the annual report was reviewed for alignment with the CEVM framework. The full list of words identified under the code of conduct and Board Charter are referred to as Appendix IV: Research Findings on page 77. The summary review of the results is shown below:



Thematic review of the Code of Conduct of Standard Chartered generated the following results:

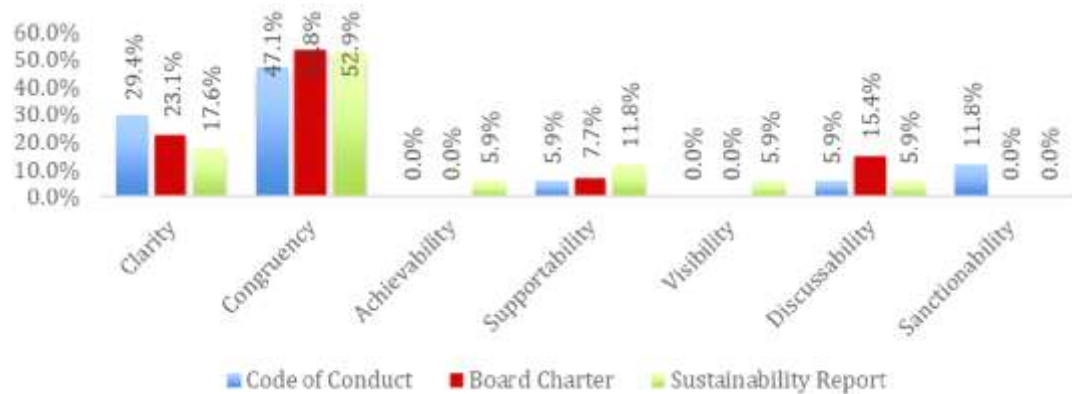
Table 4.5: Standard Chartered CEVM

Theme	
Clarity	<ul style="list-style-type: none"> ● Integrity ● Good ● Demonstrate good conduct ● Care and diligence, (Standard Chartered Bank Kenya Limited, 2018)
Congruency	<ul style="list-style-type: none"> ● The quest to get more revenue does not take the center over the need to uphold good conduct in the company ● need to uphold good conduct in the company. ● Driving an ethical culture ● Ownership and Accountability, (Standard Chartered Bank Kenya Limited, 2018)
Supportability	<ul style="list-style-type: none"> ● when training and hiring there is the cultural ethos and approach when it comes to conduct. ● Do not tolerate victimization of staff who speak up, (Standard Chartered Bank Kenya Limited, 2018)
Visibility	<ul style="list-style-type: none"> ● Manage Conflicts ● Principles
Sanctionability	<ul style="list-style-type: none"> ● Reward staff integrity and ethical behaviour ● Implications on conduct of any decisions you make ● When a worker does not follow the bank's code then they can face disciplinary action, (Standard Chartered Bank Kenya Limited, 2018).
Discussability	<ul style="list-style-type: none"> ● Speak up about all related concerns and actions will be taken ● Compliance and Control can give advice, (Standard Chartered Bank Kenya Limited, 2018).
Achievability	<ul style="list-style-type: none"> ● Do not tolerate exploitation and bullying

4.2.2.2.4 Cooperative Bank

The Cooperative Bank Code of Conduct, Board Charter contained in the annual report and Sustainability Report was reviewed for alignment with the CEVM framework. The full

list of words identified under the code of conduct and Board Charter are referred to as Appendix IV: Research Findings on page 77. The summary review of the results is shown below:



The table below shows a sample of the key words identified under the Code of Conduct, Board Charter and the Sustainability Report.

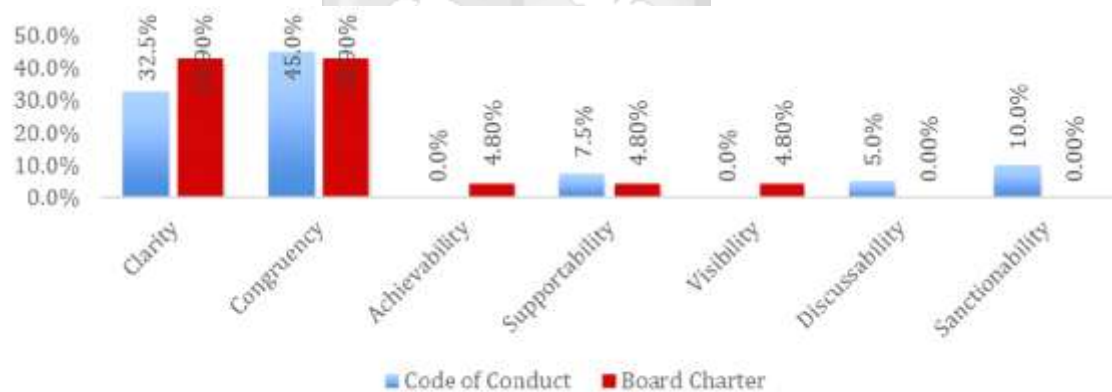
Table 4.6: Cooperative Bank CEVM

Theme	
Clarity	Integrity Trustworth y
Congruency	Open and transparent Determined to do the right thing Standards of openness, probity and accountability
Supportability	Any Staff member who comes forth with whistle-blowing will be protected against any form of getting even. The bank has policies set aside for whistle-blowing to ensure that the workers and all the stakeholders bring forth all the issues, (Co-op Bank, 2018).
Visibility	The bank has given various ways for the employees to give their issues and get relevant feedback on the actions that were done, (Co-op Bank, 2018).

Discussability	The bank avails places for the employees to give their issues and get feedback on the type of action that was performed. We continuously engage with Stakeholders, (Co-op Bank, 2018).
Achievability	The bank avails places for the employees to give their issues and get feedback on the type of action that was performed (Co-op Bank, 2018).

4.2.2.2.5 Barclays Bank

The Barclay Bank Code of Conduct, Board Charter contained in the annual report was reviewed for alignment with the CEVM framework. The full list of words identified under the code of conduct and Board Charter are referred to as Appendix IV: Research Findings on page 77. The summary review of the results is shown below:



The table below shows a sample of the key words identified under the Code of Conduct and Board Charter.

Table 4.7: Barclays Bank CEVM

Theme	
Clarity	<ul style="list-style-type: none"> ● Integrity ● Fair
Congruency	<ul style="list-style-type: none"> ● Promote ethical culture ● Highest standards of corporate governance are upheld
Supportability	<ul style="list-style-type: none"> ● Actively promoting whistle blowing lines

Visibility	<ul style="list-style-type: none"> Documents that clearly outline the behaviour and competencies expected, (Barclays Bank of Kenya, 2018)
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4.2.3 How does Directors’ training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?

The annual reports, Board Charter, and code of ethics were reviewed for training on the various elements of CEVM as well as the identification of the criteria of selection of Directors. The full phrases are contained in Appendix IV: Research Findings on page 77.

4.2.3.1 Equity Bank

Thematic analysis of Equity Bank Integrated report and Code of Conduct identified the following training given to the Board of Directors:

Table 4.8: Equity Bank Training

Key Phrases
When a board member is to be placed in the bank’s board they look at their academic qualifications, experience, and age, (Equity Bank, 2018).
All the directors shall undergo training at least once in three years on issues regarding legal reforms, and corporate governance, (Equity Bank, 2018).
Board members to have twelve hours of continuous education on corporate governance, (Equity Bank, 2018).
With three members of the Bank’s board receiving presidential awards, the other two have honorary doctorates, another two have PhDs, and three have Masters degrees, (Equity Bank, 2018).
Many are members of professional bodies.
There are Board members with accounting and financial management experience

Some Directors have financial and banking experience
There is more Accounting, banking, financial investment experience.
Strategic Management & Marketing. Finance & Accounting, pension and tax
Finance, operations, strategic planning. The Members undergo training at Strathmore for anti-money laundering and countering the financing of terrorist activities, (Equity Bank, 2018).

4.2.3.2 KCB Bank

The key Phrases identified for KCB Bank on review of their code of conduct, integrated report, and sustainability report were as follows:

Table 4.9: KCB Bank Training

Key Phrases
For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities, (KCB Bank, 2018).
One Director has studied at Wharton School focusing in Executive Development. Additionally, the director has also studied corporate governance at Harvard Business School. He has also been in the banking industry for over thirty years, (KCB Bank, 2018).
There is a director with Master's in Public Administration that was acquired from Harvard University, (KCB Bank, 2018).
One Director Biwott has had over thirty-eight years' experience in aviation. Apart from that he has a master's degree from the University of Hertfordshire in Civil Emergency and Crisis Management, (KCB Bank, 2018).
There is also Adil Khawaja who has a law degree from the University of Sheffield. She also holds a diploma in law from the Kenya School of Law as well as being a certified public secretary in Kenya, (KCB Bank, 2018).
The Board member Tom Ipomai has specialized in corporate finance. Additionally, he has an undergraduate degree in Computer Science from the university of Nairobi,(KCB Bank, 2018).
Lawrence Kimathi has over twenty years' experience in senior leadership as he has worked with various companies as a senior leader, (KCB Bank, 2018).
The CEO has a Master's degree in Business Administration and also has many years of experience, (KCB Bank, 2018).

4.2.3.3 Cooperative Bank

The key Phrases identified for Cooperative Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Table 4.10: Cooperative Bank Training

Key Phrases
Training on corporate governance for directors supports congruency
William Mayar Wol, is the chairman whose age is fifty-six has a higher diploma in Agriculture Economics. A bachelor's degree in Agriculture Engineering. He has vast experience having served as the Head of government banking in Co-operative bank in South Sudan, (Co-op Bank, 2018).
Another is Elijah Wamalwa who is aged forty-five and has a master's degree in governance, (Co-op Bank, 2018).
Prof. Mathew Gordon who is sixty has vast experience in academic and the civil service in South Sudan for over thirty years. He has a Master's degree in Animal Production, (Co-op Bank, 2018).
Another Director Hon. Ocum Genes Karlos who is sixty-one has also a vast experience. He has twelve years' experience working with the United Nations. He has a Master's degree in Qualifying Certificate in Business Administration, (Co-op Bank, 2018).

4.2.3.4 Standard Chartered Bank

The key Phrases identified for Standard Chartered Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Table 4.11: Standard Chartered Bank Training

Key Phrases
"Director training on financial crime compliance, anti-money Laundering, anti-bribery and corruption, enterprise risk management, culture, gender, diversity & inclusion, (Standard Chartered Bank Kenya Limited, 2018)"
One of the Director's Anne who is fifty-eight has a lot of experience in the financial sector as she has had senior positions in different banks. As well as being a CEO in a micro finance institution, (Standard Chartered Bank Kenya Limited, 2018).
Kariuki who is fifty-three has over twenty-three years of retail banking experience, (Standard Chartered Bank Kenya Limited, 2018).
There is Chemutai who is forty-nine who has been part of the bank for eighteen years as well as having a vast experience in the finance sector, (Standard Chartered Bank Kenya Limited, 2018).
Ian Bryden who is sixty-three has vast experience in different sectors Credit, Wholesale Banking, structured export finance and investment banking, (Standard Chartered Bank Kenya Limited, 2018).
Imtiaz Khan has over 25 years' experience in private equity, financial markets investment, corporate finance advisory and audit, (Standard Chartered Bank Kenya Limited, 2018).

Les who is sixty-four is a professional financial manager with over twenty years experience at Director level, (Standard Chartered Bank Kenya Limited, 2018).
Richard also fifty-seven years has over twenty years' experience, (Standard Chartered Bank Kenya Limited, 2018).
Catherine is also a director aged fifty and she is a Information Scientist with experience that spans over twenty years in Information Technology, (Standard Chartered Bank Kenya Limited, 2018).
Tejinder who is forty-seven has over twenty years' experience and has previously headed the Corporate & Institutional business for Standard Chartered Bank - West Africa, (Standard Chartered Bank Kenya Limited, 2018).

4.2.3.5 Barclays Bank

The key phrases identified for Barclays Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Table 4.12: Barclays Bank Training

Key Phrases
Directors attend anti-money laundering and cyber security training during the year to boost their skills, (Barclays Bank of Kenya, 2018).
Jeremy Awori - 48 MBA, McGill University (Canada), (Barclays Bank of Kenya, 2018).
Dr. Leila Macharia (48) LLD, Stanford Law School (US)LLM, Stanford Law School (US) LLM, Cornell Law School (US), (Barclays Bank of Kenya, 2018).
Norah Ochieng' Odwesso - 51 MA, Finance and Investment, University of Exeter (UK), (Barclays Bank of Kenya, 2018).
Winnie Ouko - 48 MBA, Cornell University (US), (Barclays Bank of Kenya, 2018).
Patricia Ithau - 53 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, United States International University Africa, (Barclays Bank of Kenya, 2018).
Onyango Otieno 54 MBA, Long Island University, (Barclays Bank of Kenya, 2018).
Stella Gacharia Kariuki - 40 MBA, University of Leicester (UK), (Barclays Bank of Kenya, 2018).

4.2.4 Does the virtue tenet of human flourishing contribute to a listed company Board of Director's decision-making in the five largest listed banks in Kenya?

The review of the Code of conduct, integrated reports and sustainability reports of the top five banks to identify the main driver of sustainability resulted in the identification of the

sustainability phrases, which are contained in the Appendix IV: Research Findings on page 77.

4.2.4.1 Equity Bank

The following sustainability phrases were identified for Equity Bank driving the sustainability agenda:

Table 4.13: Equity Bank Sustainability

Key Phrases
The bank takes priority in taking care of the society, economy and our environment, (Equity Bank, 2018).
There are policies that are formulated the group's board that enables the creation of employment as well as ensuring sustainability in the society that the banks are situated, (Equity Bank, 2018).
Should not pollute the environment and not conserve resources and neglecting needs of the society, (Equity Bank, 2018).
The bank has high regard for all its stakeholders and takes care of them making it a corporate citizen, (Equity Bank, 2018).
Equity bank ensures that it advocates for socio-economic success of all the individuals in Africa, (Equity Bank, 2018).
The bank also ensures that neglected individuals are made part of the financial system that makes them take advantage of the social payments to pay for their basic needs, (Equity Bank, 2018).
The group has certain dedicated programs that have shown to have an efficient way of ensuring cash is available to the poorest that aids them to begin useful ventures, (Equity Bank, 2018).
Due to poverty in many communities the group has come to the aid by providing economic opportunities, tools, and various technologies that ensures the people increase their productivity and ensures socio-economic growth, (Equity Bank, 2018).
The Group has invested and has provided opportunities to ensure that education is provided to the society so that it can give leadership and career development so that the cycle of poverty among families is broken, (Equity Bank, 2018).
The Group works with the farmers to ensure they have more production capabilities, (Equity Bank, 2018).
To ensure that health care is universal to all, the group has invested in giving financing health and the private sector that leads to affordable and accessible healthcare for all, (Equity Bank, 2018).
The Group has also offered to give their financial services to the poorest families so that they can be out of poverty, (Equity Bank, 2018).

The group supports conservation of our natural resources by ensuring that the forest cover is prioritized, and ensuring there is water security. Additionally, it emphasizes on using renewable energy, (Equity Bank, 2018).

4.2.4.2 KCB Bank

The sustainability phrases identified for KCB Bank were as follows:

Table 4.14: KCB Bank Sustainability

Some KCB Phrases
KCB as a bank permitted the Social and Environmental System (SEMS) in 2015 that was placed in the bank’s credit system. Ensuring that only companies that meet the required social and environmental conditions are approved for a loan, (KCB Bank, 2018).
The group main goal is to provide a better tomorrow for the coming generations. Therefore we ensure a Sustainable finance initiative, (KCB Bank, 2018).
There is the Ijjajiri program that aims to create many entrepreneurs over the next five years, (KCB Bank, 2018).
The KCB group aims to empower our youth to ensure that they take a hold of their future and they do not have to depend on just being employed, (KCB Bank, 2018).
The group has invested in funding meaningful projects in the climate-smart agriculture, renewable energy and providing low housing costs for Kenyans, (KCB Bank, 2018).
The group helps communities by focusing on education, health, the environment, and other humanitarian activities, (KCB Bank, 2018).
Our aim is to ensure that as a group we contribute to the accomplishment of SDG number one that is eradicating poverty, (KCB Bank, 2018).

4.2.4.3 Cooperative Bank

The sustainability phrases identified for Cooperative Bank were as follows:

Table 4.15: Cooperative Bank Sustainability

Some Coop Bank Phrases
As Co-operative bank we pride ourselves in aiding all our stakeholders manage the economic and the environmental challenges and ensure that we invest for a better future. Thus this contributes to a sustainable development of our environment, (Co-op Bank, 2018).

Co-operative bank group will always make health, safety, and environmental protection its top priority and actively fulfill its social responsibilities, (Co-op Bank, 2018).
Co-operative bank will ensure that it handles all the challenges that are in the nations in which we are located, (Co-op Bank, 2018).
We us a bank will work towards ensuring that poor children are taken through school, ensuring the organisations are empowered, ensure that our workplaces are inclusive and diversified. We also ensure that we contribute towards clean energy sources, (Co-op Bank, 2018).
As Co-operative bank we must ensure that we support economic and social development, environmental protection to ensure that the communities in which we operate are successful in the long, (Co-op Bank, 2018).
As co-operative bank we conduct our business in a way that does not pollute the environment or destroy our natural resources to ensure that it is there for future generations, (Co-op Bank, 2018).
As a bank we do our part by ensuring the younger generation has access to education from secondary to university, (Co-op Bank, 2018).

4.2.4.4 Standard Chartered Bank

The sustainability phrases identified for Standard Chartered Bank were as follows:

Table 4.16: Standard Chartered Bank Sustainability

Some Standard Chartered Bank Sustainability Phrases
We ensure that we participate in the economic development of the nation we operate to ensure the long-term prospering of the community, (Standard Chartered Bank Kenya Limited, 2018).
As a bank we ensure we invest back to our community to ensure we contribute to a sustainable economic development, (Standard Chartered Bank Kenya Limited, 2018).
Before providing financial services to sectors like energy, water, and agriculture we ensure we make use of position statements, (Standard Chartered Bank Kenya Limited, 2018).
As Standard Chartered, we ensure that we manage the environmental and social risks in a responsible manner. We work with the government and our stakeholders to allay the impact that comes from decisions of our finances, (Standard Chartered Bank Kenya Limited, 2018).
Implement appropriate measures to improve the identification and reporting of this crime in a bid to disrupt the illegal income generated by the trade in wildlife products such as elephant tusks, rhino horns and pangolin scales, (Standard Chartered Bank Kenya Limited, 2018).
To ensure equality among all we are disability-confident company and work to ensure that we eradicate disability barricades and all the related biasness to ensure that it is accessible to our employees and our stakeholders, (Standard Chartered Bank Kenya Limited, 2018).

4.2.4.5 Barclays Bank

The sustainability phrases identified for Barclays Bank were as follows:

Table 4.17: Barclays Bank Sustainability

Some Barclays Bank Sustainability Phrases
We provide Scholarships for needy bright students to ensure they get the needed education, (Barclays Bank of Kenya, 2018).
As a Bank we ensure that the young generation can easily get work internships to make them job ready by partnering with other institutions, (Barclays Bank of Kenya, 2018).
We have a program that supports women known as SheTradesKE that supports over two thousand women that are entrepreneurs to help them grow their business, (Barclays Bank of Kenya, 2018).
The Bank supports economic growth through tourism by giving sponsorship to the Magical Kenya Open, (Barclays Bank of Kenya, 2018).
We support the economy by financing various activities in the country(Barclays Bank of Kenya, 2018).
Taking good care our environment and ensuring all our stakeholders do the same, (Barclays Bank of Kenya, 2018).

4.3 Feedback from Interviews

4.3.1 Respondents

The Company Secretary of three of the top five banks were interviewed, representing 60% of the target respondents. The interviews were supplementary to the review of the documentation of the top five banks. The data from the interviews of three achieved a data saturation level in terms of the responses, as no new information based on the interview guide was being collected and was leading to information redundancy, (Sandelowski, 2008).

4.3.2 Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?

The reviews of the interview memo and content analysis of the transcripts of the three interviews identified the following understanding of the components of CEVM in relation to the first research question.

Table 4.18: CEVM Interpretation

Theme	
Clarity	<ul style="list-style-type: none"> ● Avoid conflict of interest ● Checks and balances in the management of the organization ● Basically, sets out how everyone operates above the Board and the charter basically it sets out the operations of the board; ● They attest to it every year annually that they have read the code of ethics and they confirmed that they understand what the code of ethics talks about and how it impacts their day-to-day interaction with the bank; ● There is a certain way we want to do business there are certain values that we ascribe to, and we insist that if you are going to do business with us, then we need to ensure that you are keeping to the same values; ● The Code of conduct will be able to govern how we behave. The board charter is really almost like a guideline for how the board is going to undertake its mandate ● When we are discussing any of the agenda items the board directors are requested to confirm whether there would be a conflict in then when discussing any of the agenda items presented
Congruency	<ul style="list-style-type: none"> ● Guide the behaviour of Board members ● An organization is running on they are checks and balances and everyone is accountable to someone ● Board members sign an ethical conduct statement for us what we call it is making the right things statement ● Structure and the systems in place to ensure that the business is conducted properly so it is both efficient and all that but it is also in the right way ● When they are signing the contract, they do confirm that they have read it, they have understood it, and they are willing to be bound by it. ● As a set of rules or procedures, policies or what you term as laws that the company has in place to be able to control or manage the way in which the company operates
Supportability	<ul style="list-style-type: none"> ● The compliance department is responsible for ethical reviews

	<ul style="list-style-type: none"> ● We have the head of compliance. She plays a three-tangent role, one being compliance, two conducting, and three being financial crime compliance. So, you find a scenario where the head of compliance has that conduct function, so she is more or less the ethics what can I say the ethics contact in the bank
Visibility	<ul style="list-style-type: none"> ● Governance codes enhance transparency ● The board has ensured that there are several policies that cascaded down to the staff of the organization
Sanctionability	<ul style="list-style-type: none"> ● Unfortunately, I think with the banking industry at times confidentiality of such are really taking into consideration, or maybe we will not want to spill our beans out there ● We have our sustainability report that is published it does not deal with individual names, but it will show at least the number of employees who may have been asked to leave the organization because of matters that are related to poor ethics
Discussability	<ul style="list-style-type: none"> ● The Board approves and cascades the ethical policy ● When you go to the Audit and Compliance committee auditing committee meeting, there is a section that audits all speak ups of that specific quarter add cascade to the board audit committee which is now further cascaded to the mainboard committee ● Peer review you will be asked what are they doing right what works and what should they continue doing what should they stop doing which I think that will speak to ethics ● We also have a stakeholder speak up for listening. This is also found on our website and any aggrieved stakeholder so in this case, being the customer, they have a specific channel that they can cascade whatever information ● We have a whistleblower portal on our website ● So there is a particular person in compliance who will look into the whistleblowing issues, follow them up and talk with South Africa and eventually report to our audited risk committee; ● There is a risk management committee where that committee then looks into issues of ethical conduct; ● The current questionnaire that is provided in the Prudential guidelines so the questionnaire itself would not deal too deeply on matters relating to ethics, but I think that there are one or two questions where a peer will give a report on what they think about the other directors' conduct, ethical conduct
Achievability	<ul style="list-style-type: none"> ● Provision of a whistle-blower facility ● Budget is there basically to ensure that the implementation and the cascading down of those policies are well implemented and whatever

	<p>resources are required to ensure that there is proper feedback internally for that information back to the board</p> <ul style="list-style-type: none"> ● we have training so that we are constantly sensitizing the team in terms of what these values are, what are the ethics required of them.
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4.3.3 How does Directors’ training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?

The reviews of the interview memo and content analysis of the transcripts of the three interviews identified the following understanding of the components of CEVM in relation to the second research question. The following were the key phrases for the selection and training of the Board of Directors.

Table 4.19: Board Selection and Training

Area	Explanations
Board Selection	<ul style="list-style-type: none"> ● We usually have a board evaluation annually, and from the board evaluation the Board will give insights into areas that they feel there is a gap area; ● The ability to be able to objectively ask questions. So, for example, always have a critic mind whereby you want to get the best out of management, and you ask the questions that may be another director may not be comfortable to ask; ● We usually do what we call a skills gap analysis on the board so that is done at least annually sometimes more often so that way we are able to map the skills currently available on the board and by so doing we are able to identify the skills that we do not have on the board and we also can have a sense of what are the future skills we would like to see on the board; ● We are very gender-sensitive as a bank so it is our desire to get to our fifty ratios. I think we are currently at sixty forty but it is our desire to ensure we are properly gender-balanced; ● Another one is age. We want to move away from this sense of having the board of directors being this old group of people. So we are moving towards having a younger dynamic on our board, so age is one of the criteria we look at and various other things; ● Our board charter sets out that each of the board directors who are being selected would have to elicit certain behaviours and one of those behaviours, of course, is ethical conduct, ability to be able to speak out

	<p>during board meetings to give their opinions to be independent of the discussions that have been held.</p>
<p>Board Review and Training</p>	<ul style="list-style-type: none"> ● We have a full induction plan that runs for one full week for every Director that we induct and bring on board. So, this will run through the director understanding the operationalization of the Bank being able to understand our different policies, our different departments, our different businesses, our different ways of learning; ● As we rate the Directors and staff, there are two types of ratings one in terms of performance rating and two in terms of ethics and doing the right thing. So that ensures that either a director or staff they have a balanced way in how they operate and do their things; ● Critical issues will be to do with conflict of interest because a conflict of interest is one of the aspects that have really brought down lots of organization; ● A large extent determined by the board members themselves in terms of which areas they feel they need to be trained in so that is to help them upskill; ● Areas that we feel are important either in terms of our bank policies, our procedures, how we do business, so those ones are also on the training list; ● There is a mandatory corporate governance training that we have to do based on the governance code; Training on corporate behaviour or ethics? That usually comes up when we train on corporate governance issues; ● Training methods vary we have what we call “classroom training” those are there especially when you are dealing with compliance issues, so those are there; ● So, we are looking to create e-learning platforms for different areas so directors can log in to our portal and pick an area of interest and just get trained; ● So, you will have scenarios of corruption and bribery, scenarios of conflict of interest which are in question format so the director will read and answer some questions. So, that really boosts their understanding on the areas; ● A Director would be effective if they are able to have sufficient time to be able to serve on the board, to be able to review the documentation, to act independently of the discussions and the decisions that need to be made, to be able to sufficiently challenge the proposals that have been put in the board paper for the betterment of the organization as a whole; ● We also have sessions where the code of ethics of the organization is also again presented and discussed. Sometimes it takes one day where this topic is discussed whether its directors’ behaviour then going into ethical behaviour and all that so we do have training that is aligned with that; ● So, we have Insead Institute whereby the specific directors are mapped to specific trainers, then we also have senior Corporate Governance executives in the bank so currently, we have two former CEOs whose role

	specifically is to mentor board members and CEOs in the region and the group.
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4.3.4 Does the virtue tenet of human flourishing contribute to a listed company Board of Directors’ decision-making in the five largest listed banks in Kenya?

The reviews of the interview memo and content analysis of the transcripts of the three interviews identified the following understanding of the components of CEVM in relation to the first research question.

Table 4.20: Human Flourishing

Area	Key Explanations
Sustainability	<ul style="list-style-type: none"> ● At the end of the day for us we would want to do business and ensure that there is a conducive environment for the future; ● We are very keen at that, and even at the business levels, we have sustainability staff whose main goal is to ensure that sustainability and our environment and our future is protected; ● So, if as an organization you are not doing the right thing, then that will definitely floor down in the organization, not for an example caring about its environment, caring about its stakeholders, caring about adding value back to society. Because it cannot just be profit but really at the end of the day what are we doing so as to get something back to the Society in the community in which we live in; ● it is the way we do life. So, it touches on how you come to work, it touches on not just the current business but also future business, it touches on our interaction with our stakeholders that means our shareholders, our suppliers; ● So, it is things like that trying to ensure that our long-term objectives are the continuous sustainable operation of our business and that covers the environment around us.

4.4 Conclusions

This chapter has outlined the findings of the study structured along with the study objectives.

In the next chapter, which forms the discussions, conclusions, and recommendations chapter presents the interpretation of the study's core findings as well as integrate the existing empirical knowledge to the theoretical frame underpinning the study. Further, it presents the conclusions drawn by the study as well as the policy recommendations.



CHAPTER 5: DISCUSSIONS

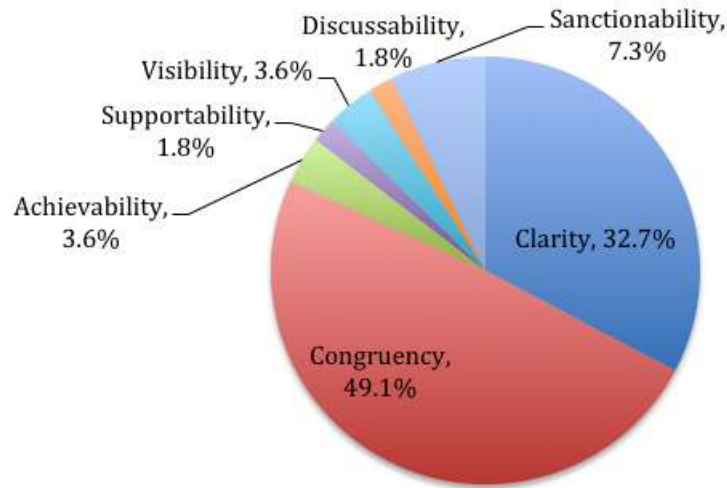
5.1 Introductions

This chapter presents a discussion of the findings of the document review and fieldwork undertaken in relation to the research questions and objectives outlined. The study was taken to identify the extent to which Board charter and code of ethics exhibit Corporate Enterprise Virtues in the five largest listed Kenyan banks studied, to determine the extent to which Directors training includes Corporate Enterprise Virtues in the five largest listed Kenyan banks studied and to examine the extent to which the virtue tenet of human flourishing contributes to a listed company Board of Director's decision-making in the five largest listed banks in Kenya.

5.2 Discussion of Findings

5.2.1 Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?

The review of the overall Banking Charter and Prudential Guidelines provided by the Central Bank of Kenya showed the results for each theme identified as follows:

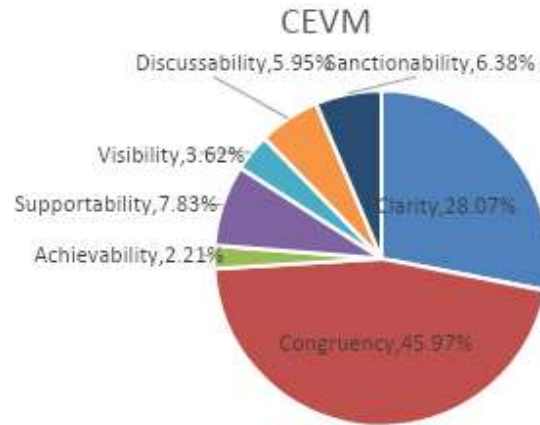


The above results show that the Banking regulator focuses on the two C's in the CEVM framework of Clarity and Congruency. Where the two C's refer to the following:

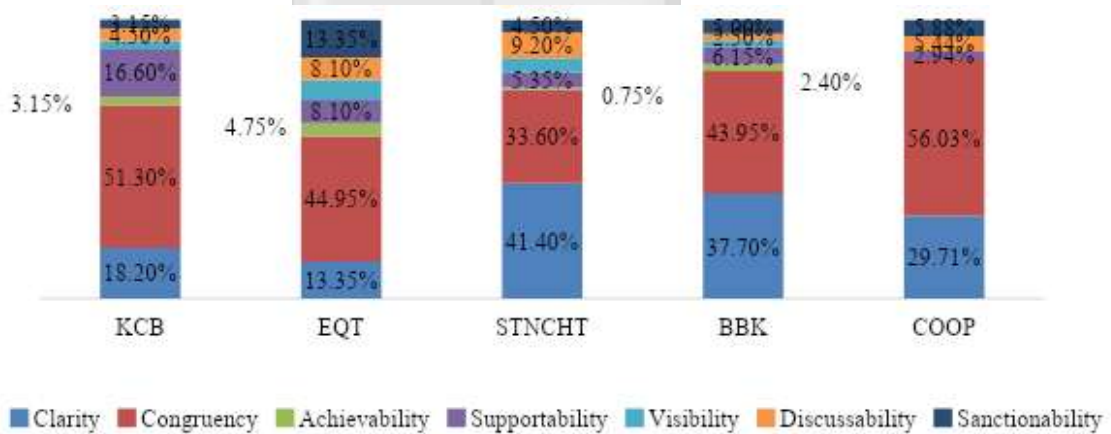
- Clarity: refers to the communication of moral expectations to employees by organizational practices, through identifying words that connote moral expectations;
- Congruency; moral expectations of the employees, are detailed within the organizational practices, through practices imbued in the organization;

The review of the key practices the Central Bank of Kenya expects in the action of the Banks is: Clear policies and procedures for Banking staff and clientele; Transparency and fairness in dealing with clients; Clear communication of corporate values to staff and clientele. The expectation is that the Banks need to develop clear values that build on the overall guidance framework provided.

The review of the Board Charter, Code of Ethics and Sustainability reports of the five largest banks showed the following overall results:



The above results show that the five largest banks have followed the approach provided by the regulator, which focuses on Clarity and Congruency as the key focus areas when it comes to ethical matters. A review of the five largest banks shows the following:



The top five banks give priority to Congruency except for Standard Chartered focus which focuses on Clarity. The supplemental interviews on the understanding of clarity and congruency showed the following:

Table 5.1: CEVM Interpretation

Theme	Explanation
Clarity	<ul style="list-style-type: none"> ● Avoid conflict of interest ● Checks and balances when the organization is being managed. ● Basically, sets out how everyone operates above the Board and the charter basically it sets out the operations of the board;

	<ul style="list-style-type: none"> • There is a certain way we want to do business there are certain values that we ascribe to, and we insist that if you are going to do business with us, then we need to ensure that you are keeping to the same values; • The Code of conduct will be able to govern how we behave. The board charter is really almost like a guideline for how the board is going to undertake its mandate • When we are discussing any of the agenda items the board directors are requested to confirm whether there would be a conflict in then when discussing any of the agenda items presented
Congruency	<ul style="list-style-type: none"> • Guide the behaviour of Board members • An organization is running on they are checks and balances, and everyone is accountable to someone • Board members sign an ethical conduct statement for us what we call it “doing the right things statement.” • Structure and the systems in place to ensure that the business is conducted properly so it is both efficient and all that, but that it is also in the right way • As a set of rules or procedures, policies or what you term as laws that the company has in place to be able to control or manage the way in which the company operates

5.2.2 How does Directors’ training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?

The review of the Directors’ selection criteria shows that the top five banks make use of the level III Kohlberg Model, where personal achievements drive the selection of the Director. The criteria for the various Banks showed the following:

Table 5.2: Level III Phrases

Equity Bank – Level III Phrases
When a board member is to be placed in the bank’s board they look at their academic qualifications, experience, and age, (Equity Bank, 2018).
With three members of the Bank,s board having gotten presidential awards, two hold honorary doctorates, two hold earned PhDs, and three have Masters degrees, (Equity Bank, 2018).
Many are members of professional bodies, (Equity Bank, 2018).
There are Board members with accounting and financial management experience, (Equity Bank, 2018).
KCB – Level III Phrases

For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities, (KCB Bank, 2018).
One Director has studied at Wharton School focusing in Executive Development. Additionally, the director has also studied corporate governance at Harvard Business School. He has also been in the banking industry for over thirty years, (KCB Bank, 2018).
There is a director with Master's in Public Administration from Harvard University, (KCB Bank, 2018).
One Director has had over thirty-eight years' experience in aviation. Apart from that he has a master's degree from the University of Hertfordshire in Civil Emergency and Crisis Management, (KCB Bank, 2018).
Cooperative Bank-Level III Phrases
The chairman whose age is fifty-six has a higher diploma in Agriculture Economics. A bachelor's degree in Agriculture Engineering. He has vast experience having served as the Head of government banking in Co-operative bank in South Sudan, (Co-op Bank, 2018).
Master of Science Degree in Governance attained at International Leadership University (Kenya) , (Co-op Bank, 2018).
Served in various capacities in both the academic field and Civil service in South Sudan spanning a period of over 30 years. He holds a MSc., (Co-op Bank, 2018).
Who is sixty-one years old has also a vast experience. He has twelve years' experience working with the United Nations. He has a Master's degree in Qualifying Certificate in Business Administration , (Co-op Bank, 2018).
Barclays – Level III Phrases
Jeremy Awori - 48 MBA, McGill University (Canada), (Barclays Bank of Kenya, 2018).
Yusuf Omari - 45 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, Strathmore Business School, (Barclays Bank of Kenya, 2018).
Dr. Leila Macharia (48) LLD, Stanford Law School (US)LLM, Stanford Law School (US) LLM, Cornell Law School (US), (Barclays Bank of Kenya, 2018).
Norah Ochieng' Odwesso - 51 MA, Finance and Investment, University Of Exeter (UK)
Winnie Ouko - 48 MBA, Cornell University (US), (Barclays Bank of Kenya, 2018).
Patricia Ithau - 53 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, United States International University Africa, (Barclays Bank of Kenya, 2018).
Onyango Otieno 54 MBA, Long Island University, (Barclays Bank of Kenya, 2018).
Stella Gacharia Kariuki - 40 MBA, University of Leicester (UK), (Barclays Bank of Kenya, 2018).
Standard Chartered – Level III Phrases
One of the Director's Anne who is fifty-eight has a lot of experience in the financial sector as she has had senior positions in different banks. As well as being a CEO in a micro finance institution, (Standard Chartered Bank Kenya Limited, 2018).
Kariuki who is fifty-three has over twenty-three years of retail banking experience
Chemutai who is forty-nine who has been part of the bank for eighteen years as well as having a vast experience in the finance sector, (Standard Chartered Bank Kenya Limited, 2018).
Ian Bryden (63) has vast experience in areas of Credit, Wholesale Banking, structured export finance, and investment banking, (Standard Chartered Bank Kenya Limited, 2018).

Imtiaz Khan has over 25 years' experience in private equity, financial markets investment, corporate finance advisory, and audit, (Standard Chartered Bank Kenya Limited, 2018).
Les who is sixty-four is a professional financial manager with over twenty years' experience at Director level, (Standard Chartered Bank Kenya Limited, 2018).
Richard also fifty-seven years old has over twenty years' experience, (Standard Chartered Bank Kenya Limited, 2018).
Catherine is also a director aged fifty and she is a Information Scientist with experience that spans over twenty years in Information Technology, (Standard Chartered Bank Kenya Limited, 2018).
Tejinder who is forty-seven years has over twenty years' experience, (Standard Chartered Bank Kenya Limited, 2018).

Review of the key phrases on training to determine the elements of CEVM included in the training showed the main theme of Congruency:

Table 5.3: CEVM Training

Bank	Phrase
Equity Bank	All the directors shall undergo training at least once in three years on issues regarding legal reforms, and corporate governance, (Equity Bank, 2018)
KCB	For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities, (KCB Bank, 2018).
Cooperative Bank	Training on corporate governance, (Co-op Bank, 2018).
Barclays	Directors attend anti-money laundering and cyber security training during the year to boost their skills, (Barclays Bank of Kenya, 2018).
Standard Chartered	Director training on financial crime compliance, anti-money laundering, anti-bribery and corruption, enterprise risk management, culture, gender, diversity & inclusion, (Standard Chartered Bank Kenya Limited, 2018)"

The supplemental interviews showed that the selection of the Board of Directors fits Kohlberg Level III and focuses on congruency and clarity, where the focus is on Stage 5 – social contracts and individual rights.

Table 5.4: Board Selection and Training

Area	Explanations
Board Selection	<ul style="list-style-type: none"> • We usually have a board evaluation annually, and from the board evaluation the Board will give insights into areas that they feel there is a gap area • The ability to be able to objectively ask questions. So, for example, always have a critic mind whereby you want to get the best out of management, and you ask the questions that may be another director may not be comfortable to ask

	<ul style="list-style-type: none"> ● We usually do what we call a skills gap analysis on the board so that is done at least annually sometimes more often so that way we are able to map the skills currently available on the board and by so doing we are able to identify the skills that we do not have on the board and we also can have a sense of what are the future skills we would like to see on the board ● Our board charter sets out that each of the board directors who are being selected would have to elicit certain behaviours and one of those behaviours, of course, is ethical conduct, ability to be able to speak out during board meetings to give their opinions to be independent of the discussions that have been held
Board Review and Training	<ul style="list-style-type: none"> ● We have a full induction plan that runs for one full week for every Director that we induct and bring on board. So, this will run through the director understanding the operationalization of the Bank being able to understand our different policies, our different departments, our different businesses, our different ways of learning; ● There is mandatory corporate governance training that we have to do based on the governance code; Training on corporate behaviour, or ethics? That usually comes up when we train on corporate governance issues; ● So, you will have scenarios of corruption and bribery, scenarios of conflict of interest which are in question format so the director will read and answer some questions. So, that really boosts their understanding on the areas.

5.2.3 Does the virtue tenet of human flourishing contribute to a listed company Board of Directors' decision-making in the five largest listed banks in Kenya?

The analysis of the above phrases on whether the sustainability theme was either consequential, deontological or virtue-based generated the following results:

5.2.3.1 Equity Bank

Equity Bank's sustainability actions are based on visible actions that contribute positively to the environment and economic livelihoods of the society, which is a consequentialist approach.

Table 5.5: EB Consequential Phrase

Equity Bank – Consequential Phrases
The bank takes priority in taking care of the society, economy and our environment, (Equity Bank, 2018).
There are policies that are formulated the group’s board that enables the creation of employment as well as ensuring sustainability in the society that the banks are situated, (Equity Bank, 2018).
Should not pollute the environment and not conserve resources and neglecting needs of the society, (Equity Bank, 2018).
The bank has high regard for all its stakeholders and takes care of them making it a corporate citizen, (Equity Bank, 2018).
Equity bank ensures that it advocates for socio-economic success of all the individuals in Africa, (Equity Bank, 2018).
The bank also ensures that neglected individuals are made part of the financial system that makes them take advantage of the social payments to pay for their basic needs, (Equity Bank, 2018).
The group has certain dedicated programs that have shown to have an efficient way of ensuring cash is available to the poorest that aids them to begin useful ventures (Equity Bank, 2018).
Due to poverty in many communities the group has come to the aid by providing economic opportunities, tools, and various technologies that ensures the people increase their productivity and ensures socio-economic growth, (Equity Bank, 2018).
The Group has invested and has provided opportunities to ensure that education is provided to the society so that it can give leadership and career development so that the cycle of poverty among families is broken, (Equity Bank, 2018).
The Group works with the farmers to ensure they have more production capabilities, (Equity Bank, 2018).
To ensure that health care is universal to all, the group has invested in giving financing health and the private sector that leads to affordable and accessible healthcare for all, (Equity Bank, 2018).
The Group has also offered to give their financial services to the poorest families so that they can be out of poverty, (Equity Bank, 2018).
The group supports conservation of our natural resources by ensuring that the forest cover is prioritized, and ensuring there is water security. Additionally, it emphasizes on using renewable energy, (Equity Bank, 2018).

5.2.3.2 KCB Bank

KCB Bank's sustainability actions make use of a consequentialist approach in its sustainability actions through the following actions identified in its annual reports and sustainability reports.

Table 5.6: KCB Consequential Phrase

KCB Bank Consequential Phrases
KCB as a bank permitted the Social and Environmental System (SEMS) in 2015 that was placed in the bank’s credit system. Ensuring that only companies that meet the required social and environmental conditions are approved for a loan, (KCB Bank, 2018).
Embracing the pursuit of a sustainable enterprise through reduction of costs, emissions, waste, and responsible lending, (KCB Bank, 2018).
As a bank we will ensure we give loans responsibly, lessening our carbon footprint, mainstreaming the Sustainable Development Goals, (KCB Bank, 2018).
As a bank we aim to reduce our carbon emissions, (KCB Bank, 2018).
We will keep on helping organizations act in a socially responsible manner by; supporting organizations as they cut their carbon outflows and make the progress to the green economy, (KCB Bank, 2018).

5.2.3.3 Cooperative Bank

Cooperative Bank sustainability actions makes use of a consequentialist approach in its sustainability actions as identified below:

Table 5.7: Coop Consequential Phrase

Cooperative Bank Consequential Phrases
As Co-operative bank we pride ourselves in aiding all our stakeholders manage the economic and the environmental challenges and ensure that we invest for a better future. Thus this contributes to a sustainable development of our environment, (Co-op Bank, 2018).
Co-operative bank group will always make health, safety, and environmental protection its top priority and actively fulfill its social responsibilities, (Co-op Bank, 2018).
Co-operative bank will ensure that it handles all the challenges that are in the nations in which we are located,(Co-op Bank, 2018).
We us a bank will work towards ensuring that poor children are taken through school, ensuring the organisations are empowered, ensure that our workplaces are inclusive and diversified. We also ensure that we contribute towards clean energy sources, (Co-op Bank, 2018).
As Co-operative bank we must ensure that we support economic and social development, environmental protection to ensure that the communities in which we operate are successful in the long, (Co-op Bank, 2018).
As co-operative bank we conduct our business in a way that does not pollute the environment or destroy our natural resources to ensure that it is there for future generations, (Co-op Bank, 2018).

5.2.3.4 Barclays Bank

Barclays Bank's sustainability actions make use of a consequentialist approach in its sustainability actions through the following actions identified in its annual reports.

Table 5.8: Barclays Consequential Phrase

Barclays Bank Consequential Phrases
We provide Scholarships for needy bright students to ensure they get the needed education, (Barclays Bank of Kenya, 2018).
As a Bank we ensure that the young generation can easily get work internships to make them job ready by partnering with other institutions, (Barclays Bank of Kenya, 2018).
Decreased carbon outflows from the physical impression rationalization and productive occupation of spaces, (Barclays Bank of Kenya, 2018).
Decreased utilization of paper through different paperless activities, (Barclays Bank of Kenya, 2018).
Sustainable interests in training, enterprise improvement, and money related education, (Barclays Bank of Kenya, 2018).
Investments to improve the environmental impact, (Barclays Bank of Kenya, 2018).
Increased environmental footprint, through reduced carbon emissions, (Barclays Bank of Kenya, 2018).
sustained significant investments in education, as we believe there is a positive correlation between the quality of education and economic prosperity, (Barclays Bank of Kenya, 2018).
We gave over five hundred scholarships for students from sixty different universities, (Barclays Bank of Kenya, 2018).

5.2.3.5 Standard Chartered Bank

Standard Chartered Bank's sustainability actions make use of a consequentialist approach in its sustainability actions through the following actions identified in its annual reports and sustainability reports.

Table 5.9: Stanchart Consequential Phrase

Standard Chartered Bank – Consequential Phrases
We ensure that we participate in the economic development of the nation we operate to ensure the long-term prospering of the community, (Standard Chartered Bank Kenya Limited, 2018).
As a bank we ensure we invest back to our community to ensure we contribute to a sustainable economic development, (Standard Chartered Bank Kenya Limited, 2018).
Before providing financial services to sectors like energy, water, and agriculture we ensure we make use of position statements, (Standard Chartered Bank Kenya Limited, 2018).

Standard Chartered Bank – Consequential Phrases
As Standard Chartered, we ensure that we manage the environmental and social risks in a responsible manner. We work with the government and our stakeholders to allay the impact that comes from decisions of our finances, (Standard Chartered Bank Kenya Limited, 2018).
To ensure equality among all we are disability-confident company and work to ensure that we eradicate disability barricades and all the related biasness to ensure that it is accessible to our employees and our stakeholders, (Standard Chartered Bank Kenya Limited, 2018).

The supplemental interviews showed that the understanding of human flourishing related to banking as the building of businesses for the future, which is aligned to a consequential approach.

Table 5.10: Human Flourishing

Area	Key Explanations
Sustainability	<ul style="list-style-type: none"> ● At the end of the day for us we would want to do business and ensure that there is a conducive environment for the future; ● We are very keen at that and even at the business levels, we have sustainability staff whose main goal is to ensure that sustainability and our environment and our future is protected; ● it is the way we do life. So, it touches on how you come to work, it touches on not just the current business but also future business, it touches on our interaction with our stakeholders that means our shareholders, our suppliers; ● So, it is things like that trying to ensure that our long-term objectives are the continuous sustainable operation of our business and that covers the environment around us.

CHAPTER 6: CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter discusses the conclusions, as well as the recommendations, are discussed and the areas for further research.

6.2 Conclusions

6.2.1 Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?

Yes, it does, as shown in the listed top five banks that were studied the Banks make use of the CEVM framework. The five frameworks include clarity, congruency, achievability, supportability, visibility, discussability and sanctionability. For Equity bank, it was Congruency for the two documents at fifty-eight and thirty-one per cent for code of conduct and Board Charter respectively. For KCB, it was Congruency as well at forty-three and fifty-eight per cent for code of conduct and Board Charter respectively. For Standard Chartered Clarity was the main CEVM in the code of conduct at fifty-nine per cent and Congruency for the board charter at sixty-five per cent. For Cooperative Bank Congruency also dominated in the two documents. Finally, for Barclay's board charter clarity and congruency were at the same level forty-two per cent whereas for the code of conduct congruency dominated at forty-five per cent. Hence, the main CEVM frameworks that are clarity and congruency is showed are the important principles when it touches on embedding ethics in corporate governance.

6.2.2 How does Directors' training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?

Yes, it does in the following banks' Equity, KCB, Barclays, Cooperative, and Standard Chartered where all the banks from the research conducted showed that they relied on the selection of experienced directors as a baseline for ethical decision making. Additionally, in all the five banks most of the directors would fit in Kohlberg Level III. The five banks also mainly focused on training of directors emphasizing on clarity and congruency that is in the form of financial controls.

6.2.3 Does the virtue tenet of human flourishing contribute to a listed company Board of Directors' decision-making in the five largest listed banks in Kenya?

Yes, it does in all the banks the study showed that they make use of the consequentialist approach to help them make their decisions. The main drive was to have a visible impact on society through transparency and fairness to their various stakeholders.

6.3 Recommendations

This study showed that the use of CEVM could be used to enhance ethical corporate governance in the top five banks. The study recommends the following:

- The Central Bank of Kenya should adopt the use of the CEVM framework to promote a virtuous environment in Banks through enhancing the elements of CEVM in the prudential guidelines;
- The top five Banks in Kenya should enhance achievability, supportability, visibility, discussability and sanctionability in their code of ethics and Board Charters. The promotion of other elements of CEVM to achieve a mean in the virtues will enhance ethical culture in the corporate governance of the banks;

- Directors training should include ethics training touching on achievability, supportability, visibility, discussability and sanctionability. The primary assumption in the top five banks is that the selection of directors who are accomplished will lead to enhanced ethical behaviour by the top five banks; and
- The top five banks make use of the consequentialist approach when it comes to sustainability. The outcome of the conduct is regarded separately from the observed rules. The top five banks should adopt virtue ethics to drive their sustainability agenda, through having practices that drive virtues in their various stakeholders.

6.4 Areas of Further Research

The following areas can be considered for further research on the use of CEVM in the top five banks:

- The effect of CEVM on the financial performance of the top five banks;
- Adopting CEVM on Director's training;
- Adoption of CEVM in the regulatory supervision of Banks by the Central Bank of Kenya; and
- The extent of incorporating CEVM on the Board of Directors, Senior Management, Staff and Clients of the top five banks.

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APPENDICES

APPENDIX 1: Participants Consent Form

Section 1:

Investigator: Jude Anyiko

Affiliation: Strathmore School of Humanities and Social Studies

Section 2:

- The Study: I am currently a final year student at Strathmore University undertaking a Masters of Applied Philosophy and Ethics Degree. As part of the course requirement, I am required to undertake a field research as part of my Thesis Project. My Course interest is in Corporate Governance. To this end, my topic of research is, “A REVIEW OF GOVERNANCE STRATEGIES FOR CORPORATE ENTERPRISE VIRTUES IN FIVE LISTED BANKS IN KENYA”. By way of summary introduction, the Financial Services Industry has seen a spate of corporate collapses that has brought to the fore issues relating to corporate governance. The purpose of this study is to establish whether virtues have a role to play in enhancing governance. This research project is based on survey data with interviews of Company Secretaries. I will be the only one with access to the transcriptions, if at any time during the interview, you choose to withdraw from the project, survey and interview data will be destroyed immediately. Your participation is voluntary and there are no foreseeable risks in participation of this study. A checkbox below indicates your willingness to participate in the study.
- Taking part in this study is entirely optional and the decision rests only with you. If you are not able to answer all the questions successfully the first time, you may be asked to sit through another informational session after which you may be asked to answer the questions a second time. You are free to decline to take part in the study from this study at any time without giving any reasons.
- There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.
- All research records will be stored in securely locked cabinets. That information may be transcribed into our database but this will be sufficiently encrypted and password protected. Only the people who are closely concerned with this study will have access to your information. All your information will be kept confidential.

- **Who can I contact in case I have further questions?** You can contact me, Jude Anyiko at Strathmore University, or by e-mail jude.anyiko@luthien.co.ke or by phone +254 733 924045 You can also contact my supervisor, Dr. John Branya, at the SHSS, Nairobi, or by e-mail jbranya@strathmore.edu.
- **If you want to ask someone independent anything about this research please contact:** The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034 375

I, _____, have had the study explained to me. I have understood all that I have read and have had explained to me and had my questions answered satisfactorily. I understand that I can change my mind at any stage.

I have read the consent form. I understand the purpose of this research study and I am a willing participant.

I have read the consent form. I understand the purpose of this research study and I am not willing to participate.

Storage of information on the completed questionnaire

I agree that the data collected to be used for future analytics.

I do not agree that the data collected to be used for future analytics.

Participant’s Signature: _____ **Date:** ____/____/____

DD / MM / YEAR
Participant’s Name: _____ **Time:** ____/____

(Please print name) **HR / MN**

I, _____ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study. S/he has been given opportunity to ask questions which have been answered satisfactorily.

Investigator’s Signature: _____ **Date:** ____/____/____

DD / MM / YEAR

Investigator's Name:

Time: ____ / ____

(Please print name)

HR / MN



APPENDIX 2: Interview Guide

Section A

This section of the guide focuses on the **biographic information** of the respondents. We are aware of the sensitivity of the information provided in this section. We assure you once again that your responses will be treated with high level of confidentiality.

1. Name of Company?
2. Number of years working for the Company?
3. What does Corporate Governance mean to you?
 - a. How would you describe it to a layman?
 - b. What is the goal?
 - c. Does it involve a variety of tasks?
4. Tell me about your work as a Company Secretary?

Part B

Dissertation Question One:

What is the work of the Board of Director and what makes one effective as said earlier?

- Do the effective principles need to be codified?
- Please describe how Directors' lives need to be lived for them to achieve their role?

What is the role of a code of ethics as per your own views?

- Does the Bank have a code of ethics?
- How does it relate to the decision-making role of the Board?
- What are your thoughts on the governance codes provided by the various regulators?
 - Are they adequate, what are the gaps?
 - Have you developed your own code of ethics?
 - Could you share a copy of your code of ethics?

How can one enhance effectiveness of the code of ethics?

Dissertation Question Two:

Looking at the dilemmas faced before, on the assessment of the Board:

- How would you describe the Board's approach to resolving tricky or delicate issues or situations where standards are challenged? Applying a rule or rules, principles, following a decision making procedure, instinctive, intuitive, being true to self or anything you else think is more accurate
- Have you ever had to seek advice or rely on the opinion of others in resolving these situations? Why these specific people? Could you describe the person and why are these characteristics important?
- Can you tell me more about the origin of what code, values or approach you rely on to resolve tricky issues? Have your values changed over time? Why and what way? How would you explain unethical behaviour in others? Are people born crooked?
- Has your approach changed over time? If so in what way and why? Was there a need to change?

- What are the minimum statutory requirements for one to be a Director?
- Any training requirements? What is the syllabus or areas covered in the training? Are the areas covered adequate or how can they be improved?
- Who currently provides the training if required? What is your current training calendar?

Do you provide other training for your Directors?

- Can you share the names of other institutions offering training?
- What are the additional training areas?
- Apart from classroom training, do you think other training methods would be adequate such as case studies, mentoring?
- Do you have training on ethical practices as a Director?
- Can you share some of the training material?

How do you select the Trainers?

- Do they need to be accredited?
- When it comes to ethics and virtues how do they undertake the training?
- Do you undertake case studies from actual governance failings observed in the market?

Does training improve ethical practices of Directors?

Dissertation Question Three:

Who are the main stakeholders for the bank?

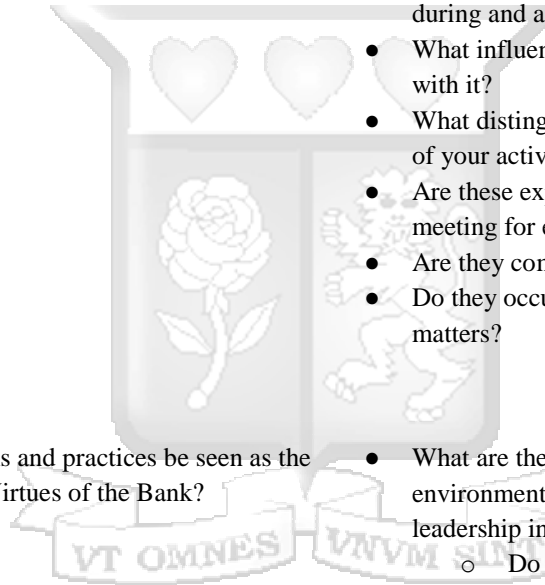
- What type of decisions affect their success?
- How does the Board ensure alignment in terms of success for all the stakeholders?
- How does the Board ensure that stakeholders have access to them in the event of unethical conduct that affects them?
- Does business performance directly link to the success of each of the stakeholder needs being met?

Are there any other governance situations dilemmas, which have tested your ability to handle it with integrity?

- What was your role during the discussions?
- Did you make use of a standard when making the decision?
- Can you describe your thoughts (before during and after)?
- What influenced you in the way you dealt with it?
- What distinguishes this situation from the rest of your activities as a Company Secretary?
- Are these experiences frequent? Every meeting for example?
- Are they common at particular periods?
- Do they occur when discussing particular matters?

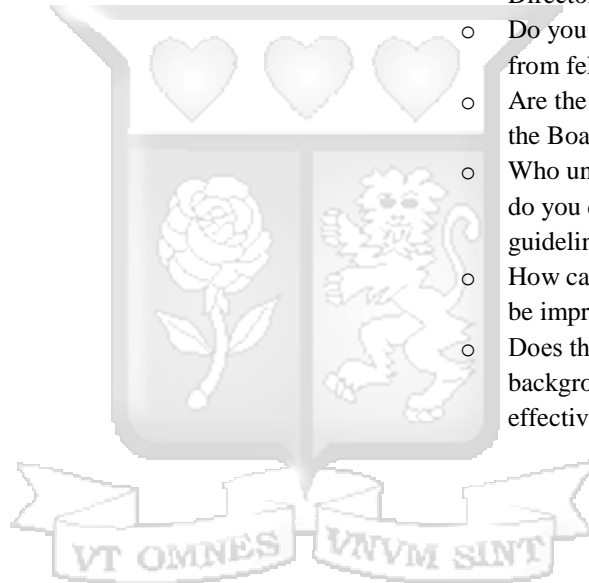
Do Board decisions and practices be seen as the barometer of the Virtues of the Bank?

- What are the challenges in the business environment that affect the practice of ethical leadership in the bank?
 - Do you promote a rewards system that factors in the environmental challenges?
- How does the Board ensure that stakeholders understand the ethical character required?
 - In your view is it sufficient?
 - How can it be improved?
- Have you considered issuing reports on unethical practices that the Board made decisions – firings contracts cancellation, client products?
 - Do you have challenges in enforcing sanctions when ethical misconduct is brought to the attention?



What is the criterion for selecting Board members?

- Do you usually use a headhunter - how do you conduct background checks?
- From your experience what makes a good Director?
- What is it about these directors that make them effective? What do they do, how do they conduct themselves, how would you describe them-qualities, characteristics etc.
 - What do you mean by that? Could you give an example?
- Do Directors execute an ethical code of conduct statement annually?
- Do you have a peer review mechanism of Directors performance?



- What are the review criteria for the Directors?
- Do you have an ethical criterion from fellow Directors
- Are the reviews openly discussed by the Board?
- Who undertakes any sanctioning, or do you depend on Board Governance guidelines?
- How can the Board review criteria be improved?
- Does the Directors' personal background influence their effectiveness?

APPENDIX 3: Final Interview Guide

Participants Consent Form

Section 1:

Investigator: Jude Anyiko

Affiliation: Strathmore School of Humanities and Social Studies

Section 2:

- The Study: I am currently a final year student at Strathmore University undertaking a Masters of Applied Philosophy and Ethics Degree. As part of the course requirement, I am required to undertake a field research as part of my Thesis Project. My Course interest is in Corporate Governance. To this end, my topic of research is, “A REVIEW OF GOVERNANCE STRATEGIES FOR CORPORATE ENTERPRISE VIRTUES (“CEVM”) IN FIVE LISTED BANKS IN KENYA”. By way of summary introduction, the Financial Services Industry has seen a spate of corporate collapses that has brought to the fore issues relating to corporate governance. The purpose of this study is to establish whether virtues have a role to play in enhancing governance. This research project is based on survey data with interviews of Company Secretaries. I will be the only one with access to the transcriptions, if at any time during the interview, you choose to withdraw from the project, survey and interview data will be destroyed immediately. Your participation is voluntary and there are no foreseeable risks in participation of this study. A checkbox below indicates your willingness to participate in the study.
- Corporate Enterprise Virtue Model (“CEVM”) postulates that a company with virtues has the following corporate values in relation to ethical practices: **Clarity**; refers to the communication of moral expectations to employees by organizational practices: **Congruency**; moral expectations of the employees are detailed within the organizational practices: **Achievability**; the way which the Organization achieves a balance between the moral expectations of employees and the ability of the employees to live up to them : **Supportability**; refers to the extent to which the Organizations practices promote ethical behaviour by employees: **Visibility**; refers to the way ethical and unethical behaviour is made manifest in the Organization: **Discussability**; allows employees and managers to openly discuss ethical problems and propose solution : **Sanctionability**; refers to the likelihood of punishment or reward for unethical/ ethical behaviour.
- Human flourishing is the ability of an individual to self-actualize in society.

- Taking part in this study is entirely optional and the decision rests only with you. If you are not able to answer all the questions successfully the first time, you may be asked to sit through another informational session after which you may be asked to answer the questions a second time. You are free to decline to take part in the study from this study at any time without giving any reasons.
- There are no risks in taking part in this study. All the information you provide will be treated as confidential and will not be used in any way without your express permission.
- All research records will be stored in securely locked cabinets. That information may be transcribed into our database but this will be sufficiently encrypted and password protected. Only the people who are closely concerned with this study will have access to your information. All your information will be kept confidential.
- **Who can I contact in case I have further questions?** You can contact me, Jude Anyiko at Strathmore University, or by e-mail jude.anyiko@luthien.co.ke or by phone +254 733 924045 You can also contact my supervisor, Dr. John Branya, at the SHSS, Nairobi, or by e-mail jbranya@strathmore.edu.
- **If you want to ask someone independent anything about this research please contact:** The Secretary–Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034 375

I, _____, have had the study explained to me. I have understood all that I have read and have had explained to me and had my questions answered satisfactorily. I understand that I can change my mind at any stage.

I have read the consent form. I understand the purpose of this research study and I am a willing participant.

I have read the consent form. I understand the purpose of this research study and I am not willing to participate.

Storage of information on the completed questionnaire

I agree that the data collected to be used for future analytics.

I do not agree that the data collected to be used for future analytics.

Participant’s Signature:

Date: ____/____/____

DD / MM / YEAR

Participant's Name:

Time: _____ / _____

(Please print name)

HR / MN

I, _____ (Name of person taking consent) certify that I have followed the SOP for this study and have explained the study information to the study participant named above, and that s/he has understood the nature and the purpose of the study and consents to the participation in the study. S/he has been given opportunity to ask questions which have been answered satisfactorily.

Investigator's Signature:

Date: _____ / _____ / _____

DD / MM / YEAR

Investigator's Name:

Time: _____ / _____

(Please print name)

HR / MN

Interview Guide

Section A

This section of the guide focuses on the **biographic information** of the respondents. We are aware of the sensitivity of the information provided in this section. We assure you once again that your responses will be treated with high level of confidentiality.

5. Number of years working for the Company?
6. What does Corporate Governance mean to you?
 - a. How would you describe it to a layman?
 - b. What is the goal?

- c. Does it involve a variety of tasks?
7. Tell me about your work as a Company Secretary?

Section B

Question One: The Extent to Which the Code of Conduct and Board Charter practice CEVM?

1. In your view what is the role of Code of Conduct in relation to the Board Charter?
 - a. Do the regulatory guidelines have a bigger role?
 - i. In your view how can the regulatory guidelines be enhanced on ethical conduct?
 - b. Does the Board sign an ethical conduct statement?
 - c. How does the Board review the conduct statement to ensure it is up to date?
2. What facilities have the Board provided to ensure ethical conduct in the organization?
 - i. Do you have a special budget to enable the Board conduct its ethical oversight?
3. Does the Board have a reward for ethical behaviour?
 - a. What rewards do you think could be offered?
4. Is the Board accessible to individuals who have experienced unethical conduct?
 - i. How does the Board handle such requests? Do they delegate to a committee?
 - ii. Do you have criteria for sanctions? Would you consider publishing sanctioned reports?
 - iii. Has the Board considered having an ethics officer to be its spokesperson on ethics?
 - iv. Do you have a peer review mechanism of Directors performance?
 1. What are the review criteria for the Directors?
 2. Do you have an ethical criteria review for Directors?
 3. Do you Sanction in the event of a breach?
 4. How can the Board review criteria be improved?

Question Two: Extent to Which Director's Training includes CEVM?

- I. What is the criterion for selection of a Board Member?
 - a. What special skills do you look for?
 - b. What makes one an effective Director?

1. What is the understanding of Sustainability in relation to the business of the Bank? Is it achievement of profits, customer appreciation or society.
 - a. Who are the stakeholders?
 - b. What type of decisions affect their success?
 - c. Why is sustainability critical for the Bank?
 - d. How does the Board ensure alignment in terms of success for all the stakeholders?
 - e. What are the activities linked to sustainability?
2. In your view is sustainability linked to ethics?
 - a. Are sustainability actions linked to ethical conducts? Can you share your sustainability reports?



APPENDIX 4: Research Findings

Do the Board charters and code of ethics of the five largest listed Kenyan banks exhibit Corporate Enterprise Virtues?

Equity Bank Key Terms
<ul style="list-style-type: none">● Anyone who fails to observe the code shall be liable jointly● Corporate values that are presented and implemented● Conducted fairly and equitably● Efficient, answerable, accountable, transparent and with correctness● Encouraging and Rewarding professional integrity● Engage with Stakeholders and others in order to improve practices● Enhance and promote the rights and participation of host communities● Establish principles and standards of ethical business practice● Full, fair, accurate, timely, and understandable revelations of information when published in the company's annual reports.● Group's ethical standards are not to be interfered with and any conflicts of interest are taken care of.● Honesty, transparency and integrity● Integrity and adequacy● Integrity of Records and Transactions● Maintaining the confidentiality● When someone reports in good faith they will not face any form of retaliation or discrimination.● Not engaging in any improper or illegal activity● Promote fair, just and equitable employment policies● Providing a mechanism to facilitate reporting of fraudulent behaviour● Put in place and rigorously and persistently enforce codes of conduct

- Respect and be sensitive to employees, treat them fairly
- The confidentiality of the transactions made by customers and their information is always protected.
- Waivers of corporate ethics and conduct rules for officers
- The bank does not condone any form of money laundering, fraud, bribery and corruption and other similar wrongdoings.
- Zero tolerance policy for all forms of corruption, bribery, fraudulent conduct and unethical business practice.

Theme	Equity Bank Key Terms
Clarity	<ul style="list-style-type: none"> ● Clear corporate standards which are detailed and ratified ● Precaution should be observed to ensure that customer information transactions is confidential
Congruency	<ul style="list-style-type: none"> ● Conducted fairly and equitably ● Efficient, responsible, accountable, transparent and with probity ● Enhance and promote the rights and participation of host communities ● Establish principles and standards of ethical business practice ● Group's ethical standards are not compromised and that Conflicts of Interest are avoided ● Honesty, transparency and integrity ● Integrity and adequacy ● Integrity of Records and Transactions ● Maintaining the confidentiality ● Not engaging in any improper or illegal activity ● Promote fair, just and equitable employment policies ● Put in place and rigorously and persistently enforce codes of conduct ● The bank does not condone any form of money laundering, fraud, bribery similar wrongdoings ● No tolerance policy for all forms of corruption, bribery, fraudulent conduct and unethical business undertakings.
Supportability	<ul style="list-style-type: none"> ● When a report is made in good faith no one should retaliate. ● Respect and be sensitive to employees, treat them fairly
Visibility	<ul style="list-style-type: none"> ● Full, fair, accurate, timely, and understandable disclosure of information in the Group's annual reports
Sanctionability	<ul style="list-style-type: none"> ● Encouraging and Rewarding professional integrity

	<ul style="list-style-type: none"> • Anyone who fails to observe the code shall be liable jointly
Discussability	<ul style="list-style-type: none"> • Providing a mechanism to facilitate reporting of fraudulent behaviour • Engage with Stakeholders and others in order to improve practices
Achievability	<ul style="list-style-type: none"> • Waivers of corporate ethics and conduct rules for officers

KCB Bank

<ul style="list-style-type: none"> • Adherence to sound ethical behaviour • Bribe has been offered must be reported • Business ethics prevail • Code of Ethical conduct prohibits the receipt of cash in any amount as a gift • Confidences must be respected • Cultivates the culture of ethical conduct • Ethical conduct and compliance • Ethical Conduct, and the elimination of bribery and corrupt practices • Fair and equitability <ul style="list-style-type: none"> • Fair and transparent manner • Guide staff on how to avoid and counter bribery and corruption • KCB Group shall be responsible for fostering a work environment free of harassment • Maintain corporate responsibility and implement voluntary initiatives and codes of conduct • Maintain ethics education and awareness • Mechanisms to facilitate reporting unethical conduct • No employee of KCB shall suffer demotion, penalty, victimization or other adverse consequence for refusing to pay or receive bribes • Precaution to protect confidentiality • Prohibits Bribes • Shall apply its ethical policies in its dealings with customers, agents, contractors

- To raise concerns and report in confidence and without fear of reprisal
- Uphold ethical business conduct
- Whistle-blowing mechanisms, are protected and shall not be subject to any form of reprisal or discrimination
- Zero tolerance to all forms of corruption and unethical business practices
- Establish feedback mechanisms and other internal processes supportive of the Code of Ethical Conduct.

Thematic review of the KCB code of Conduct generated the following results:

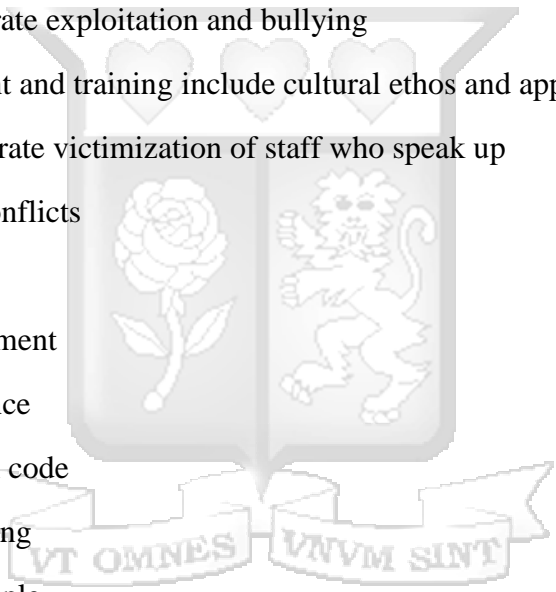
Theme	
Congruency	<ul style="list-style-type: none"> ● The bank does not condone any form of corruption and unethical business practices ● Uphold ethical business conduct ● Business ethics prevail ● Adherence to sound ethical behaviour ● Prohibits Bribes ● Ethical conduct and compliance ● Shall apply its ethical policies in its transactions with clients, agents, independents ● Fair and transparent manner ● Fair and equitability ● Confidences must be respected ● Precaution to protect confidentiality ● Code of Ethical conduct prohibits the receipt of cash in any amount as a gift ● Ethical Conduct, and the elimination of bribery and corrupt practices ● Cultivates the culture of ethical conduct
Supportability	<ul style="list-style-type: none"> ● Maintain ethics education and awareness ● Guide staff on how to avoid and counter bribery and corruption ● No employee of KCB shall suffer demotion, penalty, victimization or other adverse consequence for refusing to pay or receive bribes ● To raise concerns and report in confidence and without fear of reprisal ● Whistle-blowing mechanisms, are protected and shall not be subject to any form of reprisal or discrimination

Visibility	<ul style="list-style-type: none"> ● Bribe has been offered must be reported ● Mechanisms to facilitate reporting unethical conduct
Sanctionability	<ul style="list-style-type: none"> ● Terminate the relationship in the event that they are found to receive or pay bribes ● Discussing confidentiality may cause disciplinary action including termination
Discussability	<ul style="list-style-type: none"> ● Establish feedback mechanisms and other internal processes supportive of the Code of Ethical Conduct.
Achievability	<ul style="list-style-type: none"> ● KCB Group shall be responsible for fostering a work environment free of harassment ● Maintain corporate responsibility and implement voluntary initiatives and codes of conduct

The review of Standard Chartered generated the following terms:

Standard Chartered
<ul style="list-style-type: none"> ● Integrity ● Good ● Demonstrate good conduct ● Understanding the conduct-related risks ● Guiding colleagues to do the right thing ● Care and diligence ● Honesty ● Care and diligence ● Fair outcomes ● Trust ● fair accountability ● Open ● Dignity and respect ● Ethos ● Right Thing

- Opportunities to generate revenue do not take priority over the need to uphold good conduct
- Driving an ethical culture
- Ownership and accountability
- Culture of strong ethics, integrity, transparency, openness
- Act ethically, honesty, professionally, and integrity
- Bribery and corruption cannot be tolerated
- Respect individuals' rights
- Providing equal opportunities and fair treatment
- do not tolerate exploitation and bullying
- Recruitment and training include cultural ethos and approach toward conduct
- Do not tolerate victimization of staff who speak up
- Manage Conflicts
- Principles
- Good Judgment
- Independence
- In line with code
- Open Dealing
- Good example
- speak up about all related concerns and actions will be taken
- Compliance and Control can give advice



Thematic review of the Code of Conduct of Standard Chartered generated the following results:

Theme	
Clarity	<ul style="list-style-type: none"> ● Integrity ● Good ● Demonstrate good conduct

	<ul style="list-style-type: none"> ● Understanding the conduct-related risks ● Guiding colleagues to do the right thing ● Care and diligence ● Honesty ● Care and diligence ● Fair outcomes ● Trust ● Fair accountability ● Open ● Dignity and respect ● Ethos ● Right Thing
Congruency	<ul style="list-style-type: none"> ● Opportunities to generate revenue do not take priority over the need to uphold good conduct ● Driving an ethical culture ● Ownership and accountability ● Culture of strong ethics, integrity, transparency, openness ● Act ethically, honesty, professional and integrity ● Bribery and corruption cannot be tolerated ● Respect individuals' rights ● Providing equal opportunities and fair treatment
Supportability	<ul style="list-style-type: none"> ● Recruitment and training include cultural ethos and approach toward conduct ● Do not tolerate victimization of staff who speak up
Visibility	<ul style="list-style-type: none"> ● Manage Conflicts ● Principles ● Good Judgment ● Independence ● In line with code ● Open Dealing ● Good example
Sanctionability	<ul style="list-style-type: none"> ● Reward staff integrity and ethical behaviour ● Implications on conduct of any decisions you make ● Failure to follow the code very seriously may lead to disciplinary action ● Take action about actual, planned or potential misconduct ● Take formal disciplinary action where misconduct has taken place

	<ul style="list-style-type: none"> ● Take disciplinary action against anyone who victimizes those who speak
Discussability	<ul style="list-style-type: none"> ● Speak up about all related concerns and actions will be taken ● Compliance and Control can give advice
Achievability	<ul style="list-style-type: none"> ● Do not tolerate exploitation and bullying

The review of the governance charter of Equity Bank generated the following results:

Equity Bank
<ul style="list-style-type: none"> ● The Board shall define the Group's values and shall ensure that the subsidiaries promote and protect the Group's ethos, ethics and beliefs ● function to maintain corporate integrity, reputation and responsibility ● communicates effectively and transparently ● principles of good corporate governance ● courage to act with integrity in all Board decisions and activities. ● adhere to the same corporate governance principles ● complies with all relevant laws, regulations, guidelines and codes of best business practice ● Run by effective and ethical board exercise diligence, enterprise, integrity ● Group complies with all relevant laws, regulations, governance practices ● Give due regard and respect to chairperson and directors ● exercise leadership, enterprise, integrity and sagacious judgment ● Duty to exercise reasonable care, skill and diligence ● act with intellectual honesty and independence of mind in the best interests of the Group ● Diligent in performing his duties and devote sufficient time ● Ethical risks and opportunities incorporated in risk management ● safeguard integrity of financial reporting ● promotion of an ethical IT governance

- effective reporting on corporate affairs and corporate governance
- desists from unethical, inequitable and unfair business practices
- Gives fair consideration to the legitimate interests
- Plan shall be developed and implemented for the Director to acquire the necessary skills or to develop appropriate behavioural patterns
- Senior Management and the subsidiaries actively cultivates a culture of ethical conduct and ensuring that integrity permeates
- Employees feel supported in speaking up in confidence without fear of retribution, encourage all improper an unethical behaviour
- Code of Ethics and Conduct should include appropriate communication and feedback mechanisms which facilitate whistle-blowing
- corporate governance procedures followed and reviewed for improvement
- adopt and follow sound policies and objectives after full deliberations.
- Make amendments bring them in line with the principles of good corporate governance
- Board is constantly held responsible and accountable for the efficient and effective governance
- dismiss directors who are not transparent, accountable and responsible
- Board is held accountable and responsible for the efficient and effective governance
- willing to take corrective actions to keep the Group on a strategic path that is ethical and sustainable
- justify its decisions and actions to Shareholders
- Where the Board has serious reservations about the performance or integrity of a Board member, the Board shall take appropriate actions
- The Board shall ensure that the Group's performance on ethics is assessed, monitored and disclosed
- annual report shall include corporate governance reporting
- disclose in its annual report the extent to which the Group is complying with the Corporate Governance Guidelines
- Make public its Board Charter and formalize its ethical standards through the development of a Code of Ethics and Conduct

Thematic review of the governance charter of Equity Bank generated the following results:

Theme	
Clarity	<ul style="list-style-type: none"> ● The Board shall define the Group’s values and shall ensure that the subsidiaries promote and protect the Group’s ethos, ethics and beliefs ● Function to maintain corporate integrity, reputation and responsibility ● Communicates effectively and transparently ● Principles of good corporate governance ● Courage to act with integrity in all Board decisions and activities. ● Adhere to the same corporate governance principles ● Complies with all relevant laws, regulations, guidelines and codes of best business practice
Congruency	<ul style="list-style-type: none"> ● Run by effective and ethical board exercise diligence, enterprise, integrity ● Group complies with all relevant laws, regulations, governance practices ● Give due regard and respect to chairperson and directors ● Exercise leadership, enterprise, integrity and sagacious judgment ● Duty to exercise reasonable care, skill and diligence ● Act with intellectual honesty and independence of mind in the best interests of the Group ● Diligent in performing his duties and devote sufficient time ● Ethical risks and opportunities incorporated in risk management ● Safeguard integrity of financial reporting ● Promotion of an ethical IT governance ● Effective reporting on corporate affairs and corporate governance ● Desists from unethical, inequitable and unfair business practices
Supportability	<ul style="list-style-type: none"> ● Senior Management and the subsidiaries actively cultivates a culture of ethical conduct and ensuring that integrity permeates ● Employees feel supported in speaking up in confidence without fear of retribution, encourage all improper an unethical behaviour ● Code of Ethics and Conduct should include appropriate communication and feedback mechanisms which facilitate whistle-blowing
Visibility	<ul style="list-style-type: none"> ● The Board shall ensure that the Group’s performance on ethics is assessed, monitored and disclosed ● Annual report shall include corporate governance reporting ● Disclose in its annual report the extent to which the Group is complying with the Corporate Governance Guidelines ● Make public its Board Charter and formalize its ethical standards through the and Conduct

Sanctionability	<ul style="list-style-type: none"> ● Board is constantly held responsible and accountable for the efficient and effective governance ● Dismiss directors who are not transparent, accountable and responsible ● Board is held accountable and responsible for the efficient and effective governance ● Willing to take corrective actions to keep the Group on a strategic path that is ethical and sustainable ● Justify its decisions and actions to Shareholders ● Where the Board has serious reservations about the performance or integrity of a Board member, the Board shall take appropriate actions
Discussability	<ul style="list-style-type: none"> ● Corporate governance procedures followed and reviewed for improvement ● Adopt and follow sound policies and objectives after full deliberations. ● Make amendments bring them in line with the principles of good corporate governance
Achievability	<ul style="list-style-type: none"> ● Gives fair consideration to the legitimate interests ● Plan shall be developed and implemented for the Director to acquire the necessary skills or to develop appropriate behavioural patterns

The review of the governance charter of KCB Bank generated the following results:

<ul style="list-style-type: none"> ● It is everybody's responsibility to prevent and report fraud and misappropriation ● Integrity ● Prevention, detection and investigation of fraud ● KCB values honesty, integrity and ethics ● Provide transparency and fair dealing ● Adopt best practices in corporate governance ● Transparency and accountability ● Zero tolerance on unethical business practices ● Emphasizes the importance of making the right decisions and behaving in a manner that builds respect and trust in the organization ● A culture of compliance, honesty and ethical behaviour ● KCB Group does not tolerate fraud, corrupt conduct, bribery, unethical behaviour, legal or regulatory non-compliance ● Prohibited from passing inside information ● Directors are able to speak freely and contribute effectively ● Encourages all people to speak up about issues or conduct that concerns them. ● Protects and supports whistle blowers ● KCB regular review its corporate governance
--

Thematic review of the governance charter of KCB Bank had the following results:

Theme	
Clarity	<ul style="list-style-type: none"> ● It is everybody's responsibility to prevent and report fraud and misappropriation ● Integrity
Congruency	<ul style="list-style-type: none"> ● Prevention, detection and investigation of fraud ● KCB values honesty, integrity and ethics ● Provide transparency and fair dealing ● Adopt best practices in corporate governance ● Transparency and accountability ● Zero tolerance on unethical business practices ● Emphasizes the importance of making the right decisions and behaving in a manner that builds respect and trust in the organization ● A culture of compliance, honesty and ethical behaviour ● KCB Group does not tolerate fraud, corrupt conduct, bribery, unethical behaviour, legal or regulatory non-compliance ● Prohibited from passing inside information
Supportability	<ul style="list-style-type: none"> ● Directors are able to speak freely and contribute effectively ● Encourages all people to speak up about issues or conduct that concerns them. ● Protects and supports whistle blowers
Discussability	<ul style="list-style-type: none"> ● KCB regular review its corporate governance

The review of the governance charter of Cooperative Bank generated the following results:

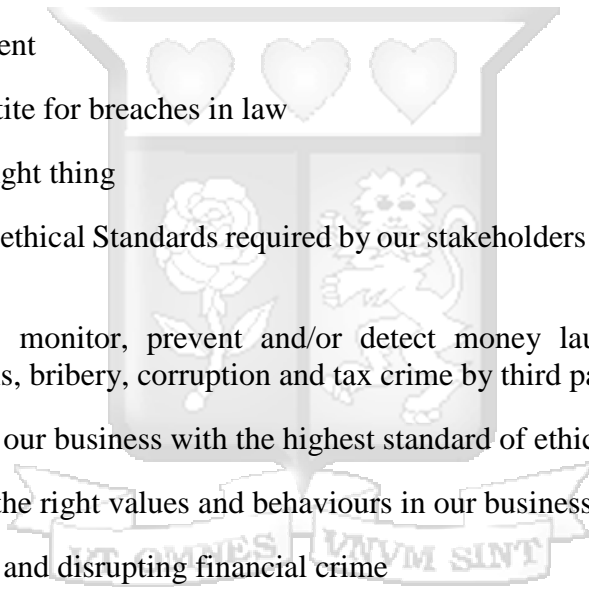
Cooperative Bank
<ul style="list-style-type: none"> ● fair treatment ● fair and responsible

- equal opportunity
- zero tolerance posture towards unethical behaviour
- key corporate objective is to be an ethical business partner and create value to stakeholders
- open, honest and transparent relationship
- highest possible standards of openness, probity and accountability
- Professionalism and integrity are demanded
- Responsibility, accountability, fairness, and transparency
- maintaining trust
- Reassure staff that they will be protected from reprisals or victimization for “whistleblowing” in good faith
- Provide avenues for staff to raise concerns and receive feedback on any action taken
- Reassure staff that they will be protected from reprisals or victimization for “whistleblowing” in good faith

Thematic review of the charter had the following results

Theme	
Clarity	<ul style="list-style-type: none"> ● Fair treatment ● Fair and responsible ● Equal opportunity
Congruency	<ul style="list-style-type: none"> ● Zero tolerance posture towards unethical behaviour ● Key corporate objective is to be an ethical business partner and create value to stakeholders ● Open, honest and transparent relationship ● Highest possible standards of openness, probity and accountability ● Professionalism and integrity is demanded ● Responsibility, accountability, fairness, and transparency ● Maintaining trust
Supportability	<ul style="list-style-type: none"> ● Reassure staff that they will be protected from reprisals or victimization for “whistleblowing” in good faith
Discussability	<ul style="list-style-type: none"> ● Provide avenues for staff to raise concerns and receive feedback on any action taken ● Reassure staff that they will be protected from reprisals or victimization for “whistleblowing” in good faith

The review of the governance charter of Standard Chartered Bank generated the following results:

- 
- integrity
 - equality
 - fair
 - transparent
 - no appetite for breaches in law
 - do the right thing
 - Highest ethical Standards required by our stakeholders and ensure fair outcomes for our client
 - manage, monitor, prevent and/or detect money laundering, non-compliance with sanctions, bribery, corruption and tax crime by third parties
 - conduct our business with the highest standard of ethics and integrity
 - Embed the right values and behaviours in our business practice
 - fighting and disrupting financial crime
 - ethical business practice
 - practice ethical standards
 - exemplify good judgement and behaviour
 - Highest standards of corporate governance
 - open and transparent
 - All employees are encouraged to report alleged irregularities of a general, operational and financial nature in the Company

Thematic review of the charter had the following results:

Theme	
Clarity	<ul style="list-style-type: none"> ● Integrity ● Equality ● Fair ● Transparent
Congruency	<ul style="list-style-type: none"> ● No appetite for breaches in law ● Do the right thing ● Highest ethical Standards required by our stakeholders and ensure fair outcomes for our client ● Manage, monitor, prevent and/or detect money laundering, non-compliance with sanctions, bribery, corruption and tax crime by third parties ● Conduct our business with the highest standard of ethics and integrity ● Embed the right values and behaviours in our business practice ● Fighting and disrupting financial crime ● Ethical business practice ● Practice ethical standards ● Exemplify good judgment and behaviour ● Highest standards of corporate governance ● Open and transparent
Discus sability	<ul style="list-style-type: none"> ● All employees are encouraged to report alleged irregularities of a general, operational and financial nature in the Company

The review of the governance charter of Barclays Bank generated the following results:

<ul style="list-style-type: none"> ● Integrity ● Fair ● Transparency ● Will lead with Conscience ● Honesty ● Promote ethical culture ● Highest standards of corporate governance are upheld ● Embraced ethical bank practices ● Responsibility and accountability
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- Treat customers fairly
- Barclays operates an ethical and sustainable business
- Sound and corporate governance principles
- Align to the code of conduct prescribed by the CBK
- CMA code of Corporate Governance Practices
- Actively promoting whistle blowing lines
- Actively promoting whistle blowing lines
- Documents that clearly outline the behaviour and competencies expected

Thematic review of the Charter had the following results:

Theme	
Clarity	<ul style="list-style-type: none"> ● Integrity ● Fair ● Transparency ● Will lead with Conscience ● Honesty
Congruency	<ul style="list-style-type: none"> ● Promote ethical culture ● Highest standards of corporate governance are upheld ● Embraced ethical bank practices ● Responsibility and accountability ● Treat customers fairly ● Barclays operates an ethical and sustainable business ● Sound and corporate governance principles ● Align to the code of conduct prescribed by the CBK ● CMA code of Corporate Governance Practices
Supportability	<ul style="list-style-type: none"> ● Actively promoting whistle blowing lines
Visibility	<ul style="list-style-type: none"> ● Documents that clearly outline the behaviour and competencies expected
Achievability	Actively promoting whistle blowing lines

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The review of the Sustainability report for KCB generated the following terms:

- We promote transparency, disclosure, integrity and adherence
- strictly adhere to all local laws, regulations and guidelines
- board prescribes rules and ethics
- Practices sound corporate governance
- Integrity
- Tracks and disciplines discrimination
- In an effort to promote responsible conduct, KCB empowers staff members to recognize and identify fraudulent transactions through training

Thematic review of the KCB Sustainability reports generated the following results:

Theme	
Clarity	Integrity
Congruency	We promote transparency, disclosure, integrity and adherence Strictly adhere to all local laws, regulations and guidelines Board prescribes rules and ethics Practices sound corporate governance
Supportability	In an effort to promote responsible conduct, KCB empowers staff members to recognize and identify fraudulent transactions through training
Sanctionability	Tracks and disciplines discrimination

The review of the Sustainability report of Cooperative Bank generated the following terms:

- Integrity
- Trustworthy
- Open and transparent
- Determined to do the right thing
- Standards of openness, probity and accountability
- Corporate governance values are founded on the pillars of responsibility, accountability, fairness and transparency
- Development of ethical standards
- Monitor ethical conduct
- Uphold high ethical standards and act fairly and sincerely
- Stakeholders assign the utmost value to maintaining trust and abide by all relevant laws
- Communicate honesty and truthfully
- Provide avenues for staff to raise concerns and receive feedback on any action taken
- We continuously engage with Stakeholders

Thematic review of the Cooperative Bank Sustainability report had the following results:

Theme	
Clarity	Integrity Trustworthy
Congruency	Open and transparent Determined to do the right thing Standards of openness, probity and accountability Corporate governance values are founded on the pillars of responsibility, accountability, fairness and transparency Development of ethical standards Monitor ethical conduct Uphold high ethical standards and act fairly and sincerely

	<p>Stakeholders assign the utmost value to maintaining trust and abide by all relevant laws</p> <p>Communicate honesty and truthfully</p>
Supportability	<p>Reassure staff that they will be protected from reprisals or victimization for “whistleblowing” in good faith</p> <p>Group has a whistle blowing policy that encourages staff and other stakeholders to raise any pertinent issues on the bank</p>
Visibility	<p>Provide avenues for staff to raise concerns and receive feedback on any action taken</p>
Discussability	<p>Provide avenues for staff to raise concerns and receive feedback on any action taken</p> <p>We continuously engage with Stakeholders</p>
Achievability	<p>Provide avenues for staff to raise concerns and receive feedback on any action taken</p>

How does Directors training include Corporate Enterprise Virtues in the five largest listed Kenyan banks studied?

Thematic analysis of Equity Bank Integrated report and Code of Conduct identified the following:

Key Phrases
When a board member is to be placed in the bank’s board they look at their academic qualifications, experience, and age, (Equity Bank, 2018).
All the directors shall undergo training at least once in three years on issues regarding legal reforms, and corporate governance, (Equity Bank, 2018).
Board members to have twelve hours of continuous education on corporate governance, (Equity Bank, 2018).

With three members of the Bank’s board having gotten presidential awards, two hold honorary doctorates, two hold earned PhDs, and three have Masters degrees, (Equity Bank, 2018).
Many are members of professional bodies.
There are Board members with accounting and financial management experience
Some Directors have banking and financial experience
There is more Accounting, banking, financial investment experience,.
Accounting, auditing, leadership and management
Strategic Management & Marketing. Finance & Accounting, pension and tax
Finance, operations, strategic planning. The Members undergo training at Strathmore for anti-money laundering and countering the financing of terrorist activities, (Equity Bank, 2018).

The key Phrases identified for KCB Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Key Phrases
For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities, (KCB Bank, 2018).
One Director has studied at Wharton School focusing in Executive Development. Additionally, the director has also studied corporate governance at Harvard Business School. He has also been in the banking industry for over thirty years, (KCB Bank, 2018).
There is a director with Master’s in Public Administration from Harvard University, (KCB Bank, 2018).
One Director Biwott has had over thirty-eight years’ experience in aviation. Apart from that he has a master’s degree from the University of Hertfordshire in Civil Emergency and Crisis Management, (KCB Bank, 2018).
There is also Adil Khawaja who has a law degree from the University of Sheffield. She also holds a diploma in law from the Kenya School of Law as well as being a certified public secretary in Kenya, (KCB Bank, 2018).
The Board member Tom Ipomai has specialized in corporate finance. Additionally, he has a degree in Computer Science from the university of Nairobi,(KCB Bank, 2018).
Lawrence Kimathi has over twenty years’ experience in senior leadership as he has worked with various companies as a senior leader, (KCB Bank, 2018).

The CEO has a Master's degree in Business Administration and also has many years of experience, (KCB Bank, 2018).
For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities, (KCB Bank, 2018).
One Director has studied at Wharton School focusing in Executive Development. Additionally, the director has also studied corporate governance at Harvard Business School. He has also been in the banking industry for over thirty years, (KCB Bank, 2018).
There is a director with Master's in Public Administration from Harvard University, (KCB Bank, 2018).

The key Phrases identified for Cooperative Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Key Phrases
Training on corporate governance for directors supports congruency
William Mayar Wol, is the chairman whose age is fifty-six has a higher diploma in Agriculture Economics. A bachelor's degree in Agriculture Engineering. He has vast experience having served as the Head of government banking in Co-operative bank in South Sudan, (Co-op Bank, 2018).
Another is Elijah Wamalwa who is aged forty-five and has a master's degree in governance, (Co-op Bank, 2018).
Prof. Mathew Gordon who is sixty has vast experience in academic and the civil service in South Sudan for over thirty years. He has a Master's degree in Animal Production, (Co-op Bank, 2018).
Another Director Hon. Ocum Genes Karlos who is sixty-one has also a vast experience. He has twelve years' experience working with the United Nations. He has a Master's degree in Qualifying Certificate in Business Administration, (Co-op Bank, 2018).

The key Phrases identified for Barclays Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Key Phrases
Directors attend anti-money laundering and cyber security training during the year to boost their skills, (Barclays Bank of Kenya, 2018).

Jeremy Awori - 48 MBA, McGill University (Canada), (Barclays Bank of Kenya, 2018).
Yusuf Omari - 45 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, Strathmore Business School , (Barclays Bank of Kenya, 2018).
Dr. Leila Macharia (48) LLD, Stanford Law School (US)LLM, Stanford Law School (US) LLM, Cornell Law School (US), (Barclays Bank of Kenya, 2018).
Norah Ochieng' Odwesso - 51 MA, Finance and Investment, University of Exeter (UK), (Barclays Bank of Kenya, 2018).
Winnie Ouko - 48 MBA, Cornell University (US), (Barclays Bank of Kenya, 2018).
Patricia Ithau - 53 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, United States International University Africa, (Barclays Bank of Kenya, 2018).
Onyango Otieno 54 MBA, Long Island University, (Barclays Bank of Kenya, 2018).
Stella Gacharia Kariuki - 40 MBA, University of Leicester (UK), (Barclays Bank of Kenya, 2018).

The key Phrases identified for Standard Chartered Bank on review of their code of conduct, integrated report and sustainability report were as follows:

Key Phrases
"Director training on financial crime compliance, anti-money Laundering, anti-bribery and corruption, enterprise risk management, culture, gender, diversity & inclusion, (Standard Chartered Bank Kenya Limited, 2018)"
One of the Director's Anne who is fifty-eight has a lot of experience in the financial sector as she has had senior positions in different banks. As well as being a CEO in a micro finance institution, (Standard Chartered Bank Kenya Limited, 2018).
Kariuki who is fifty-three has over twenty-three years of retail banking experience, (Standard Chartered Bank Kenya Limited, 2018).
There is Chemutai who is forty-nine who has been part of the bank for eighteen years as well as having a vast experience in the finance sector, (Standard Chartered Bank Kenya Limited, 2018).
Ian Bryden who is sixty-three has vast experience in different sectors Credit, Wholesale Banking, structured export finance and investment banking, (Standard Chartered Bank Kenya Limited, 2018).
Imtiaz Khan has over 25 years' experience in private equity, financial markets investment, corporate finance advisory and audit, (Standard Chartered Bank Kenya Limited, 2018).
Les who is sixty-four is a professional financial manager with over twenty years experience at Director level, (Standard Chartered Bank Kenya Limited, 2018).
Richard also fifty-seven years has over twenty years' experience, (Standard Chartered Bank Kenya Limited, 2018).
Catherine is also a director aged fifty and she is a Information Scientist with experience that spans over twenty years in Information Technology, (Standard Chartered Bank Kenya Limited, 2018).

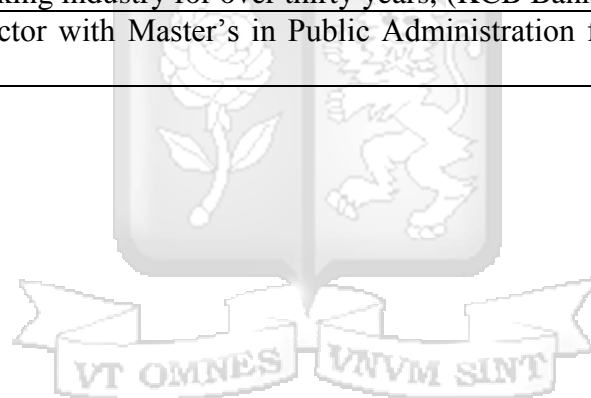
Tejinder who is forty-seven has over twenty years' experience and has previously headed the Corporate & Institutional business for Standard Chartered Bank - West Africa, (Standard Chartered Bank Kenya Limited, 2018).
"Director training on financial crime compliance, anti-money Laundering, anti-bribery and corruption, enterprise risk management, culture, gender, diversity & inclusion, (Standard Chartered Bank Kenya Limited, 2018)"

Review of the above phrases showed the following results where under the Kohlberg Model:

Equity Bank – Level III Phrases
When a board member is to be placed in the bank's board they look at their academic qualifications, experience, and age, (Equity Bank, 2018).
All the directors shall undergo training at least once in three years on issues regarding legal reforms, and corporate governance, (Equity Bank, 2018).
Board members to have twelve hours of continuous education on corporate governance, (Equity Bank, 2018).
With three members of the Bank's board having gotten presidential awards, two hold honorary doctorates, two hold earned PhDs, and three have Masters degrees, (Equity Bank, 2018).
Many are members of professional bodies.
There are Board members with accounting and financial management experience
Some Directors have banking and financial experience
There is more Accounting, banking, financial investment experience,.
Accounting, auditing, leadership and management

KCB – Level III Phrases
For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities, (KCB Bank, 2018).
One Director has studied at Wharton School focusing in Executive Development. Additionally, the director has also studied corporate governance at Harvard Business School. He has also been in the banking industry for over thirty years, (KCB Bank, 2018).

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One Director Biwott has had over thirty-eight years' experience in aviation. Apart from that he has a master's degree from the University of Hertfordshire in Civil Emergency and Crisis Management, (KCB Bank, 2018).
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Cooperative Bank – Level III Phrases
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Barclays – Level III Phrases

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Yusuf Omari - 45 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, Strathmore Business School , (Barclays Bank of Kenya, 2018).
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Patricia Ithau - 53 Advanced Management Program (AMP), Strathmore and IESE Business School MBA, United States International University Africa, (Barclays Bank of Kenya, 2018).
Onyango Otieno 54 MBA, Long Island University, (Barclays Bank of Kenya, 2018).

Standard Chartered – Level III Phrases
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Tejinder who is forty-seven has over twenty years' experience and has previously headed the Corporate & Institutional business for Standard Chartered Bank - West Africa, (Standard Chartered Bank Kenya Limited, 2018).

Review of the key phrases on training to determine the elements of CEVM included in the training, showed the main theme of Congruency:

Bank	Phrase
Equity Bank	All the directors shall undergo training at least once in three years on issues regarding legal reforms, and corporate governance.
KCB	For the Directors in the Group they are obliged to show great business judgment, honesty, strategic views and they should also be prepared to ask questions as well as critique and challenge all the leadership qualities.
Cooperative Bank	Training on corporate governance
Barclays	Directors attend anti-money laundering and cyber security training during the year to boost their skills.
Standard Chartered	Director training on financial crime compliance, anti-money Laundering, anti-bribery and corruption, enterprise risk management, culture, gender, diversity & inclusion,"

1.9 Does the virtue tenet of human flourishing contribute to a listed company

Board of Director's decision-making in the five largest listed banks in Kenya?

The review of the Code of conduct, integrated reports and sustainability reports of the top five banks to identify the main driver of sustainability resulted in the identification of the following phrases.

The following sustainability phrases were identified

Equity Bank Phrases
The bank takes priority in taking care of the society, economy and our environment, (Equity Bank, 2018).
There are policies that are formulated the group's board that enables the creation of employment as well as ensuring sustainability in the society that the banks are situated, (Equity Bank, 2018).

Should not pollute the environment and not conserve resources and neglecting needs of the society, (Equity Bank, 2018).
The bank has high regard for all its stakeholders and takes care of them making it a corporate citizen, (Equity Bank, 2018).
Equity bank ensures that it advocates for socio-economic success of all the individuals in Africa, (Equity Bank, 2018).
The bank also ensures that neglected individuals are made part of the financial system that makes them take advantage of the social payments to pay for their basic needs, (Equity Bank, 2018).
The group has certain dedicated programs that have shown to have an efficient way of ensuring cash is available to the poorest that aids them to begin useful ventures (Equity Bank, 2018).
Due to poverty in many communities the group has come to the aid by providing economic opportunities, tools, and various technologies that ensures the people increase their productivity and ensures socio-economic growth, (Equity Bank, 2018).
The Group has invested and has provided opportunities to ensure that education is provided to the society so that it can give leadership and career development so that the cycle of poverty among families is broken, (Equity Bank, 2018).
The Group works with the farmers to ensure they have more production capabilities, (Equity Bank, 2018).
To ensure that health care is universal to all, the group has invested in giving financing health and the private sector that leads to affordable and accessible healthcare for all, (Equity Bank, 2018).
The Group has also offered to give their financial services to the poorest families so that they can be out of poverty, (Equity Bank, 2018).
The group supports conservation of our natural resources by ensuring that the forest cover is prioritized, and ensuring there is water security. Additionally, it emphasizes on using renewable energy, (Equity Bank, 2018).
Enhanced Prosperity: Financial literacy and inclusion improved
The bank prides itself in providing secondary and tertiary education that helps them be leaders and have careers in future so that the cycle of poverty is eliminated.
The group has a program that has succeeded in inspiring compassion and commitment by the Kenyan community to take the bright, and needy students to school.
The equity foundation assists in ensuring that there is financial capability and a family's financial security by bringing together individuals that are at the bottom of the pyramid to proficient financial education training and expanding their access to financial services and products.
The bank provides affordable, high-quality, and standardized health care services for families that are not able to do it on their own.
The equity foundation supports our farmers by supporting them so that their production can increase, providing them with access to technology, and financial support.
The equity foundation seeks to increase awareness on the benefits of using clean energy when cooking and for lighting our houses.
The equity group aims to utilize their financial and non-financial services by ensuring that the community it operates there are multiple ways for the people in the society to get out of poverty.

The bank has partnered with the Kenya's government and IFAD to give out agricultural grants by utilizing the Kenya Cereals Enhancement program that takes care of over forty thousand small-scale farmers to ensure that there is increased production and profitability.
The foundation strives to enhance quality of life and ensure a healthy future by providing high quality and standardized health care.
The equity foundations strive to help women and girls in the community we operate these will aid in driving economic growth.
To date, Equity has supported over seventy-five thousand households with an estimated three hundred thousand individuals who have benefited from clean energy products such as solar and clean cook stoves
Equity wants to bridge the gap between education to employment that exist among Kenya youth.
The bank has partnered with the government to give put microfinance loans to ensure the lives of the people are improved.
Equity has adopted ICT to ensure we reduce our energy consumption and our material consumption by having the tier four green data centre.
We support the productive use of energy usage as well as other energy saving initiatives.
We ensure that we have energy audits and retrofits funding so that power consumption is minimized in commercial and residential buildings hence supporting effective energy consumption.
We have the best market practices to improve our energy efficiency
The bank has a risk management function that deals with ensuring that we abide by regulations concerning money laundering and countering the financing of terrorism, bribery, and fraud.
Enhanced access to educational and professional opportunities

The sustainability phrases identified for KCB Bank were as follows:

KCB Bank
KCB as a bank permitted the Social and Environmental System (SEMS) in 2015 that was placed in the bank's credit system. Ensuring that only companies that meet the required social and environmental conditions are approved for a loan, (KCB Bank, 2018).
The group main goal is to provide a better tomorrow for the coming generations. Therefore, we ensure a Sustainable finance initiative, (KCB Bank, 2018).
There is the Ijijiri program that aims to create many entrepreneurs over the next five years, (KCB Bank, 2018).
The KCB group aims to empower our youth to ensure that they take a hold of their future and they do not have to depend on just being employed, (KCB Bank, 2018).
The group has invested in funding meaningful projects in the climate-smart agriculture, renewable energy and providing low housing costs for Kenyans, (KCB Bank, 2018).
The group helps communities by focusing on education, health, the environment, and other humanitarian activities, (KCB Bank, 2018).
Our aim is to ensure that as a group we contribute to the accomplishment of SDG number one that is eradicating poverty, (KCB Bank, 2018).

The bank aims to empower the youth so that they can be in charge of their future hence they will not be dependent on being formally employed.
The Banks has the capability to have impactful projects that in the climate smart agriculture, renewable energy, and low-cost housing in the community.
no poverty empowering youth and community
The bank aims to for a future of sustainable cities and lend responsibly to the society.
responsible consumption and leaving a friendly environmental footprint
the bank is giving power to the people by giving them access to financial information and education by utilizing our digital channels.
We support the society we operate in through various social responsibilities like financing education, enterprise development, health, environment, and other humanitarian involvements.
The bank is collaborating with Kenyatta university and Safaricom by giving educational chances to individuals living with disability by putting them through the M-PESA foundation academy.
KCB supports farmers by giving them seedlings, nutrients, construction materials for their green houses and ensuring that they are financially literate.
used its funding from the bank to purchase variable frequency devices that were put in high energy demand devices to reduce energy consumption.
The bank supports over three hundred and fifty thousand farmers so as to support agriculture and rural growth by giving capital.
The Bank has a green agenda that supports preserving the environment.
The bank financed the purchasing of the state-of-the-art waste management system as recycling is also our key business.
The bank has the 2jiajiri initiative that helps fight poverty.
The bank strives to help children that have lost one or both of their parents by assuring parents that their children will be taken care of.
We the bank plans to focus on other sectors like healthcare and hospitality.
We want to support a healthy financial industry at the local, regional, and global levels.

The sustainability phrases identified for Cooperative Bank were as follows:

Cooperative Bank Phrases
As Co-operative bank we pride ourselves in aiding all our stakeholders manage the economic and the environmental challenges and ensure that we invest for a better future. Thus this contributes to a sustainable development of our environment, (Co-op Bank, 2018).
Co-operative bank group will always make health, safety, and environmental protection its top priority and actively fulfill its social responsibilities, (Co-op Bank, 2018).
Co-operative bank will ensure that it handles all the challenges that are in the nations in which we are located, (Co-op Bank, 2018).
We us a bank will work towards ensuring that poor children are taken through school, ensuring the organisations are empowered, ensure that our workplaces are inclusive and diversified. We also ensure that we contribute towards clean energy sources, (Co-op Bank, 2018).
As Co-operative bank we must ensure that we support economic and social development, environmental protection to ensure that the communities in which we operate are successful in the long, (Co-op Bank, 2018).

As co-operative bank we conduct our business in a way that does not pollute the environment or destroy our natural resources to ensure that it is there for future generations, (Co-op Bank, 2018).
As a bank we do our part by ensuring the younger generation has access to education from secondary to university, (Co-op Bank, 2018).
Ensure that the group operates as a responsible corporate citizen by investing in the communities, engaging in sustainable programs particularly on education, agriculture and environment
Co-operative bank is working with different stakeholders that take part in ensuring there is no more poverty, accessible education, adequate healthcare services, and financial inclusion in the community.
Co-op value climate and sees that climate change is a strategic matter that needs full incorporation with all the business procedures and other forms of decision making.
The banks adopt the 3R policy of Retain, Recycle, and Re-use.
We ensure that we aid our consumers by eliminated emissions, saving energy, and reduce other costs by giving backing for energy efficiency and renewable energy.
The bank supports the Paris Agreement on climate change hence the bank prioritizes low carbon emission and supporting renewable energy.
The bank now uses green gases gear so that we can be in compliance with the Kyoto protocol and the green environment envisioned in the future.
The continues to see recognition for its effort in ensuring growth, eradicating poverty, and ensuring there is financial inclusion in Kenya.
By having a sustainable value piece in this report shows our commitment to preserve our environment.
Contribution towards eradicating poverty, and reducing global warming
Co-operative bank is working with different stakeholders that take part in ensuring there is no more poverty, accessible education, adequate healthcare services, and financial inclusion in the community.
We are demonstrating our commitment to our society and leadership in our industry by ensuring we use energy efficiently.
We always protect our employees by ensuring their safety and health.
Board approved Environmental and Social Management Policy to ensure positive impact.
We ensure that the various environmental organisations that we support demonstrate the highest standard of environmental care.
Co-op value climate and sees that climate change is a strategic matter that needs full incorporation with all the business procedures and other forms of decision making.
We adopt the 3Rs policy of Retain, Recycle, and Re-use. Like shredded papers are handed over to recyclers.
We ensure we save energy and reduce costs by backing energy efficiency and renewable energy generation projects from small to big organisations.

The sustainability phrases identified for Barclays Bank were as follows:

Barclays Bank

We provide Scholarships for needy bright students to ensure they get the needed education.
As a Bank we ensure that the young generation can easily get work internships to make them job ready by partnering with other institutions.
Reduced carbon emissions from the physical footprint rationalization and efficient occupation of spaces
Reduced consumption of paper through various paperless initiatives
Sustainable investments in education, enterprise development and financial literacy
Investments to improve environmental impact
Increased environmental footprint, through reduced carbon emissions
Sustained significant investments in education, as we believe there is a positive correlation between the quality of education and economic prosperity
We offered over five hundred scholarships for students from sixty different universities
We have a program that supports women known as SheTradesKE that supports over two thousand women that are entrepreneurs to help them grow their business.
The Bank supports economic growth through tourism by giving sponsorship to the Magical Kenya Open.
We support the economy by financing various activities in the country.
As a bank we ensure we take care of the environment we operate and ensure others do the same.
We ensure that we are inclusive and diverse when we are getting vendors to award them tenders so that women, youth and individuals living with disability are taken into consideration.
The bank has #15toSaveALife initiative with the aim of ensuring enough awareness is made on why it is important to donate blood.
We reduce our carbon footprint by reviewing the bank's energy management procedures.
We have an energy conservation plan.
The bank has an energy management policy that shows the ways energy is supposed to be utilized.
We aim to reduce our overall emission to the environment.
We have partnered with an organisation that allows us to buy toilet paper at subsidized rates by trading some of the costs with our shredded paper waste that is in turn recycled.

The sustainability phrases identified for Standard Chartered Bank were as follows:

Standard Chartered Bank
We ensure that we participate in the economic development of the nation we operate to ensure the long-term prospering of the community.
As a bank we ensure we invest back to our community to ensure we contribute to a sustainable economic development.
Before providing financial services to sectors like energy, water, and agriculture we ensure we make use of position statements.

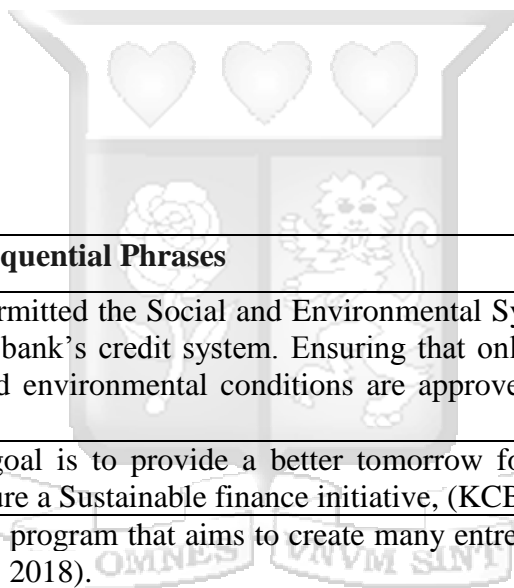
As Standard Chartered, we ensure that we manage the environmental and social risks in a responsible manner. We work with the government and our stakeholders to allay the impact that comes from decisions of our finances.
Implement appropriate measures to improve the identification and reporting of this crime in a bid to disrupt the illegal income generated by the trade in wildlife products such as elephant tusks, rhino horns and pangolin scales.
To ensure equality among all we are disability-confident company and work to ensure that we eradicate disability barricades and all the related biasness to ensure that it is accessible to our employees and our stakeholders.
We work to minimize the environmental impact of our operations. We have goals that are defined to reduce the rate of our energy and water usage across our facilities.
We also commissioned a wastewater treatment plant in November 2018.
We have a program called seeing is believing that help mitigate avoidable blindness and visual damage.
Goal programme seeks to empower girls and young women through education and sports committed to building financial capability among youth to engrain financial responsibility and positive behaviour change earlier in life
we shall launch a new global campaign – the future makers by Standard Chartered, aimed at helping the next generation learn, earn and grow.
The bank has sustainable priorities that leads to a sustainable economic growth. We are a responsible organisation and we invest in our community and giving ways on how we act to different social and environmental concerns and find opportunities that help sustainable development.
we have ceased providing financing for new coal-fired power plants anywhere in the world.

The analysis of the above phrases on whether the sustainability theme was either consequential, deontological or virtue based generated the following results:

Equity Bank – Consequential Phrases
The bank takes priority in taking care of the society, economy and our environment, (Equity Bank, 2018).
There are policies that are formulated the group’s board that enables the creation of employment as well as ensuring sustainability in the society that the banks are situated, (Equity Bank, 2018).
Should not pollute the environment and not conserve resources and neglecting needs of the society, (Equity Bank, 2018).
The bank has high regard for all its stakeholders and takes care of them making it a corporate citizen, (Equity Bank, 2018).
Equity bank ensures that it advocates for socio-economic success of all the individuals in Africa, (Equity Bank, 2018).
The bank also ensures that neglected individuals are made part of the financial system that makes them take advantage of the social payments to pay for their basic needs, (Equity Bank, 2018).

The group has certain dedicated programs that have shown to have an efficient way of ensuring cash is available to the poorest that aids them to begin useful ventures (Equity Bank, 2018).
Due to poverty in many communities the group has come to the aid by providing economic opportunities, tools, and various technologies that ensures the people increase their productivity and ensures socio-economic growth, (Equity Bank, 2018).
The Group has invested and has provided opportunities to ensure that education is provided to the society so that it can give leadership and career development so that the cycle of poverty among families is broken, (Equity Bank, 2018).
The Group works with the farmers to ensure they have more production capabilities, (Equity Bank, 2018).
To ensure that health care is universal to all, the group has invested in giving financing health and the private sector that leads to affordable and accessible healthcare for all, (Equity Bank, 2018).
The Group has also offered to give their financial services to the poorest families so that they can be out of poverty, (Equity Bank, 2018).
The group supports conservation of our natural resources by ensuring that the forest cover is prioritized, and ensuring there is water security. Additionally, it emphasizes on using renewable energy, (Equity Bank, 2018).
Enhanced Prosperity: Financial literacy and inclusion improved
The bank prides itself in providing secondary and tertiary education that helps them be leaders and have careers in future so that the cycle of poverty is eliminated.
The group has a program that has succeeded in inspiring compassion and commitment by the Kenyan community to take the bright, and needy students to school.
The equity foundation assists in ensuring that there is financial capability and a family's financial security by bringing together individuals that are at the bottom of the pyramid to proficient financial education training and expanding their access to financial services and products.
The bank provides affordable, high-quality, and standardized health care services for families that are no able to do it on their own.
The equity foundation supports our farmers by supporting them so that their production can increase, providing them with access to technology, and financial support.
The equity foundation seeks to increase awareness on the benefits of using clean energy when cooking and for lighting our houses.
The equity group aims to utilize their financial and non-financial services by ensuring that the community it operates there are multiple ways for the people in the society to get out of poverty.
The bank has partnered with the Kenya's government and IFAD to give out agricultural grants by utilizing the Kenya Cereals Enhancement program that takes care of over forty thousand small-scale farmers to ensure that there is increased production and profitability.
The foundation strives to enhance quality of life and ensure a healthy future by providing high quality and standardized health care.
The equity foundations strive to help women and girls in the community we operate these will aid in driving economic growth.
To date, Equity has supported over seventy-five thousand households with an estimated three hundred thousand individuals who have benefited from clean energy products such as solar and clean cook stoves

Equity wants to bridge the gap between education to employment that exist among Kenya youth.
The bank has partnered with the government to give put microfinance loans to ensure the lives of the people are improved.
Equity has adopted ICT to ensure we reduce our energy consumption and our material consumption by having the tier four green data centre.
We support the productive use of energy usage as well as other energy saving initiatives.
We ensure that we have energy audits and retrofits funding so that power consumption is minimized in commercial and residential buildings hence supporting effective energy consumption.
We have the best market practices to improve our energy efficiency
The bank has a risk management function that deals with ensuring that we abide by regulations concerning money laundering and countering the financing of terrorism, bribery, and fraud.
Enhanced access to educational and professional opportunities



KCB Bank Consequential Phrases
KCB as a bank permitted the Social and Environmental System (SEMS) in 2015 that was placed in the bank's credit system. Ensuring that only companies that meet the required social and environmental conditions are approved for a loan, (KCB Bank, 2018).
The group main goal is to provide a better tomorrow for the coming generations. Therefore, we ensure a Sustainable finance initiative, (KCB Bank, 2018).
There is the Ijajiri program that aims to create many entrepreneurs over the next five years, (KCB Bank, 2018).
The KCB group aims to empower our youth to ensure that they take a hold of their future and they do not have to depend on just being employed, (KCB Bank, 2018).
The group has invested in funding meaningful projects in the climate-smart agriculture, renewable energy and providing low housing costs for Kenyans, (KCB Bank, 2018).
The group helps communities by focusing on education, health, the environment, and other humanitarian activities, (KCB Bank, 2018).
Our aim is to ensure that as a group we contribute to the accomplishment of SDG number one that is eradicating poverty, (KCB Bank, 2018).
The bank aims to empower the youth so that they can be in charge of their future hence they will not be dependent on being formally employed.
The Banks has the capability to have impactful projects that in the climate smart agriculture, renewable energy, and low-cost housing in the community.
no poverty empowering youth and community
The bank aims to for a future of sustainable cities and lend responsibly to the society.
responsible consumption and leaving a friendly environmental footprint

the bank is giving power to the people by giving them access to financial information and education by utilizing our digital channels.
We support the society we operate in through various social responsibilities like financing education, enterprise development, health, environment, and other humanitarian involvements.
The bank is collaborating with Kenyatta university and Safaricom by giving educational chances to individuals living with disability by putting them through the M-PESA foundation academy.
KCB supports farmers by giving them seedlings, nutrients, construction materials for their green houses and ensuring that they are financially literate.
used its funding from the bank to purchase variable frequency devices that were put in high energy demand devices to reduce energy consumption.
The bank supports over three hundred and fifty thousand farmers so as to support agriculture and rural growth by giving capital.
The Bank has a green agenda that supports preserving the environment.
The bank financed the purchasing of the state-of-the-art waste management system as recycling is also our key business.
The bank has the 2jjajiri initiative that helps fight poverty.
The bank strives to help children that have lost one or both of their parents by assuring parents that their children will be taken care of.
We the bank plans to focus on other sectors like healthcare and hospitality.
We want to support a healthy financial industry at the local, regional, and global levels.
The bank aims to empower the youth so that they can be in charge of their future hence they will not be dependent on being formally employed.

Cooperative Bank Consequential Phrases
As Co-operative bank we pride ourselves in aiding all our stakeholders manage the economic and the environmental challenges and ensure that we invest for a better future. Thus this contributes to a sustainable development of our environment, (Co-op Bank, 2018).
Co-operative bank group will always make health, safety, and environmental protection its top priority and actively fulfill its social responsibilities, (Co-op Bank, 2018).
Co-operative bank will ensure that it handles all the challenges that are in the nations in which we are located, (Co-op Bank, 2018).
We us a bank will work towards ensuring that poor children are taken through school, ensuring the organisations are empowered, ensure that our workplaces are inclusive and diversified. We also ensure that we contribute towards clean energy sources, (Co-op Bank, 2018).
As Co-operative bank we must ensure that we support economic and social development, environmental protection to ensure that the communities in which we operate are successful in the long, (Co-op Bank, 2018).
As co-operative bank we conduct our business in a way that does not pollute the environment or destroy our natural resources to ensure that it is there for future generations, (Co-op Bank, 2018).

As a bank we do our part by ensuring the younger generation has access to education from secondary to university, (Co-op Bank, 2018).
Ensure that the group operates as a responsible corporate citizen by investing in the communities, engaging in sustainable programs particularly on education, agriculture and environment
Co-operative bank is working with different stakeholders that take part in ensuring there is no more poverty, accessible education, adequate healthcare services, and financial inclusion in the community.
Co-op value climate and sees that climate change is a strategic matter that needs full incorporation with all the business procedures and other forms of decision making.
The banks adopt the 3R policy of Retain, Recycle, and Re-use.
We ensure that we aid our consumers by eliminated emissions, saving energy, and reduce other costs by giving backing for energy efficiency and renewable energy.
The bank supports the Paris Agreement on climate change hence the bank prioritizes low carbon emission and supporting renewable energy.
The bank now uses green gases gear so that we can be in compliance with the Kyoto protocol and the green environment envisioned in the future.
The continues to see recognition for its effort in ensuring growth, eradicating poverty, and ensuring there is financial inclusion in Kenya.
By having a sustainable value piece in this report shows our commitment to preserve our environment.
Contribution towards eradicating poverty, and reducing global warming
Co-operative bank is working with different stakeholders that take part in ensuring there is no more poverty, accessible education, adequate healthcare services, and financial inclusion in the community.
We are demonstrating our commitment to our society and leadership in our industry by ensuring we use energy efficiently.
We always protect our employees by ensuring their safety and health.
Board approved Environmental and Social Management Policy to ensure positive impact.
We ensure that the various environmental organisations that we support demonstrate the highest standard of environmental care.
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We ensure we save energy and reduce costs by backing energy efficiency and renewable energy generation projects from small to big organisations.

Barclays Bank Consequential Phrases
We provide Scholarships for needy bright students to ensure they get the needed education.
As a Bank we ensure that the young generation can easily get work internships to make them job ready by partnering with other institutions.

Reduced carbon emissions from the physical footprint rationalization and efficient occupation of spaces
Reduced consumption of paper through various paperless initiatives
Sustainable investments in education, enterprise development and financial literacy
Investments to improve environmental impact
Increased environmental footprint, through reduced carbon emissions
Sustained significant investments in education, as we believe there is a positive correlation between the quality of education and economic prosperity
We offered over five hundred scholarships for students from sixty different universities
We have a program that supports women known as SheTradesKE that supports over two thousand women that are entrepreneurs to help them grow their business.
The Bank supports economic growth through tourism by giving sponsorship to the Magical Kenya Open.
We support the economy by financing various activities in the country.
As a bank we ensure we take care of the environment we operate and ensure others do the same.
We provide Scholarships for needy bright students to ensure they get the needed education.
We ensure that we are inclusive and diverse when we are getting vendors to award them tenders so that women, youth and individuals living with disability are taken into consideration.
The bank has #15toSaveALife initiative with the aim of ensuring enough awareness is made on why it is important to donate blood.
We reduce our carbon footprint by reviewing the bank's energy management procedures.
We have an energy conservation plan.
The bank has an energy management policy that shows the ways energy is supposed to be utilized.
We are aiming to reduce the emissions from our bank especially from diesel trucks we own

Standard Chartered Bank – Consequential Phrases
We ensure that we participate in the economic development of the nation we operate to ensure the long-term prospering of the community.
As a bank we ensure we invest back to our community to ensure we contribute to a sustainable economic development.
Before providing financial services to sectors like energy, water, and agriculture we ensure we make use of position statements.
As Standard Chartered, we ensure that we manage the environmental and social risks in a responsible manner. We work with the government and our stakeholders to allay the impact that comes from decisions of our finances.

Implement appropriate measures to improve the identification and reporting of this crime in a bid to disrupt the illegal income generated by the trade in wildlife products such as elephant tusks, rhino horns and pangolin scales.
To ensure equality among all we are disability-confident company and work to ensure that we eradicate disability barricades and all the related biasness to ensure that it is accessible to our employees and our stakeholders.
We work to minimize the environmental impact of our operations. We have goals that are defined to reduce the rate of our energy and water usage across our facilities.
We also commissioned a wastewater treatment plant in November 2018.
We have a program called seeing is believing that help mitigate avoidable blindness and visual damage.
Goal programme seeks to empower girls and young women through education and sports
committed to building financial capability among youth to engrain financial responsibility and positive behaviour change earlier in life
we shall launch a new global campaign – the future makers by Standard Chartered, aimed at helping the next generation learn, earn and grow.
The bank has sustainable priorities that leads to a sustainable economic growth. We are a responsible organisation and we invest in our community and giving ways on how we act to different social and environmental concerns and find opportunities that help sustainable development.
we have ceased providing financing for new coal-fired power plants anywhere in the world.



Appendix 5: Research Letter



06 June 2020

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: REQUEST TO CONDUCT RESEARCH

This is to certify that **Jude Anyiko** is a final term Master of Applied Philosophy and Ethics (MAPE) student at Strathmore University. To complete his Masters, he is required to write a dissertation applying the knowledge and skills he has acquired.

Jude has titled his dissertation '*A Review of Governance Strategies for Corporate Enterprise Virtues in Five Listed Banks in Kenya*'. We shall be grateful for any assistance you can give him.

He commits to follow all confidentiality regulations and submit the findings to your institution's management before publishing or disseminating them.

We shall appreciate any assistance given to him.

Yours truly,

A handwritten signature in blue ink, appearing to read "Brian Njeru".

Brian Njeru
Research and Masters Coordinator
Master of Applied Philosophy and Ethics

Old Sangale Rd, Madiraka Estate, P.O Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email bdnjeru@strathmore.edu www.strathmore.edu

Appendix 6: Ethical Clearance Certificate

Final Decision Certificate

This document certifies that the study:

"A REVIEW OF GOVERNANCE STRATEGIES FOR CORPORATE ENTERPISE VIRTUES IN FIVE LISTED BANKS IN KENYA "

Principal Investigator: Mr. Anyiko, Jude Oluoch
Reference number: SU-IERC0832/20

Was reviewed and received the following status:

"approved"

Additional Comments: ---- Reviewer #1: 'Study approved.'



Appendix 7: Ethical Approval Letter



4th June 2020

Mr Anyiko, Jude
jude.anyiko@luthien.co.ke

Dear Mr Anyiko,

RE: A Review of Governance Strategies for Corporate Enterprise Virtues in Five Listed Banks in Kenya


This is to inform you that SU-IERC has reviewed and **approved** your above research proposal. Your application approval number is **SU-IERC0832/20**. The approval period is **4th June 2020 to 3rd June 2021**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-IERC.
- iii. Death and life threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-IERC within 72 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-IERC within 72 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-IERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,

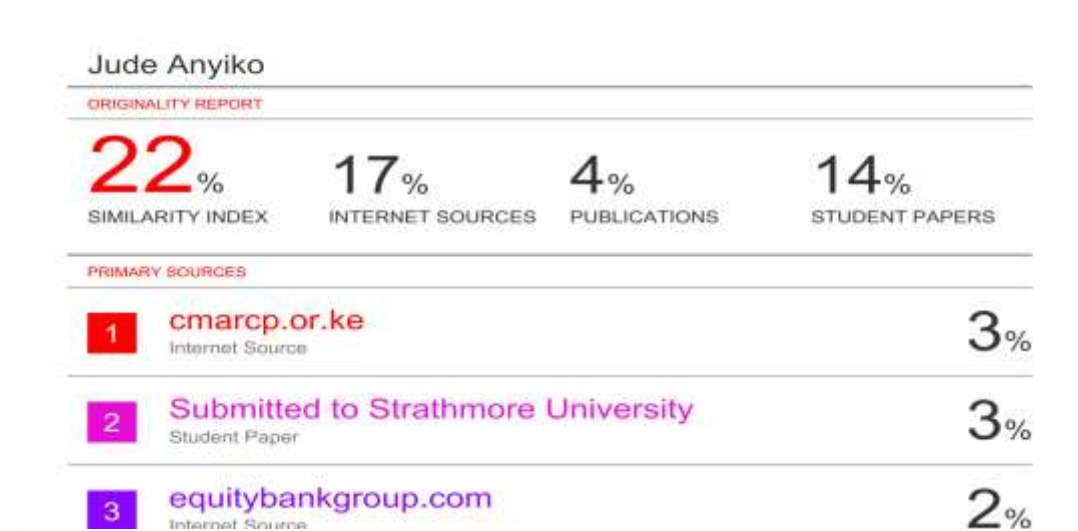

for: Dr Virginia Gichuru,
Secretary; SU-IERC

Ce: Prof Fred Were,
Chairperson; SU-IERC



Ole Sangale Rd, Madaraka Estate. PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email info@strathmore.edu www.strathmore.edu

Appendix 8: Turnitin Report



Exclude quotes Off
Exclude bibliography On

Exclude matches Off



Appendix 9: NACOSTI Research Permit


REPUBLIC OF KENYA



**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY & INNOVATION**

Ref No: **440185** Date of Issue: **14/June/2020**

RESEARCH LICENSE



This is to Certify that **Mr. Jude Anyiko** of **Strathmore University**, has been licensed to conduct research in Nairobi on the topic: **A Review of Governance Strategies for Corporate Enterprise Virtues in Five Listed Banks in Kenya for the period ending : 14/June/2021.**

License No: **NACOSTI/P/20/5197**

440185
Applicant Identification Number


Director General
**NATIONAL COMMISSION FOR
SCIENCE, TECHNOLOGY &
INNOVATION**

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