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The Nature & purpose of business: exploring the alignment between managers' perceptions and ethical corporate culture in selected Kenyan banks

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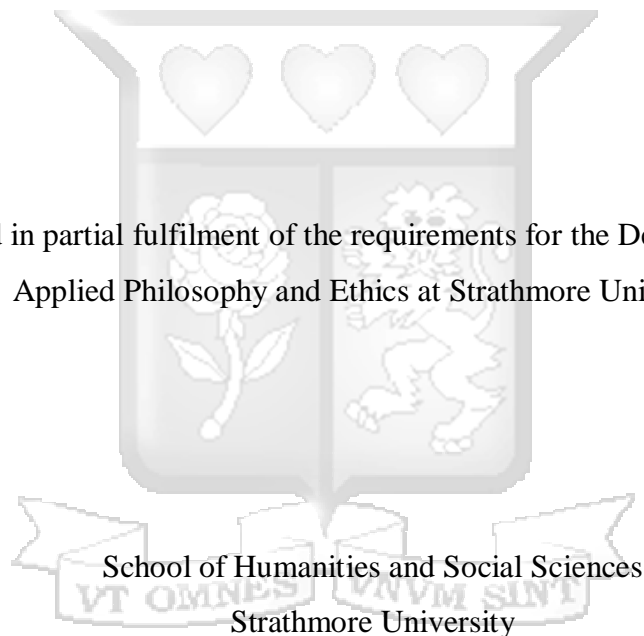
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**The Nature & Purpose of Business:
Exploring the Alignment Between Managers' Perceptions and
Ethical Corporate Culture in Selected Kenyan Banks**

Elizabeth A. Amisi

Submitted in partial fulfilment of the requirements for the Degree of Master of
Applied Philosophy and Ethics at Strathmore University



School of Humanities and Social Sciences
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June, 2019

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Elizabeth A. Amisi
30 May, 2019

Approval

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Abstract

Scholars have maintained for some time now that ethics is an integral part of organizational and corporate culture. Culture is influenced by corporate statements, primarily by the mission statement of the organization which in turn is influenced by the business theory that a business subscribes to. This study sought to explore what business theories Kenyan banks quoted on the Nairobi Securities Exchange subscribe to, and to investigate the alignment between corporate statements and manager perceptions with respect to mission, aims of business and ethical values.

The study employed a descriptive qualitative approach accomplished by studying corporate statements and interviewing senior managers of the target banks.

From a managerial perspective, analysis revealed four themes with respect to the nature and purpose of business: Social responsibility, Profitability, Service to customers and Collaborative work. On the other hand corporate statements revealed that banks see Collaborative work, Profitability and Social Responsibility as the core aims of business. In this regard bank managers polled agreed with their banks position that social responsibility is at the core of the purpose of business. There was also alignment with respect to collaborative work being viewed as an important aspect of the nature of business. With respect to the most important business values, bank managers' perceptions aligned with the banks aspirations of integrity and professionalism.

Based on the frequency of business scandals these findings imply a need for further reflection on both the nature of business and the management of codes of ethics. It is evident that there is theoretically alignment between what banks and managers say, but this alignment is not clear in practice and this may be the reason why we continue to see unethical behaviour from employees. The study recommended a deeper look at the people component of business, specifically an expansion of the moral capacity of the people who constitute business on the basis that there is no way to improve an ethical organizational culture without first improving the individual persons who embody the corporation. The study recommended that business goes back to the basics to adopt the structure of the basic unit of society- the family.

To the author's knowledge, this research is the first study that has explored the alignment between corporate culture and organizational culture in Kenyan banks.

Keywords: business ethics, mission-driven business, socially responsible business, internal motivation, humanizing business, codes of ethics, mission statement, Kenya

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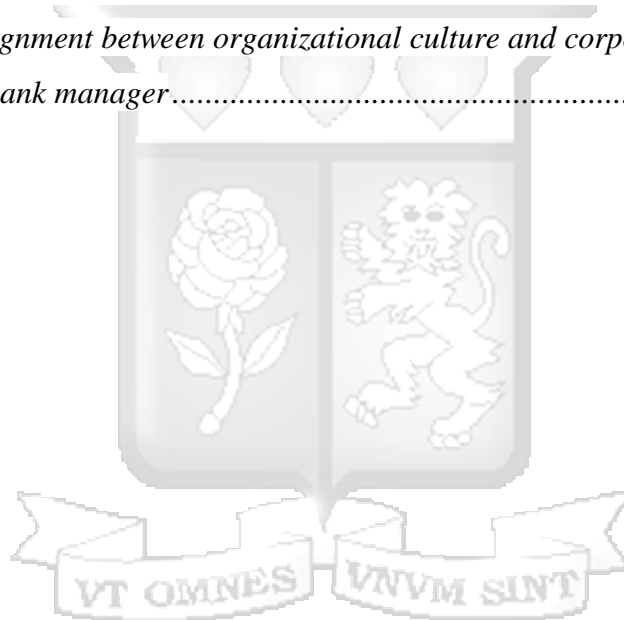
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Definition of Terms

Company	An association of individuals, created by law or under
Institution	authority of law, having a continuous existence independent of
Corporation	the existences of its members, and powers and liabilities distinct from those of its members.
Business Codes of Ethics	Sets of rules drafted to give common moral standards to an organization, with the aim of preventing the development of undesired business practices that could adversely affect business operations.
Good	Desired. Beneficial. Pertaining to the important and/or valuable. Objective. Useful in itself, or as a means for obtaining another good.
Foundational Good	Material good. Also referred to as external goods (necessary to obtain other goods). For business, applicable to profits.
Excellent Good	Immaterial good. Also referred to as internal goods, or goods of the soul. Applied in this work to technical, intellectual and moral competence, and work in common.
Common Good	The sum total of social conditions which allow people, either as groups or as individuals, to reach their fulfilment more fully and more easily.
Values	The principles that help you to differentiate right from wrong, and helps you to decide how to act in various situations.

Acknowledgements

I'm indebted to Strathmore University, through whom this research was made possible. I thank all the instructors of the Master of Applied Philosophy and Ethics (MAPE) who provided insight and expertise that greatly assisted the research. I thank Dr. Rose Catacutan, Strathmore University, for her tenacious assistance with the structure, focus and form of this study, as well as my peers in the MAPE program who offered practical assistance and made useful comments and suggestions.

I'd also like to express my gratitude to Dr. Jim McFie, Strathmore University, for sharing his pearls of wisdom during the course of this research, which helped me to look at my research problem in a different light. I'm also grateful to Prof. Christine Gichure, Strathmore University for her comments on an earlier version of the manuscript, which greatly improved the work.

I am grateful to the senior bank managers who agreed to participate in this study, without whose help the study would not have been possible. Last but not least I thank Dr. John Branya for his unfaltering support throughout the duration of my study.

I confirm that any errors in this work are my own and should not tarnish the reputations of these respected persons.



Chapter 1: Introduction

1.1 Introduction

This chapter offers an overview of business ethics in Kenya. It provides high level debate on the merits of business ethics and sets the stage for a review of the literature pertaining to the purpose of business, and the influence of ethical values on corporate and organizational culture. It also provides the scope of the study, offers a background and justification for the study and presents the research objectives and associated questions.

1.2 Background to the Study

1.2.1 The evolution of business ethics in Kenya

The corporate world has for some years now worked hard at positioning itself as socially responsible and has tried to prove that business is for CSR. We find in mission statements words such as ‘values people’, ‘acts responsibly’ ‘is fair and honest’, referring to the relationships between firms and others. Do the codes of ethics of Kenyan banks depict a fair representation of organizational missions?

Previous studies on codes of ethics as a stimulus for moral behaviour reveal a schism. According to a Meta study by Schwartz (2001), while some researchers find a significant relationship between codes and ethical behaviour, others reveal a weak/insignificant relationship. A study by Donker, Poff & Zahir (2008) found that codes of ethics did not have a major observable impact on ethical decision making. Colle & Werhane (2008) concluded that codes were effective when they supported the development of good character for both managers and employees. This study seeks to kick off the conversation on the effectiveness of corporate codes of ethics used by Kenyan companies, by exploring whether the codes of ethics in use by Kenyan banks reveal evidence of adherence to the recommended business philosophy, and if managers share the same understanding corporates about the best way to run business.

In October 1999 the corporate sector in Kenya formally adopted a national code of best practice to guide corporate governance, designed to assist individual companies

formulate their own specific and detailed codes of best practice. Its main tenets were the promotion of efficient, responsive, accountable and legitimate corporations that recognize and protect stakeholder rights. The Private Sector Initiative for Corporate Governance Report (1999) suggested that boards should define, promote, develop, put in place and protect corporate ethics as the ethics and beliefs on which the corporation premises its policies, actions and behaviour in its relationships with all who deal with it. More recently the joint Kenyan code of Ethics for Business of 2012 (Global Compact Network Kenya, n.d.) inspired by the UN Global Compact Initiative and commitments, was drafted to guide how business interacts with stakeholders.

At the launch of this joint code (KAM, 2012) it was acknowledged that the initiative would only be successful if it was first adopted by individuals, as corporations act through individuals, and would therefore only work if individual persons were committed to the joint code. Businesses were urged to sign up in order to protect their investments and focus on own business sustainability by signing up or adopting ethical behaviour.

Melé (2009b) opined that businesses pursue business ethics for various reasons, among them:

- To recover a company's image after a notorious business scandal.
- To avoid the loss of a good corporate image of being sued for misconduct.
- To build corporate reputation.
- To enhance stakeholder relationships
- To act with real commitment

The recent prevalence of business scandals in Kenya seems to suggest that perhaps for some companies the idea of corporate ethics may be limited to a window dressing gimmick meant to maintain corporate reputation, rather than a conscious and deliberate attempt to act with real commitment. Between August 2015 and June 2016, no less than three commercial banks operating in the country were put under liquidation (Gathaiya, 2017) raising questions on ethics. Prior to these, several business scandals had emerged involving companies that prominently upheld codes of ethics such as the CMC motors debacle that involved the directors of the company (Today Financial News, 2013); the Standard Chartered Bank theft by employees

(StanChart Employees, 2013); and Kenya Airways' near collapse arising from losses close to Ksh30 billion due to financial impropriety (KQ building case, 2016).

1.3 Justification of the Study

Melé defined organizational culture as the set of values, beliefs, and styles of behaviour adopted by people within an organization. He described it as 'the actual culture' and summarized it as "the way we do things around here." (Melé, 2009b, p.233). He contrasted this with corporate culture, which he described as 'the desired culture', expressed through the company's mission, vision, values, guiding principles and codes of conduct. He saw corporate culture as the ideal culture expressing how a company ought to do things. In Melé's understanding, the ethical culture of an organization is a component or a slice of its overall organizational culture that depicts how things are done in relation to ethics and ethical behaviour in the organization. For Melé, the existence of corporate mission, vision, values and codes of conduct contribute to shaping an ethical organizational culture. To attain this end, corporate statements should be well-defined and top management should clearly communicate and demonstrate their commitment to implement these statements. Mission statements, according to Drucker (1990) are supposed to capture the overriding purpose of an organization in line with the values and expectations of stakeholders and should answer the question 'what is our business for?'

Joachim (2010) studied the interface between corporate vision, mission and production and operations management and found evidence that the growth of business ethics is not positively correlated with business ethics performance. Blair-Loy, Wharton & Goodstein (2011) exploring the relationship between mission statements and work-life practices in organizations agreed, finding that businesses have failed to walk the talk. Desmidt, Prinzie & Decramer (2011) concluded the same after a meta-analysis of 20 years of research in looking for the value of mission statements. Stevens, Steensma, Harrison & Cochran (2005) cited evidence that showed that many times companies adopt an ethics culture that is legalistic without necessarily being moral, and use corporate codes of ethics not because they believe in doing business ethically, but in an effort to conform to the law. The movement of codes of ethics towards a rule-utilitarian justification had earlier been articulated by

Starr (1983). According to Cassell, Johnson & Smith (1997), “there exists a mysterious ‘black box’ between business codes of ethics and behaviour.

To close the gap between corporate culture and corporate ethical performance, Melé (2009b) proposed the need for companies to ground their corporate mission, vision, values and codes on a management philosophy that addresses deeper questions about the nature and purpose of business. Melé’s arguments correspond to one of three theories or approaches of management that are commonly recognized in business literature, namely: the common good approach. The other two approaches are the contractual or shareholder approach and the stakeholder approach, which Melé found deficient for creating an ethical corporate culture. Each of these management approaches is characterized by the aim, purpose or goal it proposes for business to pursue. In Aristotelian terms, each management view or approach proposes the “goods” or the “hierarchy of goods” that businesses aim at.

Following the Aristotelian concept of the hierarchy of goods, some business ethics scholars support a mission driven approach and claim that the purpose of business should not be limited to foundational or material goods such as profit but should also include excellent goods such as intellectual and moral excellence or the human development of the members of the firm. Using the distinction between foundational and excellent goods Alford & Naughton (2001) defined the organizational common good as the promotion of all the goods necessary for integral human development in the organization, in such a way as to respect the proper ordering of these goods. In this context, Lähdesmäki & Takala (2012) suggested that firms whose missions focus on altruism and the common good are likely to have a better ethics culture than those whose sole focus is on shareholder or stakeholder value. Siebels & zu Knyphausen-Aufseß (2012) used this idea to study family businesses and concluded that altruism and a concern for the flourishing of all were important for long term business success. Friedland & Cole (2013) made a similar discovery after taking a philosophical perspective into expanding the motivations for altruism. Similarly, Melé (2009b) maintained that the adoption of ethically correct corporate mission, vision and values are key to shaping an ethical organizational culture. However, he cautioned that to be effective, these would need to be anchored in a strong senior management commitment to implement and model these values. Leadership is often considered as one of the most important components of an ethical organizational

culture. According to Ardichvili, Mitchell & Jondle (2009), leaders are expected to represent, communicate and model high ethical standards. To be effective role models they need to maintain a long-term view of relationships within and outside the organization, desist from overemphasizing economic goals, and consistently behave in an ethical manner.

Traditionally, the shareholder view has been adopted as the predominant view of the firm. Proponents of this approach claim that the purpose of the firm is to maximize shareholder wealth. Increasingly however, the stakeholder view which proposes the creation of value for all stakeholders has been gaining ground. In the less common mission-driven approach that Melé (2009b) put forth as the approach that best caters to the common good, the good of the firm is pursued as part of the common good of society, which is considered a good superior to the sum of the parts with respect to individual stakeholders.

1.4 Problem Statement

The literature backing this study suggested that a company's perception of the purpose of business will be evidenced in its mission statement, which will in turn influence the content of corporate statements including the business codes of ethics that guide the everyday conduct that drives organizational mission. Business codes of ethics are among the tools that businesses employ to detail their values and manage business ethics. The purpose of this study was to assess the extent to which the corporate statements of selected commercial banks in Kenya are aligned with the perceptions of senior bank managers with regard to the purpose, mission and ethical values of their organization.

1.5 Research Objectives

This study was guided by the following research objectives:

- i. To explore the perceptions of Kenyan bank managers regarding the nature and purpose of business.
- ii. To describe the values prevalent in the corporate statements, i.e., the mission statements and codes of ethics of Kenyan commercial banks.

- iii. To examine the extent to which the perceptions of Kenyan bank managers regarding their organizational purpose, mission, and values are aligned with their bank's mission statements and codes of ethics.

1.6 Research Questions

The following research questions were addressed:

- i. What are the perceptions of Kenyan bank managers regarding the nature and purpose of business in general, and the mission and values of their organizations in particular?
- ii. What values are prevalent in the corporate statements, i.e., the mission statements and codes of ethics of Kenyan commercial banks?
- iii. To what extent are the perceptions of Kenyan bank managers regarding their organizational purpose, mission, and values aligned with their banks' mission statements and codes of ethics?

1.7 Scope of the Study

The respondent sample for this study was selected from commercial banks listed on the Nairobi Securities Exchange. The study was conducted among bank employees who have the rank of branch manager and above and are knowledgeable with respect to the strategy and focus of their businesses.

1.8 Significance of the Study

This study explored the perceptions of senior bank managers with regard to the purpose, mission and ethical values of their organization.

This study contributes to expanding existing research in the field of business ethics from the perspective of organizational and corporate culture in Kenyan banks.

The study could also inform practice with respect to corporate coaching when managers need to cascade their mission, or rework their codes to reflect the spirit or philosophy by which they wish and ought to operate, or re-orientate their staff on what their mission entails.

1.9 Limitations of the Study

This study employed a qualitative descriptive research design.

One of the limitations of this study, as common for qualitative studies, is the lack of generalizability and difficulty to replicate findings.

Due to the nature of the research questions, data was collected using elite interviews which in itself was a limitation of this study, because with elite interviews everything depends on getting in the door and getting access to your subject (Goldstein, 2002). Of the 11 banks listed on the NSE, 9 managers (representing 7 banks) participated in the study. Most managers agreed to participate on the recommendation of their peers (managers of other banks).

1.10 Delimitations of the Study

This study investigated whether the corporate statements of listed banks reveal the management theories embraced by the banks. It did so by analyzing target banks' mission statements and codes of ethics, and sought managerial perspectives about the management of business ethics at their banks. The study did not seek the perceptions of bank employees who were below managerial level. It also did not examine particular incidents of ethical performance or non-performance of individual banks/ bank members in the public domain or otherwise, as evidence of the performance/ non-performance of business ethics.

Chapter 2: Literature Review

2.1 Introduction

This chapter offered a review of the literature pertaining to the purpose of business from a managerial perspective and provided discussions of the agency, stakeholder and common good approaches to doing business. It explored literature for an explication of business from the Aristotelian perspective, and then went on to summarize the literature pertaining to organizational culture and corporate culture as well as ethical values and ethical conduct.

2.2 Theoretical Review

2.2.1 Purpose of business from a managerial perspective: agency, stakeholder and the common good approaches

Extant management literature presents three approaches in understanding the nature and purpose of business, namely the shareholder (or agency) approach, the stakeholder approach and the mission-driven approach. Agency theory, also referred to as the contractual approach is a shareholder approach applied by many companies especially in the Anglo-Saxon world, whose proponents led by Milton Friedman (Friedman, 2007) believed that the purpose of the firm was to maximize shareholder wealth. In this approach, managers act as agents of shareholders, bearing fiduciary duties to shareholders and serving their best interests understood as maximizing wealth. This is done while conforming to legal regulations, which is the standard by which actions are judged right or wrong. Bragues (2006) and Moore (2005) argued that the single minded drive for profits and fame annihilates ethics and that the good life and virtue are the things worthy of pursuit. Armas (2012) on his part argued that the proponents of agency theory share a skepticism towards the good of the human person and that this skepticism leads to the belief that people are inherently self-interested rather than altruistic and can never be trusted to act in the best interests of others. Corporate codes of ethics formulated in this context can therefore be expected to be legalistic and demonstrate a need to control those they address.

On the other hand, proponents of the stakeholder approach (also called the stewardship approach) as explained by Beauchamp, Bowie & Arnold (2004),

understand the purpose of the firm as the harmonization of the legitimate interests of the primary corporate stakeholders. In directing the activities of the firm, managers attempt to strike a balance among the interests of the main stakeholders. The problem with this approach is the utilitarianism arises when stakeholder needs compete and the firm has to decide which stakeholder to prioritize above others. The stakeholder approach has had many critics. Firstly, who are the stakeholders? Armas (2012) and Herracleus and Lan (2012) both argued that a stakeholder measure of managerial accountability could leave managers so much discretion that they could easily pursue their own agenda, one that maximizes no other interests but their own. Argandoña (1998) argued that the adoption of the stakeholder theory does not necessarily lead to the common good but to common interest and that by defining stakeholders as anyone with an 'interest' in the firm, this model of business can still be compatible with pursuit of self-interest. For example, in the case of a corrupt institution, the suppliers might be in cahoots with procurement officers (employees); both of these have a stake in the business but each one is after their own gain - the supplier is interested in getting his goods bought and the employee in getting a kickback if he gives the tender to a particular supplier. Melé (2009b) offered a critique for the stakeholder theory arguing that it could be found to converge with the shareholder theory. Answering the question “For whose benefit should a company be managed?” Melé cautioned that some managers accept the consideration of stakeholders interests if they contribute to shareholder value maximization in the long term, a phenomenon he called enlightened value maximization.

To fill the missing gap, Melé (2009b) proposed a mission-driven approach to business, wider than both the shareholder and stakeholder approach and arrived at from considering the firm as a community within a wider community. Here the common good of the firm is pursued in line with the common good of society and this good is considered superior to the interests of any single stakeholder. Based on the definition of the common good as the set of conditions necessary for each person to flourish individually and for the group to flourish as a whole (Pontifical Council for Justice and Peace, 2004) this approach gives equal emphasis to the virtue of the actors and the profit motive of the firm. More importantly, Melé linked this idea to another idea (Melé 2009a) in which he had highlighted the superiority of this approach as a way of doing business in which the aim is the 'perfection' of the people

working in business; by perfection it is not only self-realization but more importantly developing the capacity for virtue. Ardichvili, et al. (2009) also concluded that the mission-driven approach represents the lifeblood of the organization. These views introduce the idea of a humanistic management which considers the business enterprise as a community of persons.

Garriga & Melé (2004) distinguished four groups of corporate responsibility theories, focusing on four different aspects of the social reality: economics, politics, social integration, and ethics. In the economic focus the corporation is seen as a mere instrument for wealth creation. The political focus highlights the social power of the corporation and its responsibility in the political arena associated with its power. The third group of theories on social integration focuses on the need for business to integrate with society. The last group of theories on corporate responsibility focuses on ethics- specifically on humanizing ethics. Melé (2009a) is a proponent of this last group of theories. His idea is of a humanizing management focused on building a community of persons embedded with an organizational culture which fosters character. He considered a humanizing management as the appropriate culture for developing people. Melé argued that in this type of management, managers must motivate people to acquire virtue, and promote beliefs and values within the organizational culture that foster human virtue. He concluded that adopting this approach fosters the human growth of people and as a consequence of that their sense of service and co-operation, which are crucial for long- term business outcomes.

The foregoing discussion reveals that business can view the firm as a human community, a concept which has emerged as a possibility in managerial literature and has long been a part of Catholic Social Teaching. There are philosophical grounds to support the idea of business as a human community. For a firm to provide goods and services efficiently and profitably, positioning itself as a “community of persons” emphasizes both individuals and the whole, and makes explicit the uniqueness, conscience, free will, dignity, and openness to human flourishing. This requires appropriate communication about and participation in matters which affect people’s life, and makes it essential for persons to cooperate for the common good of the business firm and the society at large.

2.2.2 The purpose of business from the Aristotelian perspective

Aristotle (Arist. EN. 1098a, 10) believed that the goods we seek are necessarily ordered in a certain hierarchy and that those goods pertaining to the good of the soul are those that are good in the fullest sense and to the highest degree.

“...if this is the case [and we state the function of man to be a certain kind of life, and this to be an activity or actions of the soul implying a rational principle, and the function of a good man to be the good and noble performance of these, and if any action is well performed when it is performed in accordance with the appropriate virtue: if this is the case], human good turns out to be activity of soul exhibiting virtue, and if there are more than one virtue, in accordance with the best and most complete.”

Aristotle equated this highest good with intellectual virtue and believed that the moral person is the one who cultivated virtues based on reasoning. He maintained that everyone seeks good, but varying beliefs about what good consists of creates a dichotomy of actions.

“Verbally there is very general agreement; for both the general run of men and people of superior refinement say that it is happiness, and identify living well and doing well with being happy; but with regard to what happiness is they differ, and the many do not give the same account as the wise.” (Arist. EN. 1095a, 15)

Some types of good Aristotle labelled useful goods because he saw them as instrumental for the acquisition of other things. Aristotle believed that valuable goods on the other hand were those that were appropriate for the perfection of the person.

“Clearly, then, goods must be spoken of in two ways, and some must be good in themselves, the others by reason of these. Let us separate, then, things good in themselves from things useful, and consider whether the former are called good by reference to a single Idea... Now we call that which is in itself worthy of pursuit more final than that which is worthy of pursuit for the sake of something else, and that which is never desirable for the sake of something else more final than the things that are desirable both in themselves and for the sake of that other thing, and therefore we call final without qualification that which is always desirable in itself and never for the sake of something else.” (Arist. EN. 1096b,10)

Goods are perceived as valuable- therefore value is a derivative of good.

In Aristotle's hierarchy of goods, valuable goods are internal goods such as friendship, personal cultivation and moral self-possession. Some scholars have called these excellent goods. Alford & Naughton (2001) wrote that excellent goods support the self-conscious rational and deliberate development that distinguishes human life from animal life. These scholars described excellent goods as consisting of technical, intellectual and moral excellence and the benefits accruing from work, and useful goods which they called foundational goods they saw as represented by money, real estate and capital equipment. While they considered profitability and efficiency worthy goals and real goods due to their importance for business development, Alford & Naughton further asserted that these category of goods neither account for the ultimate motivation of business nor the first principles of business organizations. They emphasized that the excellent goods of human development are what really motivate us.

This Aristotelian concept of the hierarchy of goods and the distinction between valuable and useful goods has been adopted by several authors in conceptualizing the nature and purpose of the firm. According to Alford & Naughton (2001) the distinction between the foundational and excellent goods of the organization is a simple and powerful one. They asserted that the purpose of the firm must consist of foundational or external goods (profits, investments, and technology) as well as excellent or internal goods (human development). They maintained that foundational goods are important because they support the viability of the firm in a market environment; however, excellent goods are equally important because they serve as ultimate motivations which render the work of the firm's members meaningful. Similarly, Fontrodona (2004) argued that the missions of firms must intentionally draw on the skills of people, not only technical but also moral habits or the virtues of the people who make up the company, who develop those abilities and skills as part of their activity within the organization. Alford & Naughton (2001) maintained that recognition of the hierarchy of goods was important because they viewed the fragmentation between business and ethics that is apparent in contemporary economics as a result of upside down prioritization of the hierarchy of goods, instrumentalizing valuable goods, while holding useful goods supreme. We can deduce that valuable goods order useful goods. In other words if valuable goods are

present, then useful goods will naturally fall into place. On the other hand if only useful goods are present, they will not give rise to valuable goods and in fact the opposite is risked. Alford and Naughton further asserted that people do not develop steadily unless they are part of an organization that allows them to pursue the goods of their development in a regular and orderly way. Rossouw (2011), Dobson (2005) and Soltani & Maupetit (2013) agreed with this point of view, and argued that business codes of ethics must consist of more than rules and guidelines and that to have the potential to be effective, codes of ethics must not ignore the humanistic aspect of business addressing the virtue of the people that business hopes to guide. It seems therefore that the corporation cannot be made better without the betterment of the individual persons who constitute it. In the next section we look into how organizational and corporate culture have been used to define and demonstrate business commitment to mission.

2.2.3 Organizational culture and corporate culture

Melé (2009b) defined culture as acceptable behavioural standards within the confines of a specified group as guided by a pattern of shared learned beliefs, traditions and principles. He went further to say that formal organizational culture comprises of components such as leadership, policies and decision processes among other things and to assert that there is increasing evidence that organizational culture especially when strong is a determinant of performance through employee behaviour and decision patterns.

In Melé's view, a certain ethos underlies all aspects of organizational culture. This includes a characteristic spirit or attitudes shared by organizational members which can help to foster ethical behaviour or makes it difficult. According to Melé, there exists a gap between corporate and organizational culture, which expresses the difference between desired (corporate culture) and actual beliefs, values and preferences (organizational culture) within an organization.

Most studies on ethical business cultures have so far focused on misbehaviour and considered ethics as a set of norms of conduct generally related to integrity. A broader understanding reveals that ethics includes every human action, not just some actions considered unethical. From this perspective, ethics is not only a set of norms

to solve dilemmas but something related to the character developed through rational and free actions. This is the sense of ethics rooted in the Aristotelian tradition that considers ethics as a guide for human fulfilment and character excellence. Ardichvili, et al. (2009) believed that in an ethical business culture, the clarity of mission and values would be reflected in ethical guidelines and behaviour, and the organization would institutionalize ethical values.

Melé (2009b) called cultures that foster ethical behaviour ethical organizational cultures. According to him the tools that shape an ethical organizational culture include: leaders' moral behaviour; corporate mission vision and values; ethical criteria for recruitment and promotion; applying ethical values to decision making; ethical criteria in customer relations; and symbols and events. He saw an ethical business culture as a derivative of organizational culture, which in turn falls under the wider umbrella of corporate culture. We will now review literature that considers the link between ethical values and ethical culture.

2.2.4 Ethical values and ethical conduct

Melé defined corporate values as “the essential and permanent motives for acting within an organization” (Melé, 2009b, p. 227) and asserted that corporate core values, along with corporate mission and vision, expressed to a great extent the business philosophy of each company. He saw the mission statement as the declaration that guides the actions of an organization, spelling out its overall goals and providing a map to guide decision-making, and therefore the guiding philosophy of a company, providing the framework or context within which the company's strategies are formulated. He concluded that corporate values have to do with mission, and that they prescribe what should drive corporate governance, management and organizational activity. Ardichvili, et al. (2009) and Bartkus and Glassman (2008) agreed, and said corporate mission forms the basis for the formulation of business strategy by which a company selects its long term goals and decides upon the allocation of resources.

Melé (2003) understood ethical values as synonymous with human values- those that refer to moral excellence in human beings. With respect to corporate values, Melé (2009b) proposed certain values that need to be highlighted by a company in order to

gain employee trust and belief in the value of their work. These values are serving customers; quality; integrity in business dealings; respect for employees; and good citizenship. At the same time he shared the results of a worldwide survey by Booz Allen Hamilton/Aspen Institute among top managers of corporations from 30 different countries in five regions of the world (Melé, 2009b), on values in corporate statements which revealed the following as the most desirable corporate values: ethical behaviour/integrity; honesty/openness; commitment to customers; commitment to employees; teamwork and trust; commitment to shareholders; accountability; social responsibility/ corporate citizenship; environmental responsibility; and commitment to diversity.

Corporate codes of ethics are considered one among several tools that businesses employ to manage an ethical corporate culture. A study by Moore (2005) found that majority of employees polled indicated that their code had not modified their behaviour. Moore's study concluded that leaders' failure to communicate their moral priorities and their disregard for the moral actions of their subordinates was plausible cause of this disconnect between codes and behaviour, and lobbied for a virtue based approach to ethics. Kaptein (2004) asserted that the analysis of business codes can reveal what kind of ethics companies claim to uphold.

Colle & Werhane (2008) found that codes which focused on the creation of an organizational environment and support for the development of good character for both managers and employees had a positive impact on employee behaviour. These types of codes were found to focus on encouraging each individual participant to cultivate their personal character and develop the moral sensitivity that is critical to enable each person to behave ethically beyond just following rules. Similarly, Painter-Morland (2010) argued that corporate codes of ethics lose their ability to further moral responsiveness because of the narrow instrumental purposes that inform their adoption and use, suggesting a legalism that has little to do with a true ethical culture.

According to Swift (2007) and Morris (2009), there seems to exist a positive correlation between the aspirations of self-acceptance, affiliation, community feeling, greater well-being on the one hand, and ethical motivation on the other. Schwab (1996) and Vaccaro, Santana & Wood (2009) all agreed that employees who are well taken care of are more productive, concluding that good ethics make for good

business. Pless & Maak (2009) on their part went further to argue that in fact, responsible leaders ought to see themselves as agents of world benefit. The firm relationship between the affective state and cooperative behaviour was further illustrated by Stephen Morris (2009) who stated that while happiness promotes altruism, helpfulness, sharing, and sociability, sadness retards them. Ardichvili, et al. (2009), Bertland (2009) and Palmer (2009) reported finding that one good effect of the habit of making ethical decisions is the chain reaction among subordinates.

According to Erwin (2011), Gaumnitz & Lere (2002) and Schwartz (2004), code content and process are the keys to explaining why some companies despite possessing a code of ethics, have faced major scandals while others have been able to avoid them. Starr (1983), Weller (1988) and Winkler (2011) found that even aspects as subtle as language and tone can impact the effectiveness of codes of ethics, and argued that codes that are positively worded have more chance of getting complied with. While Garegnani, Merlotti & Russo (2015), emphasized the need to pay attention to corporate code design, Schwartz (2002) recommended 'a code of ethics' for codes of ethics and lobbied for universal moral values for codes. Gaumnitz & Lere (2004) agreeing with this idea, recommended a classification code for business ethics.

According to Singh (2011), there exist good codes and bad codes. In agreement with this idea, Stohl, Stohl and Popova (2009) had earlier argued for the need of a new generation of corporate codes of ethics. On their part, Garegnani, et al. (2015) submitted that corporate codes of ethics could be scored qualitatively to assess quality drivers and that for a business code of ethics to be comprehensively effective, it must meet certain requirements, primarily clarity on what interests it was principally designed to serve.

In summary, there are business ethics scholars who contend that the ethical values embedded in the mission statements of firms eventually find their way into corporate codes of ethics and that in this way codes of ethics are likely to be influenced by particular views or understanding about the nature and purpose of business.

2.3 Research Gap

The literature backing this study suggested that a company's perception of the purpose of business will be evidenced in its mission statement, which will in turn influence the content of corporate statements including the business codes of ethics that guide the everyday conduct that drives organizational mission. The question is, have business codes of ethics been effective in positively influencing an organizational ethical culture? In the Kenyan context, given the multiple business scandals that have been witnessed, no study has as yet been done on the understanding of Kenyan managers about why business exists and on whether the corporate statements of Kenyan businesses are aligned with the perceptions of its senior most managers with regard to the purpose, mission and ethical values of their organizations.



2.4 Theoretical Framework

2.4.1 Organizational culture, corporate culture and ethical culture

Melé (2009b) defines organizational culture as the set of values, beliefs, and styles of behaviour adopted by people within an organization. It makes reference to the actual culture of a firm and is expressed in the term ‘the way we do things here.’

In contrast, corporate culture is the desired culture expressed through the firm’s corporate mission, vision, values, guiding principles and codes of conduct. It makes reference to the ideal culture of an organization and is expressed in the term ‘how we ought to do things here’. The ethical culture of an organization represents a slice of the overall culture.

The corporate philosophy, mission, vision, values and codes of ethics constitute the components of corporate culture (Melé, 2009b).

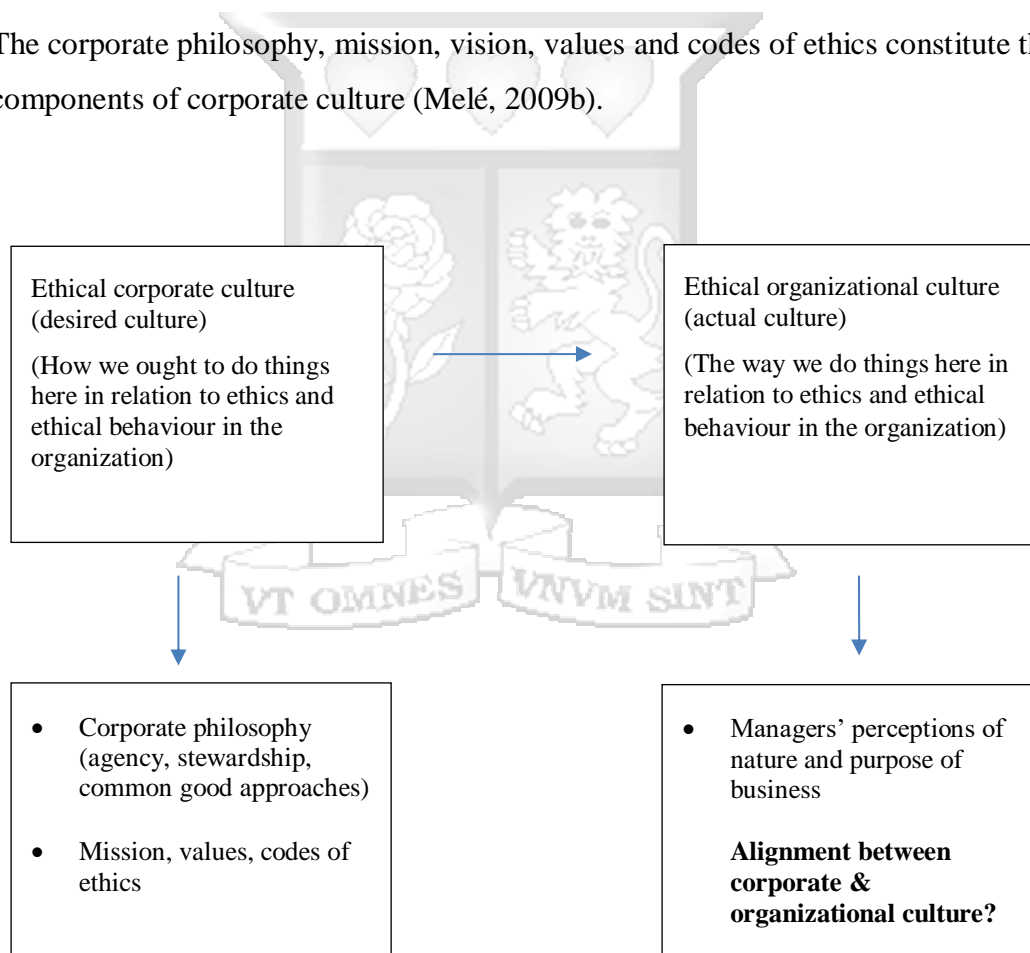


Figure 2.1. Theoretical Framework of the Study

2.5 Chapter Summary

In this chapter the literature relating to the perceptions of the nature and purpose of business and ethical values and conduct have been reviewed from a philosophical perspective. Domènec Melè's distinction between organizational culture and corporate culture has been discussed and proposed as the theoretical framework for the analysis of the research findings.



Chapter 3: Research Methodology

3.1 Introduction

This chapter provides a discussion of the research design for the study and discusses the sampling size and sampling techniques employed. Data collection and analysis approaches are discussed as well as research quality and ethical considerations.

3.2 Research Design

Research design, according to Creswell & Creswell (2018) can be considered the blueprint for the collection, measurement, and analysis of data. It refers to the overall strategy that the researcher chooses to help them to integrate the different components of the study in a coherent and logical way in order to ensure that they will effectively address the research problem.

The researcher employed a descriptive qualitative research design in this study. Qualitative research is primarily exploratory research which is used to gain an understanding of underlying reasons, opinions, and motivations and to provide insights into the problem. In qualitative approaches, descriptive research is often referred to as a form of naturalistic inquiry (Creswell & Creswell, 2018) which allows the researcher to observe, document, and detail specific activities within a defined social setting in order to point to transferable findings. Descriptive research provides a detailed account of a social setting, a group of people, a community, a situation, or some other phenomenon (Creswell & Creswell, 2018), without exploring the causal relationships involved in the phenomenon. The researcher chose a descriptive qualitative approach because the study required an exploration of individual bank manager's specific perceptions on the nature and purpose of business and values, in order to evaluate their alignment with corporate statements.

3.3 Target Respondents

The target respondents were the managers of banks listed on the Nairobi Securities Exchange. The academic value of the financial services sector and banks in particular derives from the fact that they attract a lot of scrutiny due to the sensitive nature of their operations, principally because they are stewards of money entrusted to them by the public. The scandals that have ridden some companies operating in the financial services sectors despite its strict regulation also made it worthwhile to investigate.

The researcher made contact with employees who have the rank of branch manager and above as these employees are in the know with respect to the strategy and focus of their businesses.

3.4 Sampling Size and Sampling Techniques

Purposive sampling was used for this study. According to Creswell & Creswell (2018) purposive sampling involves selecting information rich cases. Since the study sought data pertaining to specific subjects in a specific sector of the economy, the purposive sampling technique was employed to target only organizations and respondents of interest. Sampled banks were included in the study based on the following two criteria. (i). they are listed on the financial services sectors of the Nairobi Securities Exchange. (ii). they are currently actively carrying out business operations in Kenya. There are a total of 11 banks quoted on the NSE. The researcher used a snowballing approach to recruit additional respondents of the required level on the assumption that key managers in the sector are likely to be acquainted with each other.

3.5 Data Collection Approaches

Data was collected in two ways. Face to face semi structured interviews of senior bank managers were complemented by document analysis of corporate statements.

3.5.1 Semi structured - face to face interviews

In-depth interviews are commonly used in qualitative research approaches to allow researchers to examine issues in depth from the respondent's perspective (Creswell & Creswell, 2018). Data gathered during the interviews for this study typically consisted of verbatim responses to the interviewer's questions, designed to elicit descriptions of personal behaviour, opinions, feelings and attitudes, that informed the responses. As the respondents were busy executives pressed for time, the researcher prepared a semi structured questionnaire which allowed the interviews to be completed within 45 minutes of face to face time.

Semi-structured face-to-face interviews mainly consist of open-ended questions based on topics the researcher wants covered in the interview. The interview focused on the key topics of interest and there was the opportunity to discuss in more detail, particular areas of interest. The interviewer had the opportunity to explore answers more widely as well as other areas of discussion that were spontaneously introduced by the respondent. In-depth interviews can also be combined with other methods to provide a more complete picture of the phenomena under study (Creswell & Creswell, 2018). In this study, the researcher complemented in-depth semi structured interviews with document analysis.

3.5.2 Document analysis

According to Bowen (2009) document analysis is an efficient and effective way of gathering data because documents are manageable and practical resources. Besides being commonplace and available in a variety of forms making them an accessible and reliable source of data, document analysis is often far more cost and time effective than conducting one's own research or experiments. Merriam (1998) explained that documents of all types can help a researcher uncover meaning,

develop understanding and develop insights relevant to the research problem. Corbin & Strauss (2008) defined document analysis as a systematic procedure for reviewing and evaluating documents.

According to Bowen (2009) document analysis is used to interpret documents in order to give voice and meaning around an assessment topic, and public records are among the three primary types of documents that researchers can use to extend their research. Public records include the official, ongoing records of an organization's activities such as mission statements, annual reports, policy manuals and strategic plans. Document analysis is often used in combination with other qualitative research methods as a means of triangulation—'the combination of methodologies in the study of the same phenomenon.'

To summarize, document analysis provided background and context, helped to raise additional questions beneficial for this research, provided supplementary data, and gave the researcher a means to track development and change, helping to verify findings from other data sources (Bowen, 2009).

3.6 Data Analysis and Presentation

The data was analyzed by thematic analysis, which was chosen for its accessibility and flexibility and because it involves analytic processes common to most forms of qualitative research. Thematic analysis is a data reduction and analysis strategy by which qualitative data are segmented, categorized, summarized, and reconstructed in a way that captures the important concepts within the data set (Ayres, 2008).

According to Ayres, thematic analysis is primarily a descriptive strategy that facilitates the search for patterns of experience within a qualitative data set. The product of a thematic analysis is a description of those patterns and the overarching design that unites them.

While analyzing both the interview responses and corporate statements the researcher focused on words and phrases used and the context in which they were used as the fundamental concepts to be studied. These were coded and themes derived, and findings were then compared with the literature review. Common themes and patterns that emerged from the data derived from interviews guided the researcher in the assessment of the existing documents.

3.7 Validity

Validity in qualitative research means “appropriateness” of the tools, processes, and data (Leung, 2008). Establishing validity can present challenges for qualitative research, and researchers disagree on how adherence to quality criteria should be demonstrated within their qualitative research projects (Ali & Yusof, 2012). Creswell & Miller (2000) conceptualized reliability and validity in the qualitative research paradigm as trustworthiness, rigor and quality. They described validity as defining how accurately an account represents participants’ realities of the social phenomena, and is credible to them.

The researcher employed researcher reflexivity and peer debriefing to validate the study. Researcher reflexivity (Guillemin & Gillam, 2004), is a process whereby the researcher returns to their data over and over again to see if the constructs, categories, explanations and interpretations made sense in a “validity-as-reflexive-accounting” technique where the researcher, the topic and the sense making process interact.

In peer debriefing, the researcher seeks peer reviewers who are not affiliated with the project, shares the work and seeks the opinions of experienced researchers as a sounding board for ideas at various stages of the research (Leung, 2015). Peer reviewers provided support, played devil’s advocate, challenged the researcher’s assumptions, pushed the researcher to the next step methodologically and asked hard questions about methods and interpretations.

A written record of the interviews was kept for reference, to ensure that the research presented findings based on what the respondents actually reported.

3.8 Ethical Considerations

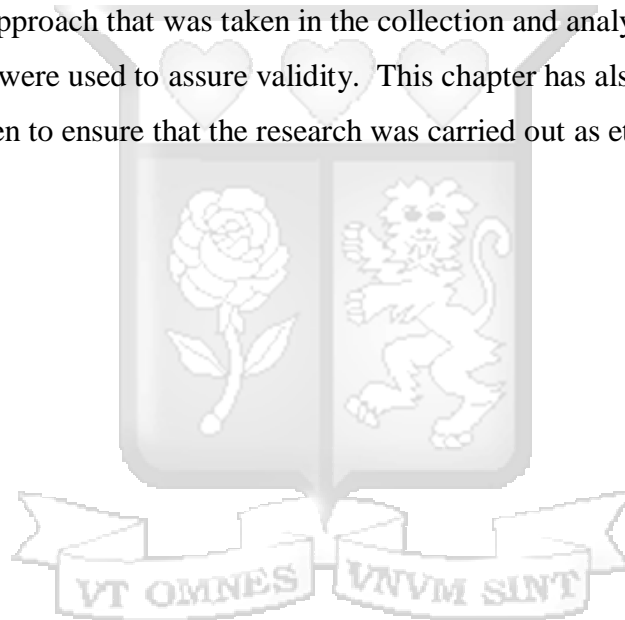
Confidentiality was a big consideration for many respondents, and some requested to have the questionnaire sent to them before the interview date so that they could see what they were going to be asked beforehand before agreeing to the interview as some felt that they could get into trouble for spilling the secrets of the firm. The researcher assured them that the information sought was general information on their personal

perceptions, and that the study would neither identify them personally nor in any way link them to their responses nor identify their banks by name.

All respondents received a letter telling them what was being requested from them and seeking their consent for an interview. The data was not shared with any other individual and was used only for purposes of this study.

3.9 Chapter Summary

This chapter has described the research design taken by this study detailing the rationale for the selection of target respondents, how the sampling size was reached and the sampling techniques that were employed. In addition, the chapter has detailed the approach that was taken in the collection and analysis of the data and the methods that were used to assure validity. This chapter has also discussed the steps that were taken to ensure that the research was carried out as ethically as possible.



Chapter 4: Presentation of Research Findings

4.1 Introduction

This chapter contains results from the face to face interviews as well as the document analysis that was carried out to answer the research questions. The chapter begins with an overview of the research process and the response rate, then goes on to define the demographic profile of respondents. The findings are then presented in tables. The qualitative data contains results from the face to face interviews carried out among bank managers of banks quoted on the Nairobi Securities Exchange. The qualitative data obtained from document analysis was compared with the findings of that obtained from the face to face interviews in order to answer the research questions. The data presented was gathered and then analyzed in response to each of the research questions presented in Chapter One.

4.2 Overview of the Research Process

The study was conducted through document analysis as well as a semi structured face to face interviews. Data collected during the interviews revealed managerial perspectives while the study of company documents revealed the position of the company with respect to their philosophical approach to business.

Apart from one bank manager known personally to the researcher, it was in most cases necessary to obtain introductions from people known to the managers to improve chances of obtaining the interviews. In a few cases the researcher obtained interviews by walking into banks and asking for 5 minutes to see the manager. An introduction was made and the research explained after which a request for a 45 minute interview was made. None of the managers approached in this way declined to grant an interview. The researcher visited and spoke to each respondent personally at their daily work stations. Observing managers conduct business affairs and interact with reports and subordinates at work as well as aspects noted such as work atmosphere, seating arrangements and the general demeanour of the manager, presented impressions that enriched the data and helped the researcher to assign context to the managers' responses. The researcher created rapport with each

respondent to put them at ease and encourage them to share freely and give authentic responses. The analysis derived from the interview responses was looked at side by side with the analysis derived from document analysis to make the final evaluation.

4.3 Response Rate

Despite the challenges of securing elite interviews the researcher managed to interview 9 senior managers of 7 banks out of the 11 quoted on the NSE. Interviews were also obtained with senior managers of 2 banks not quoted on the NSE who were willing to participate. This helped to further increase the sample size. A total of 11 senior bank managers were interviewed.

4.4 Demographic Profile of Respondents

Table 4.1 below shows the demographic distribution of the respondents by gender, years of experience and number of direct reports.

Table 4.1

Demographic profile of the respondents

<i>Participant</i>	<i>Bank employed</i>	<i>Designation of respondent</i>	<i>Gender</i>	<i>Years of experience</i>	<i>Number of direct reports</i>
P1	Bank 1 (B1)	Branch manager	Female	9	12
P2.	Bank 2 (B2a)	Branch Manager	Male	5	20
P3	Bank 2 (B2b)	Director of Special Projects	Male	12	20
P4	Bank 3 (B3)	Operations Manager	Female	7	15
P5	Bank 4 (B4)	Branch Manager	Female	6	22
P6	Bank 5(B5a)	Branch Manager	Female	6	20
P7	Bank 5 (B5b)	Strategic Head of Transformation Frontline Effective	Male	16	2
P8	Bank 6 (B6)	Quality Assurance Manager	Female	2	4
P9	Bank 7(B7)	Branch Operations Manager	Female	10	4
P10	Bank 8(B8)	Head of Operations	Male	5	None
P11	Bank 9(B9)	Branch Manager	Female	9	19

4.5 Report of Findings

4.5.1 Bank managers' perceptions on the aims of business

Table 4.2 below presents the analysis of bank managers' perceptions on the nature and purpose of business. Analysis revealed four themes: Social responsibility, Profitability, Service to customers and collaborative work.

Table 4. 2

Bank managers' perceptions on the nature and purpose of business

Theme	Sub Themes	Bank Managers										
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11
Social responsibility	“Focus on something bigger than you”			•	•							
	Tax compliance-benefit to public										•	
	Stewardship	•										
	Social economic empowerment			•				•	•	•		
	Transforming lives and livelihoods	•	•								•	•
	Solutions that grow the economy					•				•		
	To serve the unbanked and excluded			•								
Profitability	To make money	•		•		•			•	•		•
	To gain recognition of markets									•		
	To add value to shareholders										•	
	Around products-loans and investments											•
Service to customers	Offering solutions to meet customers' needs	•		•	•	•						•
	Making customers happy: help customers achieve what matters most to them	•	•				•	•		•	•	
Collaborative work	Compliance, fraud, legal, HR departments work together	•			•							
	Alignment of all employees to mission		•	•								
	Teamwork		•	•						•		

With respect to social responsibility, respondents shared a desire to transform lives and livelihoods and a concern for social economic prosperity in their communities with nine out of the polled managers flagging this aspiration in various forms. Respondents expressed the following to be the social purpose of business: to create employment, to conduct CSR activities and to improve livelihoods. One respondent described the nature and purpose of business as “huge.”(P4), alluding to the all-encompassing nature of business. A second respondent spoke of focusing on something bigger than the organization as the basis for business (P3). A third respondent (P10) viewed tax compliance as a public good which they felt proud to participate in as part of their social responsibility.

Profitability emerged as an important aim for business with six bank managers out of eleven polled highlighting it (P1, P5, P8, P9, P10, P11). One respondent in fact remarked that “making money is the bottom-line” (P1). Respondents shared a desire for balance between profitability and charity asserting that a strong social mission was not possible without commercial sustainability, and explained that a company has to be profitable in order to have the capacity to serve (P3, P8).

As one respondent (P3) said: “When business is profitable, it can have the capacity to ‘go beyond’ and carry out CSR.”

While managers viewed profitability for their banks as central, they had varied reasons for seeking it. For example one manager saw profitability as an avenue to gain recognition from the market (P9), while another one viewed profitability as important from the perspective of adding value to shareholders (P10).

Out of the eleven respondents, six bank managers perceived service to customers as central to the nature and purpose of business (P1, P3, P4, P6, P7, P10). Business was viewed as the main driver of the economy with one respondent (P4) summing and explaining that without business no services would exist- “no schools, no supermarkets, no food.” Some managers considered the purpose of business as meeting customer needs (P1, P3) and others considered it to be helping customers achieve their expectations (P1, P7, P10). In most cases, bank managers defined customers’ needs in terms of providing appropriate funding solutions, giving investment advice to clients, and helping customers achieve their personal and business goals. One manager, for example, commented: “Our aim is to make our customers happy. We want them to say this organization helped me succeed.” Our

bank takes pride in walking with our customers day by day. As stated in our bank's motto, we have been here [as a bank] for centuries and we are 'here for good'. We have seen many families and businesses through their lifecycle. This gives our customers confidence in us." (P6).

Another respondent remarked that the purpose of business, by default, is to serve societal needs, serve the unbanked and grow with them (P3).

Managers also attached significance to collaborative work or to put it differently work in common, with five of the managers polled describing it as part of the nature and purpose of business (P1, P2, P3, P4, P9). Some managers mentioned that the way in which different departments worked together to make up the whole was a fundamental aspect of the nature and purpose of business (P1 and P4).

Another manager viewed business as an activity that captured a wide scope of variables- "the business itself, the people, systems, processes, all working together in synchronicity" (P4). One set of respondents mentioned teamwork as defining the nature and purpose of business (P2, P3, P9). P2 and P3, both managers at B2, both agreed that teamwork was among their organization's most important values. A second set of respondents viewed the alignment of all employees around a common mission as central to the nature and purpose of business (P1, P2, P3).

With respect to organizational values, manager perceptions about what values are most important at their banks are presented on Table 4.3 below. Analysis revealed four major themes: integrity, professionalism, reputation and internal motivation.

Table 4. 3

Perceptions of Kenyan bank managers on their banks' most important values

Theme	Sub Themes	Bank Managers										
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11
Integrity	----	•	•	•	•	•	•		•		•	
Professionalism	Honesty, trust, customer confidence	•		•		•	•				•	•
	Ethics performance is part of overall performance		•	•								
	Service excellence	•	•	•	•	•	•			•		
	Employees must adhere to the code of ethics	•	•	•		•	•	•	•	•		
Reputation	Brand supremacy	•			•		•	•	•		•	
	Brand presence internationally						•					
Internal Motivation	Actions reveal ethics	•			•		•	•	•	•	•	•
	All employees are responsible for ethics	•	•	•	•	•	•	•				

Managers overwhelmingly nominated integrity as the ‘must have’ value with six respondents out of nine emphasizing it. Some managers viewed trust as an important marker of integrity (P1, P5, P6, P9, P10, P2, P3). One manager in fact said that trust was so important that if an employee was found untrustworthy “you can be fired while still on induction.” (P2). Another manager described trust as integral because “banking is a trust based business.” (P5). A third manager said it was important that “customers can trust us with their finances.” (P6).

Professionalism was perceived as a desirable value. Six respondents out of eleven expressed customer service as an important value for their business. Some managers viewed service excellence, creativity and innovation as important values towards a service orientation (P2, P9). Responsiveness to the customer was identified as an attractive value (P4, P6). One manager for example spoke about “responsiveness to everyone- internal and external stakeholders.” (P4). Another manager advocated for “helping the customer even if it means coining a product” (P2). A third manager

viewed the speed of service provision as an important factor denoting professionalism and contributing to satisfactory customer service (P6).

Nine out of eleven managers agreed that compliance was critical for ethics to be maintained. Manager P3 said that in fact employees at their bank were rated on both technical performance and ethical performance. Some managers spoke of “zero tolerance” for failure of employees to comply with codes of ethics (P1, P2, P4, P8). Another set of managers said it was mandatory for employees to sign and adhere to a code of ethics (P1, P2, P4, P5, P6, P7, P9). Some managers asserted that employees could not be ethical without a code of ethics (P1, P4, P5, P7, P11). P1 said in order to ensure ethics it was necessary to follow up employees with “daily conversations and group meetings”. P4 opined, “people need guidance just like a pilot needs a compass.” P5 responded that laws are useful to help people to be accountable, and added, “people will not be accountable from the goodness of their hearts.” Another set of managers vouched for their employees saying these would remain ethical with or without a code (P2, P3, P5). P2 was confident that “even in the absence of a manager the branch will run as normal.” P5 agreed that while it was true that codes afford structure and direction, “people are generally good and understand good and evil.”

One group of managers responded that ethics was not as straightforward as saying yes or no (P8, P9, P10). P8 said “some people breach ethics on purpose while others are forced by circumstances.” Another manager (P9) said whether employees would be ethical or not “depends on individual leadership. Some leaders don’t want to go the extra mile to push transformation.” A third manager (P10) said “rules are as good as the people who implement them.”

Concern for bank reputation was also seen as an important value for employees to have. Six out of the managers polled expressed the idea that all employees were expected to protect the business brand and reputation. One manager said “business survival starts with leaders portraying a good picture about the business” (P10). Another manager mentioned that employees were expected to guard reputation as the regulatory environment was becoming stricter and the possibility of the CBK withdrawing a bank’s licence due to non-compliance was real (P7). Several managers believed that what attracted customers to the bank was brand stability (P1, P4, P6, P7, P10). One manager said that the public perception of their bank was so

attractive that it was considered “the bank to bank with and be with when I ‘arrive’” (P7). Another manager expressed this idea as “our brand is powerful. People want to associate” (P10). A third manager opined “Our brand sells. We are international.” (P6).

Another area where managers overwhelmingly agreed was that internal motivation was a critical value for employees to embrace in the pursuit of ethics. In particular, six managers out of the eleven polled agreed that each employee is personally responsible for ethics (P1, P2, P3, P4, P5, P6). Closely related to this, seven managers out of eleven agreed that employee actions reveal their level of ethics. (P1, P4, P8, P9, P10, P7, P11). Managers expressed the idea that employee levels of commitment to values is something that could be seen and gauged. One manager commented, “Each employee must individually interpret how to weave values into their particular role” (P5). Another manager said, “Alignment is indicated regularly, day to day” (P3), while a third manager said employees demonstrate ethics when “they live the values” (P4).

4.5.2 Aims and values in corporate statements of Kenyan banks

The study considered terms within the documents that would lead to an understanding of aims and values.



In order to evaluate the purpose of banks’ existence, the study considered what emerged as the key aims and values listed by Kenyan banks as what they considered core for their business. The study accomplished this by examining bank mission statements and codes of ethics. This analysis revealed three major themes. Collaborative work, Profitability and Social Responsibility. Table 4.4 below provides a summary.

Table 4. 4

Aims predominant in corporate statements

Theme	Sub Themes	Banks Analysed								
		B1	B2	B3	B4	B5	B6	B7	B8	B9
Collaborative Work	Common purpose	●	●		●					
	Employees personal mission needs to align to the banks					●				
	Team achievement	●		●	●	●				●
Profitability	Enhancement of wealth and fulfilment of customers			●			●		●	
	Image		●	●	●					
	Presence and success across Africa	●			●				●	●
	Increase shareholder wealth	●			●					
Social Responsibility	Revenue will not take precedence over right conduct	●		●		●		●		
	Good citizenship	●			●	●				●
	Socio economic empowerment		●							
	Transforming livelihoods		●							

Six banks out of nine advocated for collaborative work in various forms. One bank defined their common purpose and said “our common purpose is to help people achieve their ambitions in the right way” (B1). Another bank asserted, “our philosophy is building prosperity together” (B3). Some banks were specific about team achievement. “we value individual and team contribution,” (B4) and “our approach is based on... moving forward together,” (B5). B5 also expressed the need for employees to be aligned to corporate mission, urging them to figure out, “what does this mean for me?”

Seven out of nine banks stated their desire for a good reputation, expressed in different ways. Banks tied profitability to their image and reputation. They expressed an understanding of the reason for their existence as growth and success strongly connected to how profitable they were, and how they were perceived by others.

Some banks focused on their own performance. One bank for example stated “our standards embrace impeccable services and the prompt relay of information” (B3). Other banks focused on presence and success across Africa. One bank conveying this idea listed its vision as “to be the leading corporate and investments banking business

across Africa, and highlighted its need to be “constantly raising the bar” (B4). Other banks emphasized gaining a good reputation through serving stakeholders well. Banks expressed the desire to be known as the bank that can “enhance wealth and fulfilment of customers” (B8) and “increase shareholder wealth” (B4).

Social responsibility was an important theme for six out of nine banks. One bank committed itself to social responsibility by saying “revenue will not take precedence over good citizenship” (B5). B1 saw itself as stewards, citing stewardship as one of its core values. Another bank saw itself as the “champion of socio economic prosperity of the people of Africa” (B2). A third bank had as a tagline, “here for good” (B5). Good citizenship was a commitment also expressed, with one bank asserting that “the best investments can benefit everyone” (B4). Another bank committed itself to “supporting government and civil society organizations” (B1). This bank committed itself to seeking a citizenship that was “not only commercially viable but also beneficial to society.”

4.5.2.2 Values

The study of the business aims was complemented by exploration of the values the banks themselves deemed most important as presented in their mission statement and codes of ethics. This exploration revealed three main values as shown in table 4.5 below. Integrity, professionalism and virtue.

Table 4.5

Values predominant in corporate statements

Theme	Sub Themes	Banks Analysed								
		B1	B2	B3	B4	B5	B6	B7	B8	B9
Integrity	Actions should be guided by integrity; doing the right thing, we are trustworthy	•	•	•	•	•		•		
Professionalism	Performance, Acting responsibly and within authority		•	•		•	•	•		
Courage	Speaking up					•				
Respect	Respecting each other; respect communities		•		•	•		•		
Personal responsibility	Employees must apply good personal judgement, Employees must ensure they live the code day by day	•			•	•				•

Integrity was strongly underscored, with six out of nine banks emphasizing that they expected integrity to guide employee decisions (B1, B2, B3, B4, B5, B7). One bank in fact went further to demand that its employees “uphold the highest levels of integrity” (B4). Another bank asserted that “good personal judgement, integrity and strong sense of personal accountability should guide employee decisions” (B5). This bank also spoke of “conducting business to the highest standards possible.” Another bank spoke of “maintaining the integrity of transactions” (B2). This bank also stood out for demanding the integrity of its directors in particular, emphasizing that they were expected to among other things, “avoid antisocial practices, avoid conflicts of interest, maintain professional integrity and allow fraud reporting.”

In conjunction with integrity, the corporate statements of several banks emphasized trust, with honesty being a buzzword (B1, B5, and B7). “We are trustworthy,” B5 wrote, citing trustworthiness as one of its core values. B1 on the other hand mentioned trust in the context of peer relationships at work, saying “...colleagues should trust each other and avoid allocating blame.”

Apart from integrity, professionalism also emerged as a desired employee value (B2, B3, and B5). B2 and B3 listed professionalism as one of their core values while B5 on the other hand discussed professionalism from the perspective of acting responsibly and within authority.

Banks highlighted a variety of virtues as valuable to them. Noted here are Courage (B1, B5) and Respect (B2, B4, B7). B1 urged its employees to “have the courage to

speak up,” while bank 5 listed ‘courageous’ as one of its 5 core values and in its codes of ethics exhorted employees to “speak up” to “combat financial crime and unethical behaviour”. Respect was listed as one of the core values of B2 while B4 cited “respecting each other” as one of their ways of working. B2 expressed its desire for its members to “respect communities.”

Literature also suggested that codes designed to focus on the creation of an organizational environment that supports the development of good character for both managers and employees have a positive impact on employee behaviour. This is because they encourage each individual participant to cultivate their personal character and develop the moral sensitivity that is critical to enable each person to behave ethically beyond just following rules. An appeal to personal virtue in codes reportedly tends to have more success in influencing ethical behaviour from those that they are targeted at. There was found no consistent appeal to personal development of character or moral sensitivity in the codes analyzed for this study.

4.5.3 Alignment between bank managers’ perceptions, and organizational aims and values

The final part of the analysis involved a comparison between:

- i. What bank managers believed to be the purpose of business vs what banks themselves listed as their mission
- ii. What bank managers believed to be the most important values of their banks vs what banks themselves listed as their desired values.

Tables 4.6 and 4.7 below show the extent to which individual bank managers were aligned with the themes that emerged in the inquiry concerning the nature and purpose of business.

Table 4. 6

Alignment between organizational culture and corporate culture: Nature and purpose of business analyzed by bank manager

Bank Managers	Bank Corporate Statements-Business Aims			
	Social Responsibility	Profitability	Service to customers	Collaborative work
P1	•	•	•	•
P2	•		•	•
P3	•	•	•	•
P4	•		•	•
P5	•	•	•	
P6			•	
P7	•		•	
P8	•	•		
P9	•	•	•	•
P10	•	•	•	
P11	•	•	•	

Table 4.6 above shows the extent of the alignment between the bank managers’ perceptions (representing organizational culture) on one hand, and the bank documents analyzed (representing corporate culture) on the other, with respect to the nature and purpose of business. Most Kenyan bank managers agreed with their banks position that social responsibility is at the core of the purpose of business. They also agreed that service to customers is one of the primary reasons that they exist. The alignment begins to weaken when it comes to profitability. Only 7 out of 11 managers reported that profitability is at the core of the purpose of business. The alignment weakened even more with respect to collaborative work where only 5 out of 11 managers reported that collaborative work was an important part of the nature and purpose of business.

With respect to the aims of business, Kenyan bank managers are generally aligned with their banks missions with respect to Social responsibility, profitability and collaborative work. Their point of departure is service to customers. While managers highlight this as an important part of the purpose of business, it doesn’t come through in the document analysis as part of the reasons that banks say they exist.

Table 4. 7

Alignment between organizational culture and corporate culture: Values analyzed by bank manager

Bank Managers	Bank Corporate Statements- Values				
	Integrity	Professionalism	Personal Responsibility	Courage	Respect
P1	•	•			
P2	•	•			
P3	•	•			
P4	•	•			
P5	•	•			
P6	•	•			
P7		•			
P8	•	•			
P9		•			
P10	•	•			
P11					

Table 4.7 above shows the extent of the alignment between the bank managers’ perceptions (representing organizational culture) on one hand, and the bank documents analyzed (representing corporate culture) on the other, with respect to values.

With respect to the most important values, bank manager’s perceptions aligned with the banks’ desires of integrity and professionalism. Excerpts of statements related to integrity included “uphold the highest levels of integrity” and “maintaining the integrity of transactions.” Banks also demanded the integrity of directors. Banks further listed professionalism as one of their core values and as part of acting professionally, demanded that their employees act responsibly and within the boundaries of authority.

4.6 Summary of Findings

Both the respondents interviewed and the company documents analyzed revealed alignment in a common understanding that:

1. The nature and purpose of business revolves around social responsibility.
 - a. Profitability is desirable but is not the only thing.
 - b. Collaborative work is important. While managers understand it from the perspective of sharing work, banks documents list it in the context of team mission.
2. Both bank documents analyzed and managers interviewed agree that integrity and professionalism are the most important values for business.

4.7 Chapter Summary

This chapter presented findings from the study of corporate statements of Kenyan banks listed on the Nairobi Securities exchange and face to face semi structured interviews conducted with bank managers of the same group of banks analyzed and presented using tables. The next chapter is a discussion of the findings in light of the literature review and the theoretical framework of the study.



Chapter 5: Discussions

5.1 Introduction

This chapter provided a discussion of the research findings in the light of the literature review. It began with an overview of the findings. The chapter then discussed the findings presented with respect to the three research questions that the study set out to answer, that is, firstly on the perceptions of Kenyan bank managers regarding the nature and purpose of business in general, and the mission and values of their organizations in particular, secondly on the values prevalent in the corporate statements of Kenyan banks and finally it reported on the alignment between Kenyan bank manager's perceptions and the corporate statements of Kenyan banks listed on the Nairobi Securities Exchange.

5.1.1 Bank manager's perceptions on the aims of business

The first research question was, "What are the perceptions of Kenyan bank managers regarding the nature and purpose of business in general, and the mission and values of their organizations in particular?"

Extant management literature presented three approaches in understanding the nature and purpose of business, namely the shareholder (or agency) approach, the stewardship approach and the mission driven approach.

This study found that bank managers perceived social responsibility as central to the aims of business. Managers expressed a focus on something bigger, and desired that their companies act as responsible citizens and stewards. Managers also expressed aspirations to take on transformational roles that would enable them to tackle societal problems and perceived business as a participating citizen working towards building the economy by creating jobs and providing social solutions. Social Responsibility was strongly manifested through the desire to serve. The study found that bank managers highly ranked service to customers and that they understood this to be a necessary requirement for a good reputation, success across regions and a superior image ultimately resulting in greater profitability.

These manager perceptions on the aims of business represent the mission driven approach to business. This approach is wider than both the shareholder and stakeholder approach and is derived from considering the firm as a community within a wider community. Here the common good of the firm is pursued in line with the common good of society and this good is considered superior to the interests of any single stakeholder. With respect to mission and values, bank managers settled for integrity and professionalism. In addition they mentioned reputation as a core value, and said that internal motivation was important if employees are to act ethically.

From the Aristotelian perspective, bank managers' recognition of social responsibility as a core aim of business represent a seeking after excellent goods, which are higher order goods without which other goods cannot fall into place. Integrity and internal motivation for good are both in line with a seeking after excellent goods. Findings from literature review concluded that the excellent goods of human development are what really motivate us. In this regard, we can conclude that the bank managers of Kenyan banks have the right focus.

5.1.2 Aims and values in corporate statements of Kenyan banks

The second research question was “What aims and values are prevalent in the corporate statements, i.e., the mission statements and codes of ethics of Kenyan commercial banks?”

With respect to the aims of business, banks mission statements were vocal about their commitment to social responsibility. They pledged good citizenship and efforts to contribute to socio- economic empowerment, and indicated that right conduct was more important to them than profitability alone. Banks expressed a desire to follow upright ways in maintaining profitability. In this regard banks expressed a desire for their business to conform to the requirements of the common good and to avoid harm.

Banks viewed one of their aims as the fostering of work in common and expressed the desire for their members to work towards a common purpose. They spoke of striving to achieve their objectives as a team in addition to individual achievement.

With respect to core values, banks expressed the desire for their operations to be carried out with integrity, and for their managers to conduct themselves with

integrity. Banks mentioned respect as a core value, and demanded that employees apply good personal judgement to deal with corporate matters.

According to existing literature, corporate values are the essential and permanent motives for acting within an organization. Corporate core values, along with corporate mission and vision, express to a great extent the business philosophy of each company. Ethical values are considered synonymous with human values- those that refer to moral excellence in human beings. A global survey carried out by Booz Allen Hamilton/Aspen Institute among top managers of corporations from 30 different countries in five regions of the world (Melé, 2009b) proposed the following as the top ten most desirable corporate values: Ethical behaviour/integrity, Honesty/openness, Commitment to customers, Commitment to employees, Teamwork and trust, Commitment to shareholders, Accountability, Social responsibility/ corporate citizenship, Environmental responsibility, Commitment to Diversity. Melé narrowed this list down and proposed the following corporate values to drive business: Serving customers, Quality, Integrity in business dealings, Respect for employees and Good citizenship.

The corporate statements of Kenyan banks highlight some of the desired values that came up in the literature review. Integrity, commitment to customers and respect were values mentioned in their corporate statements as desirable that matched what was proposed in literature review as important values for business. There was ample evidence of banks desiring excellent goods even as they sought after foundational goods.

5.1.3 Alignment between bank managers' perceptions and organizational aims, mission and values

The third research question was, “To what extent are the perceptions of Kenyan bank managers regarding their organizational purpose, mission, and values (organizational culture) aligned with their banks’ mission statements and codes of ethics (corporate culture)?”

With respect to the four key touchpoints related to the aims of business, i.e. Social Responsibility, Profitability, Service to Customers and Collaborative work, 3 of 11 managers were completely aligned with all of their banks corporate claims. 5 of 11

managers were aligned on 3 out of the 4 touchpoints while 2 of 11 managers were aligned on only 2 touchpoints, while 1 of the managers aligned with their bank on only one of the key touchpoints. The strongest alignment between manager perceptions and corporate statements was found in the areas of social responsibility and service to customers. The weakest alignment was found to be with respect to profitability. Managers seemed to focus more on reputation while banks focused on profitability itself.

With respect to values, all the managers were aligned with their banks when it came to integrity and professionalism. Some differences were also found in the managers and banks conceptions. One example is the subtle distinction between internal motivation and personal responsibility. While managers acknowledge that employees need internal motivation in order to be ethical, banks maintain that it is the duty of each employee to avoid wrong doing.

The strong alignment between manager perceptions and corporate statements with respect to social responsibility and service to customer suggests a common understanding between managers and banks that a common good approach to doing business is the way to go. A spirit of service is also evident and aligns with the mission driven approach to business, where businesses feel that they exist and function as part of the society, and must add value to society. Corporate statements assert, and managers are aligned that business exists to participate as a service provider in socially responsible ways. They also agree that integrity is the most important value for business. Cox, La Caze & Levine (2017) described integrity as one of the most important and oft-cited of virtue terms yet also the most puzzling. They concluded that persons of integrity may in fact act immorally—though they would usually not know they are acting immorally. Therefore a person may be acknowledged to have integrity even though that person may hold what one thinks are importantly mistaken moral views. This presents a problem with using the term integrity. While a morally corrupt person cannot have integrity, persons of integrity may differ about what is right.

With respect to the Aristotelian idea of the hierarchy of goods, this alignment can be seen to represent a seeking after the excellent goods. From the foregoing discussions, we can conclude that the Kenyan banks listed on the Nairobi Securities Exchange

demonstrate a strong leaning towards higher order goods and towards a common good approach of doing business.

5.2 Organizational Culture and Ethical Culture

A review of literature revealed that the vast majority of employees polled in previous studies had confessed that their company's code had not modified their behaviour. In other words if employees are ethical, it is not because of the existence of company rules. It also means that if employees are unethical it is in spite of rules. It is clear that something more than rules is necessary for the cultivation of ethics within an organization. Managers intimated what this extra thing was when they expressed belief that besides codes, people have to want to do good. Managers emphasized that internal motivation was key to ethical behaviour.

According to the literature, underlying any aspect of culture within organizations is an ethos, or characteristic spirit, or attitudes shared by those involved in a specific organization or corporation, which can foster ethical behaviour or, on the contrary, make them difficult. An ethical business culture fosters an organizational environment guided by shared values and beliefs, in other words, an environment where corporate culture and organizational culture are aligned. The findings of this study were that for Kenyan banks listed on the Nairobi Securities Exchange, corporate and organizational culture are largely aligned, and are also aligned towards both the common good according to Catholic Social Teaching, and higher order goods according to Aristotelian ethics. The prognosis is excellent.

Surprisingly though, in the Kenyan setting, it is difficult to see this alignment in practicality, given the rate at which business scandals are reported. This brings us back full circle to the black box that Cassell et al. (1997) spoke about, and the realization that desire and actual performance are two different things. It seems that while businesses realize the importance of approaching business from a common good approach, and ensuring that goods are ordered into the right hierarchy, they have not quite achieved their objectives with respect to getting their employees to buy into, commit to and demonstrate an ethical organizational culture. There could be different possible explanations for these findings.

One possible explanation is that there might be an internal motivation challenge. Moore (2005) found that majority of employees polled indicated that codes of ethics had not modified their behaviour, even though they may have complied with them to keep their jobs. These means that character wise, employees remain where they are unless the company takes steps to specifically address their personal development. Another plausible reason is a miscommunication between the business and its managers and the rest of the staff i.e. the codes of ethics given to the staff might not be fully representative of what managers envision or desire. Literature found that leaders' failure to communicate their moral priorities and their disregard for the moral actions of their subordinates was plausible cause of a disconnect between codes and behaviour. Finally, a third reason could be that the design of business codes of ethics design might be the weak point. Literature revealed that codes that focused on encouraging each individual participant to cultivate their personal character and develop the moral sensitivity that is critical to enable each person to behave ethically beyond just following rules were more likely to encourage an ethical organizational culture. It was also found that good codes support the development of good character for both managers and employees have a positive impact on employee behaviour from an internal motivation perspective. Literature also articulated that code content and process are key to explaining why some companies despite possessing a code of ethics have faced major scandals while others have been able to avoid them. Researchers exploring code content have found that there are distinctly good codes and bad codes. Extant literature described one of the attributes of good codes as being positively worded, offering this positivity as one of the ways of giving codes more chance of getting complied with.

With respect to the above points, notable areas could be highlighted that businesses could explore further to bring organizational culture in closer alignment with corporate culture. First, with respect to integrity, neither corporate statements nor managers have really been explicit in defining what exactly they mean when they demand integrity. It is assumed that everyone understands integrity; however there seems to be a need for Kenyan banks to define what they mean by integrity and communicate this to their managers who should further cascade this to all staff. Second, while bank managers spoke about internal motivation as the stimulus for ethical behaviour, corporate bank statements tended to emphasize personal

responsibility as the stimulus to behaving ethically. Thus, there is a need to further explore the difference between internal motivation and personal responsibility in corporate bank statements. Finally, with respect to the existing codes of banks, this study seemed to suggest that banks need to reconsider the suitability of their codes in creating an organizational environment that can support the development of good character for both managers and employees.

5.3 Chapter summary

The answers to the three research questions which formed the objective of this study were provided according to Melé's distinction between organizational culture (actual) and corporate culture (desired) and in light of the three predominant schools of thought with respect to the nature and purpose of business (agency, stake-holder and the mission driven approach) and Aristotle's conception of the hierarchy of goods.

To summarize, based on the information gathered from this research, there is significant alignment between managerial perceptions and the corporate statements of Kenyan banks listed on the Nairobi Stock Exchange. Nevertheless while there are many points of consensus, it is clear that in some vital cases there is misalignment between the two positions. It emerged that indeed, sometimes companies talk the talk but are unable to get their people to walk the walk. With respect to values, in the one area where there is overwhelming consensus between managers and banks, i.e. a demand for integrity, the matter is vague.

Chapter 6: Conclusion and Recommendations

6.1 Introduction

On the question of how it might be that organizational ethical conduct has been found to lag behind the effort to improve it, in the Kenyan context, this research is the first step in answering this question by looking into the alignment between the documents that are formulated to guide a company's direction, and the perceptions of top managers on what they believe they ought to be doing. The research established that it is possible to distinguish between a company that has a greater probability of actively pursuing and participating in the common good and one that is probably not, by studying its mission statement and codes of ethics. To answer this question in its entirety, the research would need to go several steps further and investigate what is in the public domain that can be traced back to ethical conduct, good or bad, and go even further to interview the employees concerned to establish the motivations for their actions good or bad.

The main hypothesis of the study, supported by literature, was that when a company's purpose is in line with the principle of the common good and also the hierarchy of goods the likelihood of achieving an ethical organizational culture is much higher, especially if it also manages to align its code of conduct to support its aims and values. If there is a gap between what a company communicates and what its members internalize, corporations would want to be aware and bridge such a gap because it has implications for corporate conduct, and ultimately, long term success including the good reputation they desire. This chapter highlights and offers suggestions about what businesses can do to close the gaps defined in the previous chapter.

6.2 General Recommendations

What might the next steps be for business ethics in Kenya? These findings imply a need for further reflection on both the nature of business and the management of codes of ethics. It is apparent that there is theoretically an alignment between what banks and managers say, but it is not clear in practice and this may be the reason why

we continue to see unethical behaviour from business. As with mission, corporate values can be neglected in practice. What more can be done to help employees make the firm connection between their personal aims and the aims of the company?

It has been argued that business should make the transition from a legalistic and compliance based ethics to an ethics that has its basis in the character of individuals. This suggests that as part of its contribution to the common good, business must turn to an authentic concern for the flourishing of individuals and find ways to contribute to the development of persons technically, intellectually and morally. How can firms use what they already know? Corporate statements and managers alike reported that integrity was a key value for business. Integrity is not a group characteristic. Integrity touches on the personal virtue of each individual person. Literature touched on a humanizing management focused on building a community of persons embedded within an organizational culture which fosters character, and which is the culture that is appropriate for developing people. In this type of management, it is envisaged that managers must motivate people to acquire virtue, and promote beliefs and values within the organizational culture that foster human virtue. Adopting this type of approach fosters the human growth of people and as a consequence of that their sense of service and co-operation, which are crucial for long- term business outcomes. This study recommends that business should consider conducting itself like family, pursuing both the individual and communal thriving of its members in equal measure, and ensuring that each member has the means to enable them to thrive. If the family is considered the core unit of society, then perhaps it is time that the family model was cascaded to more human institutions, while still being faithful to the obligations of freedom and responsibility, in an atmosphere of coaching, mentorship and above all fraternity.

6.3 Recommendations for Business

First, business should look into the design of business codes of ethics. Codes should clearly embody the most important corporate values. The concept of integrity needs to be developed much more in order to provide more meaning to those to whom codes are addressed. For example, internal motivation is actor based, while personal responsibility is duty based. Internal motivation leads to good or good's sake, while personal responsibility leads to good for duty's sake. Ethics language used in

business codes of ethics should resonate with those it is addressed to, and help them relate corporate mission to their own personal mission.

Secondly, business should go beyond rules to train and mentor employees (especially young new employees) on ethics in order to foster and maintain an ethical organization culture.

Lastly, businesses should encourage the personal/ interior development of employees for positive personal action to be possible. This study highlighted the importance of internal motivation, hence the pursuit of human excellence should form a significant part of the search for business ethics.

6.4 Suggestions for further research

This study focused only on the alignment between corporate statements and managerial perceptions. However, it did not explore the possible disconnect between corporate culture and actual ethical performance. The study could be expanded to more closely examine the disconnection between corporate culture and ethical behaviour in Kenyan banks in order to find effective solutions.

In addition, future research could focus on the influence of culture in the design of mission statements and codes of ethics. Specifically, future studies could explore the extent to which Kenyan banks reflect African philosophy such as the concept of 'Ubuntu' in their corporate statements.

Finally, the findings of the study could be enhanced using a mixed methods research design.

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Appendices

Appendix I – Letter to Participants

Mr./ Ms. *****

P.O. Box *****

Nairobi

Dear *****

I am an assistant lecturer at Strathmore University, where I am also pursuing a Masters degree in Philosophy and Ethics. As part of the graduation requirements of this degree I am currently carrying out a study on how a selection of companies quoted on the NSE, considered the best in Kenya, manage their ethical culture. The study, which has not been done in Kenya before, will help Kenyan companies learn from each other and potentially improve the ethical culture within Kenyan business. It will also reveal any gaps in corporate ethics and help businesses take appropriate measures.

You are one in a small group of people that I have contacted. I am requesting 30 minutes of your time for a face to face interview to help me learn from your perspective on this matter. If you oblige I will call your office to arrange this interview.

I assure you that all of your responses will remain confidential. Your responses will be treated as anonymous and neither you nor your company will be named specifically as only aggregate results will be published.

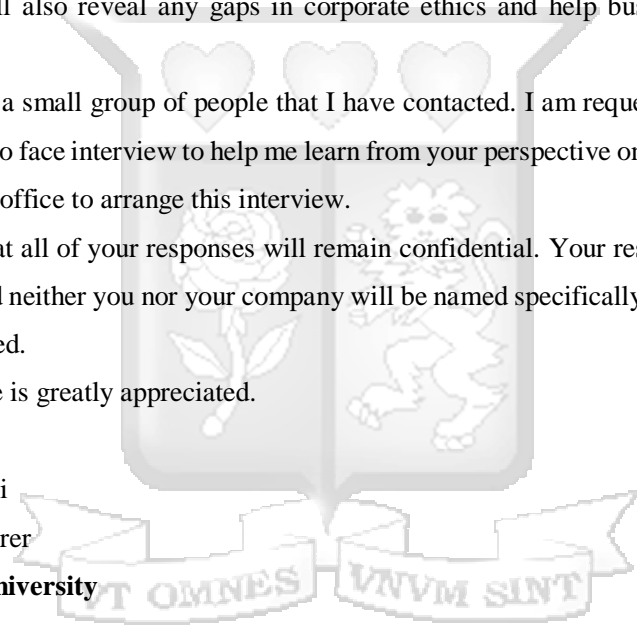
Your assistance is greatly appreciated.

Sincerely,

Elizabeth Amisi

Assistant Lecturer

Strathmore University



Appendix II – Questionnaire to Bank Managers

Questionnaire to Bank Managers

1. What does business success mean to you?
2. What do you believe to be the role of business in society?
3. What do you believe attracts employees to your organization?
 - a. *Do you trust your employees' ability to make the right decisions or do you feel that they need to be constrained and guided*
4. What are the central elements reflected in your organization's mission statement?
5. With respect to business values which do you consider to be the most important values captured by your code of ethics?
6. What kinds of things indicate to you that your reports are familiar with your company mission and values?
 - a. *Describe your ideal employee with respect to ethical conduct.*
7. What does your organization prescribe for dealing with employees whose actions go against your business code of ethics?
8. How important do you think the language and tone that a code of ethics adopts is?
 - a. *Do you believe that your code gives this?*
9. What do you believe explains poor ethics in business from the Kenyan perspective?
 - a. *Whose fault is it?*
10. Do you think your organization's employees would be ethical without a code of ethics?
11. Who do you consider most responsible for maintaining your company's values?
 - a. *Who needs to demonstrate good ethics for your corporate codes of ethics to work?*

Final Decision Certificate

This document certifies that the study:

"Exploring the Alignment Between Managers' Perceptions and Ethical Corporate Culture in Selected Kenyan Banks"

Principal Investigator: Ms. Amisi, eamisi Akinyi

Reference number: SU-IERC0457/19

Was reviewed and received the following status:

"approved"



Appendix IV – Turnitin Report on this Dissertation

