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Muriuki, E. N.,^{1*} & Fr. Mathenge, P.²

^{1*}MBA (Strategic Management) Candidate, Faculty of Commerce, Catholic University of Eastern Africa [CUEA], Kenya

²Ph.D, Lecture, Faculty of Commerce, Catholic University of Eastern Africa [CUEA], Kenya

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ABSTRACT

The purpose of this study was to ascertain the influence of business ethics on market share of tier one deposit taking Savings and Credit Co-Operative Societies (SACCOS) in Nairobi County Kenya. The study was guided by four objectives: to establish the influence of ethical policies on market share of deposit taking SACCOS; to examine how ethics programmes influence market share of deposit taking SACCOS; to investigate the influence of code of conduct on market share of deposit taking SACCOS; and to determine the influence of discrepancy measures on market share of deposit taking SACCOS. Using descriptive research design, the study targeted 294 management staff from various functional areas from which a sample size of 147 respondents (equivalent to 50% of the population) drawn from the 12 Tier 1 SACCOS operating in Nairobi was reached. Data was collected using a questionnaire and was analyzed using descriptive analysis and multiple regression analysis to test the strength of the predictor variables on the dependent variables. The study revealed that ethical policies had the largest influence on market share, with a direct strong and statistically significant effect, followed by discrepancy measures. Ethics programmes and code of conduct had the least influence on market share although the relationship with market share were statistically significant for each variable. It was recommended that SACCOS should commit to being truthful, honest and timely in all their disclosures and external reporting. They should commit to not tolerating activities that are illegal such as corruption, theft, fraud and uncompetitive behavior or in direct contravention of the laid down organizational policies and monitoring any such activities. Steps need to be identified and assess risks to the business from non-compliance with law and regulations. Annual audits result need to be made public and punishment should be instituted to officials found culpable of unethical conduct.

Key Words: Ethical Policies, Programmes, Code of Conduct, Discrepancy Measures, Market Share

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INTRODUCTION

Ethics is believed to be a set of moral beliefs and conduct that discourages acts of self-gain and encourages honest and modest ways of generating business income. Ethics plays an important role in business operations (Melé, Debeljuh & Arruda, 2016). The firm's goal is to provide services and products and acquire profit through the business' sales and operations. In spite of the business' goal to acquire profit and their return of investment, it is important that the strategies they employ in their operations are bound by moral and ethical standards for their stakeholders. Such measures are not only applicable to their customers, but also to their employees, the community they operate in, the government, and the media (Blasi, 2015). However, common business practice dictates ethics to be overlooked due to the firm's drives to increase sales and revenue (Bommer, Gratto, Gravander & Tuttle, 2017).

According to Waithera (2016), Kenya is losing Kshs. 608 million to corruption annually. Corruption impedes business growth, escalates costs and poses serious legal and reputational risks. The business environment today demands greater corporate accountability and transparency. She continues argue that the "Code of Ethics" was developed on behalf of the private sector by Kenya Private Sector Alliance (KEPSA), Global Compact Network Kenya, and the Kenya Association of Manufacturers (KAM), and has been endorsed by H.E. President Uhuru Kenyatta as a key intervention towards addressing corruption and unethical practices within the private sector.

A cooperative society is an autonomous association of persons united voluntarily to meet their common economic cultural needs and aspirations through a jointly owned and democratically controlled enterprise. The key idea behind a co-operative society is to pool the scarce resources, eliminate the middlemen and to achieve a common goal or interest (Patrick, Agnes & David, 2018). Cooperative Societies are good vehicles for assisting the people improves

their socio- economic situation. They derive their strength and validity from member solidarity cooperation and concern for each other. The Co-operatives are anchored on a well-established Cooperative philosophy based on seven principles formulated by the International Cooperative Alliance which include: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education, training and information, cooperation among co-operatives and finally concerned for the community (Njenga & Jagongo, 2019).

There was a total of 174 Deposit Taking SACCOs in operation in the country. The total assets increased to reach Kshs 442.27 Billion in 2017 reflecting a growth rate of 12.4% from the previous year. The total loans on the other hand grew to reach Kshs 331.2 Billion reflecting a growth rate of 11.29% from the previous year; while deposits grew to reach Kshs 305.3 Billion reflecting a growth rate of 12% from the previous year. Assets among just a few SACCOs continues to be evident with 21 DT-SACCOs with asset base of over Kshs 5 Billion controlling 59.84% of the total market share; while over 94 DT-SACCOs with assets below Kshs 1 Billion controls a paltry 7.78% of the total market share by asset size. DT-SACCO market share by deposit sizes with just 13 DT-SACCOs holding deposits above Kshs 5 Billion, but controlling 48.42% of the total deposits in the sector; while 107 DTSACCOs holding deposits of under Kshs 1 Billion accounting for just 10.95% of the total market share by deposit size. The DT-SACCOs are those that take demand deposits, and thus offer withdraw-able savings accounts services similar to those offered by banking institutions. They are the equivalent of Credit Unions in jurisdictions such as USA, Canada, UK, Australia and the Latin Americas; or the Cooperative Banks in South Africa, India, and parts of continental Europe (Sacco Supervision Annual Report, 2018).

Statement of the Problem

The concept of ethics in business can never be ignored. The positive ethical perception of key stakeholders to the ethicality of the Kenyan Banking industry is a plus. Banks have the intention to remain ethical as evidenced by the numerous publications, codes of ethics and policy declarations. However, the rigorous fight for market share in the increasingly competitive industry often forces some Banks to compromise ethical standards (Kiluva, 2006).

According to Joseph (2014), corporate scandals, globalization, deregulation, mergers, technology, and global terrorism have accelerated the rate of change and brought about a climate of uncertainty in which stakeholders must make business and moral decisions. Issues concerning questionable ethical and illegal business practices confront everyone. Valon (2010) argue that “throughout the centuries people were trying to choose between profit and moral. Perhaps, some of them obtain both, but every time it could have roused ethical issues. Those issues concern fairness, justice, rightness or wrongness; as a result, it can only be resolved according to ethical standards.”

Deposits taking SACCOs have been faced with increasing unethical conducts in the recent past. However, in the past one year, members of the public have been treated to news of SACCOs defrauding clients, losing clients’ money or engaging in unplanned moves like banking in turn incurring a lot of problems leading to loss of money. An example, Mwalimu Sacco – a teachers society lost Kshs. 2 billion from buying Equatorial Commercial Bank (ECB) (Juma, 2019); Ekeza SACCO members lost Kshs 1.5 billion through irregular land purchases that were bought without due diligence (Koech, 2019). But whether the market share was affected as a result of such unethical behaviors is a concern that needs to be investigated. It is against this backdrop this study embarked to investigate the influence of business ethics on market share of deposit taking SACCOs in

Kenya with special focus on Tier 1 DT- SACCOs in Nairobi County.

Research Objectives

The study sought to achieve the following objectives:

- To establish the influence of ethical policies on market share of Tier 1 deposit taking SACCOs
- To examine how ethics programmes influence market share of Tier 1 deposit taking SACCOs
- To investigate the influence of code of conduct on market share of Tier 1 deposit taking SACCOs
- To determine the influence of discrepancy measures on market share of Tier 1 deposit taking SACCOs

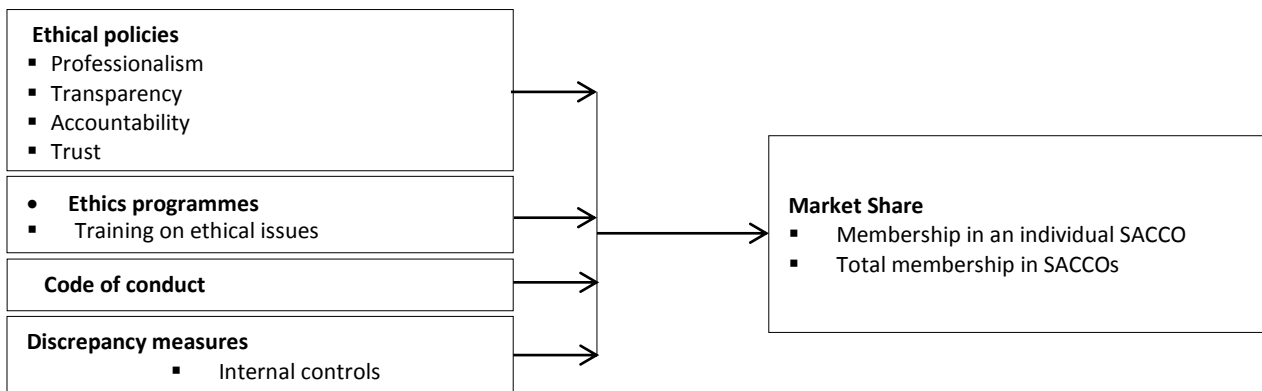
LITERATURE REVIEW

Stakeholder Theory: Stakeholder theory was initially developed by Freeman (1984), it redefines firms as social institutions whose responsibilities go beyond their simple fiduciary responsibility to their shareholders and asks them to account for the interests of those stakeholders they affect (Frederic & Katrin, 2017). Stakeholder theory promotes a practical, efficient, effective, and ethical way to manage organizations in a highly complex and turbulent environment; it is a practical theory because all firms have to manage stakeholders; it is efficient because stakeholders that are treated well tend to reciprocate with positive attitudes and behaviors towards the organization, such as sharing valuable information (all stakeholders), buying more products or services (customers), providing better financial terms (financiers), buying more stock (shareholders); it is effective because it harnesses the energy of stakeholders towards the fulfillment of the organization’s goals (Jerry, Edward, & Monica, 2015). Stakeholder theory would advocate for consideration of the influence of an acquisition on all of the relevant stakeholders that are likely to be affected, to include employees, customers, communities in which both firms operate, financiers, shareholders, managers, suppliers, and others and lastly it’s

foundation on ethics and morality offers a wide range of possibilities as well (Jerry et al., 2015).

Consequentialist Theory: Consequentialist theory is a class of good normative theory that was coined by (Anscombe, 1958); that bases moral evaluation of rules, acts and institutions solely on the goodness of their consequences. Consequentialist theory concentrates on the consequences of the decision. This theory, also referred to as teleological theory, arises from the Greek expression telos, meaning end or goal. Obviously, the consequence of one’s action is important in ethical decision making. Hence, professionals are expected to be acquainted with this line of track to decision making. When they invest funds, they assess the utility of the decisions’ outcomes and select the best outcome that provides the highest utility (For instance, the strategy that produces the highest risk adjusted rate of return) (Carlson, Kacmar & Wadsworth, 2015).

Agency theory: Agency theory was initially developed by Ross (1973), it is a principle that is used to explain and resolve issues in the relationship between business principals and their agents. Agency theory is an appropriate framework to examine the relationships in any firm and, therefore, in agricultural cooperatives. The concept on which this theory is based is the agency relationship. This relationship is defined as a contract under which one or more persons (the principal/s) engage another person (the agent) to perform some service on their behalf which involves delegating some decision making authority to the agent (Vera, Ugedo, & Laird, 2010). The agency theory aims to globally explain organizational behaviors by putting an emphasis on the relationship between the manager as the company’s “agent”, and the shareholder as the “principal”, researchers have increasingly used this theoretical perspective to analyze leadership behavior in big private and public enterprises (Felix, 2017).



Independent Variables

Dependent Variable

Figure 1: Conceptual Framework

EMPIRICAL LITERATURE

Domenec, Patricia and Cecilia (2003) carried out research on corporate ethical policies in large corporations in Argentina, Brazil and Spain and used descriptive research method and research population

based on 500 large companies in the three countries. From their findings corporate ethical policies in the three countries are have many common features and some differences. Common features include a growing trend for companies to implement formal

ethics statements, which can be considered to be the core of these kinds of policies.

Bert and Lammertjan (2007) carried out research on cultural values and international differences in business ethics and used descriptive research method and research population based on 2,700 firms in 24 countries. From their findings they established that there are significant international differences in ethical policies. When the researchers associated the ethical policies with Hofstede's cultural indicators, the researchers found that individualism and uncertainty avoidance are positively associated with a firm's ethical policies, whereas masculinity and power distance are negatively related to these policies.

McKendall, DeMarr and Jones-Rikkens (2014) examined the relationship between organizational ethical policies and organizational outcomes based on justice theory and re-cognitive and dissonance theory. The sample consisted of 237 managers in Singapore. The results obtained from decision trees indicate that organizational leaders can use organizational ethics as a means to generate favorable organizational outcomes. Further the results indicated there was significant and positive links between ethical policies and career success within the organization and job satisfaction. Also, the findings reveal that there is association between ethical policies and organizational commitment. Implication of the findings is that management support for ethical policies and the association between ethical policies and career success can be influenced by top managers in the organizations. Thus, by consciously working on these variables, top management can enhance job satisfaction and organizational commitment among employees and in the work place. In addition, findings suggest that organizational ethics can help enhance job satisfaction and organizational commitment.

Kaptein (2014) carried out a study on the effectiveness of ethics programs: the role of scope,

composition, and sequence and his findings were unethical behavior occurs less frequently in organizations that have an ethics program than in organizations that do not have an ethics program also nine components of ethics programs were identified and examined and the results showed that there is a direct relationship between the number of components adopted and the frequency of observed unethical behavior. No relationship was found between pre-employment screening and unethical behavior, while the strongest relationship was discerned between accountability policies and unethical behavior.

Erwin (2011) did a study to investigate the importance of code content in determining code effectiveness by examining the relationship between code of conduct quality and ethical performance. To estimate the quality of corporate codes of conduct, benchmarking analyses by the Ethisphere Institute were compiled from quarterly publications in Ethisphere Magazine. Publically available data from 2007 to 2008 were collected, totaling 392 international companies (eight company codes were analyzed twice, in which case the most recent scores were used for analyses) from 15 different industries (retail, consumer products, financial services, technology, oil and gas, medical equipment, insurance, lodging and casino, construction, advertising and marketing, telecommunication, media, healthcare, pharmaceutical and biotech, and aerospace and defense).

The benchmarking method grades the codes of conduct from major corporations based on performance in eight categories: 'Public Availability', 'Tone from the Top', 'Readability and Tone', 'Non-Retaliation and Reporting', 'Commitment and Values', 'Risk Topics', 'Comprehension Aids'. Data analyses were divided into two distinct sections. The first section compared code of conduct grades among all benchmarked companies (n = 392) and subsets of this population appearing on top ranking CSR lists. The

second section compared code of conduct grades with the Covalence Ethical Quote ranking system, broadening the analysis to include companies exhibiting a full range of CSR performance.

Fraedrich, Thorne and Ferrell (2014) posits that discrepancy measures could be defined as a systematic and independent examination of data, statements, records, operations and performances, financial or otherwise of an organization for a stated purpose. Discrepancy measures such as auditing has the role of ensuring that funds are not subject to fraud, waste and abuse or subject to error in reporting. Morin (2016) conducted a study aimed to examine to what extent Auditor General of Quebec had been achieving this objective of improving performance through the Value for Money (VFM) audits conducted in the Canadian province of Quebec from 1995 to 2002. The findings of the study revealed that VFM audits were helpful in the agencies and organizations audited. The management of the organization and the performance by the organizations were reported to have improved due to VFM audits. The factorial analysis brought to light two major lines along which auditees saw such audits as helpful.

METHODOLOGY

This study used descriptive survey research design. The target population in this study were the 294 management staffs from various departments of the 12 registered Tier 1 deposit taking SACCOs operating

in Nairobi County, Kenya. The study used stratified random sampling and then the simple random technique. The sample size of this study consisted of 50% of the population that was 147 staff at managerial level. The study used probability sampling technique. The SACCOs were stratified into 11 functional areas. This study, being descriptive targeting a relatively large population geographically spread in Nairobi County, Kenya, the researcher developed and used a questionnaire as the key data collection instrument. The questionnaire items comprised of both closed-ended and open-ended questions. Questionnaires allowed greater uniformity in the way questions were asked, ensuring greater compatibility in responses. Quantitative data analysis involved the use of both descriptive and inferential statistics in the Statistical Package for Social Sciences (SPSS). Descriptive statistics entailed determining the measure of percentage and frequency distribution.

RESULTS

Ethical Policies

The first practice of business ethics examined under the study was ethical policies. As a way of measuring the extent to which the practice was applied in Tier 1 SACCOs, the researcher asked the respondents to comment on their level of agreement with the statements listed in Table 1 in a scale of 1 to 5 where 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree and 5 - strongly agree.

Table 1: Descriptive Analysis for Ethical Policies

	M	STD
Being truthful, honest and timely in all our disclosures and external reporting	4.7	0.254
Not tolerating activities that are illegal such as corruption, theft, fraud and uncompetitive behavior or in direct contravention of the Sacco's policies and monitoring any such activities	4.6	0.221
Not taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice	4.7	0.254
Maintaining adequate books and records to accurately represent our business in reasonable detail in compliance with legislation and SACCO policies	4.6	0.221
Protecting personal information of customers, suppliers and employees from unauthorized use	4.1	0.168
Composite Mean	4.52	

N = 119

In response to the listed instruments, the means to questions whether the SACCO committed to being truthful, honest and timely in all our disclosures and external reporting were (M = 4.7), the SACCO committed to not tolerating activities that were illegal such as corruption, theft, fraud and uncompetitive behavior or in direct contravention of the Sacco's policies and monitoring any such activities (M = 4.6), the SACCOs committed to not taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice, (M = 4.7), the SACCOs committed to maintaining adequate books and records to accurately represent our business in reasonable detail in compliance with

legislation and SACCO policies (M = 4.56) and lastly, the SACCOs committed to protecting personal information of customers, suppliers and employees from unauthorized use (M = 4.1). The results implied that majority of the respondents were in agreement with the statements concerning ethical policies in their SACCOs.

Ethics Programme

The second practice of business ethics examined under the study was ethics programmes. As a way of measuring the extent to which the practice was applied in Tier 1 SACCOs, the researcher asked the respondents to comment on their level of agreement with the statements listed in Table 2.

Table 2: Ethics Programmes

	Mean	Standard Deviation
Ethics training is done frequently to raise awareness around the code	3.27	0.215
The employees in this SACCO are trained on what is acceptable business practice	3.54	0.216
Ethics training conducted frequently has provided employees with the skills for working through a situation for which the right thing to do is unclear.	3.01	0.217
This SACCO provide training on specific ethics challenges viewed as a risk to the business such as human rights and bribery and corruption.	3.09	0.168
The SACCO ensure that all levels of staff, including the Board, are trained to understand the importance of ethical values, the ethics code and how it works.	3.02	0.125
Composite Mean	3.19	

N = 119

According to Table 2 the respondents agreed that the employees in their SACCOs were trained on what was acceptable business practice (M = 3.54). Also the respondents were neutral over the following statements ethics training was done frequently to raise awareness around the code (M = 3.27), the SACCO provided training on specific ethics challenges viewed as a risk to the business such as human rights and bribery and corruption (M = 3.09), the SACCO ensured that all levels of staff, including the Board, were trained to understand the importance of ethical values, the ethics code and how it worked (M = 3.02) and lastly ethics training conducted frequently had provided employees with the skills for working

through a situation for which the right thing to do was unclear (M = 3.01). A composite mean of 3.19 implied that majority of the respondents were neutral about the statements. Ethics programs should strive to reflect and implement discursive agreements about what was good, right, and legitimate, or at least the values and norms associated with a cosmopolitan style of discourse, throughout the SACCO. The importance of an effective ethics program in promoting an ethical and well-integrated culture should not be understated and adopting a discourse ethical approach to ground this framework that will help to establish and maintain ethical-

organizational integrity in the face of inevitable stakeholder conflict regarding what is good and right.

Code of Conduct

The third practice of business ethics examined under the study was code of conduct. As a way of measuring

the extent to which the practice was applied in Tier 1 SACCOs, the researcher asked the respondents to comment on their level of agreement with the statements listed in Table 3.

Table 3: Code of Conduct

	Mean	StdDev
The company take steps to identify and assess risks to the business from non-compliance with law and regulations.	4.16	0.174
The SACCO has a code of conduct.	4.27	0.17
The code been updated or amended since it was introduced.	4.57	0.225
There are formal procedures in place for staff to seek advice/make suggestions relating to the code (e.g. check whether an action may be in violation or point out a possible gap in the code.	4.33	0.225
In the absence of a code there is a formal procedures for staff to seek advice relating to standards of behavior or to report suspicions regarding fraud, illegal behavior, etc.	4.35	0.203
The SACCO introduce the code to new staff during induction into company.	4.37	0.182
Composite Mean	4.34	

In response to the listed instruments, the means to questions whether the company took steps to identify and assess risks to the business from non-compliance with law and regulations (M = 4.16), whether the SACCOs had a code of conduct (M = 4.27), the code been updated or amended since it was introduced (M = 4.57), whether in the absence of a code there was a formal procedures for staff to seek advice relating to standards of behavior or to report suspicions regarding fraud, illegal behavior, etc., (M = 4.37). The results implied that the SACCOs under study had code of ethics, codes of ethics are voluntary statements that commit organizations,

industries or professions to specific beliefs, values and actions and/or that set out appropriate ethical behavior for employees.

Discrepancy Measures

The fourth practice of business ethics examined under the study was discrepancy measures. As a way of measuring the extent to which the practice was applied in Tier 1 SACCOs, the researcher asked the respondents to comment on their level of agreement with the statements listed in Table 4 in a scale of 1 to 5 where 1 - strongly disagree, 2 - disagree, 3 - neutral, 4 - agree and 5 - strongly agree.

Table 4: Descriptive Analysis for Discrepancy Measures

	Mean	Stddev
There are annual audits on how public finances are utilized	4.67	0.241
The audit reports are made public	4.48	0.202
Audit reports are utilized and lessons learnt are applied in subsequent years	4.56	0.224
Any SACCO official who is found to have misappropriated finances through audit is punished	4.49	0.234
Auditing helps the SACCO by moving officials into action on areas that are reported to have issues	4.84	0.295
Auditing draws authorities' attention to specific problems which they take remedial action upon	4.49	0.234
Composite Mean	4.58	

In response to the listed instruments, the means to questions whether there were annual audits on how public finances were utilized (M = 4.67), audit reports were utilized and lessons learnt were applied in subsequent years (M = 4.56), any SACCO official who was found to have misappropriated finances through audit was punished (M = 4.49), auditing helped the SACCO by moving officials into action on areas that were reported to have issues (M = 4.84) and lastly, auditing drew authorities' attention to specific problems which they took remedial action upon (M =

4.49). This implied that majority of the respondents were in agreement with statements related to discrepancy measures practiced in their SACCOs. Discrepancy measures involved auditing financial reports and making them public.

Descriptive Analysis for Market Share of DT - SACCOs

The study sought to establish the respondents' level of agreement with statement about market share in their organizations. Results were presented in Table 5.

Table 5: Descriptive Analysis for Market Share

	Mean	SD
As a result of practicing business ethics the SACCO has had good improvement in market share for last 3 years	3.6	1.43
As a result of practicing business ethics the SACCO has better market share than industry average	1.4	1.34
Composite Mean	2.5	

All the measures of market share scored means ranging between 1.4 and 3.6. Looking at the mean, the study inferred that practicing business ethics improved the market share for a few SACCOs only while majority of the SACCOs had their market share not better than the industry average. The finding implied that business ethics influenced market share of the SACCOs under study.

Inferential Statistic

The researcher conducted a multiple regression analysis so as to determine the effect of business ethics practices on market share of deposit taking SACCOs in Kenya. The researcher applied the statistical package for social sciences (SPSS) to code, enter and compute the measurements of the multiple regressions for the study.

Table 6: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.910(a)	.828	.819	.308

a Predictors: (Constant), Ethical policies, ethics programmes, code of conduct, discrepancy measures

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	34.783	4	8.696	138.032	.000(a)
	Residual	7.217	114	.063		
	Total	42.000	118			

Combined Coefficient

	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	0.54	0.12		4.504	0.000
Ethical policies	0.515	0.037	0.784	14.037	0.000
Ethics programmes	0.099	0.032	0.197	3.07	0.003
Code of conduct	0.436	0.139	0.276	3.129	.002
Discrepancy measures	0.370	0.070	0.513	5.291	0.000

a Dependent Variable: Market Share of DT - SACCOs

Coefficient of determination explained the extent to which changes in the dependent variable could be explained by the change in the independent variables or the percentage of variation in the dependent variable (Market share of DT - SACCOs) that was explained by all the independent variables (Ethical policies, ethics programmes, code of conduct, discrepancy measures).

The correlation and the coefficient of determination of the dependent variables when all independent variables are combined was measured and tested as in the table above. From the findings 82.8% (R-square = 0.828) of DT - SACCOs attributed to combination of the independent factors that relate to Ethical policies, ethics programmes, code of conduct, discrepancy measures investigated in this study. A further 17.2% of market share of DT – SACCOs was attributed to other factors not investigated in this study.

The significance value was 0.000 which was less than 0.05 thus the model was statistically significant in predicting the influence of independent variables (Ethical policies, ethics programmes, code of conduct, discrepancy measures) on the dependent variable. This showed that the overall model was significant.

According to the regression equation established, taking all factors into account (Ethical policies, ethics programmes, code of conduct, discrepancy measures) constant at zero, market share of DT - SACCOs was 0.540. A unit change in ethical policies led to 0.515 units variation in market share of DT - SACCOs ($p < 0.05$ at 95% level of confidence). This finding was in line with Jun, Qiuzhen and Qingguo (2010) findings from their study on the effects of ethical policies on market share of DT - SACCOs focusing on a case of China commercial banks. The study showed that there existed a significant positive relationship between ethical policies and market share of DT - SACCOs ($P < 0.05$). The results indicated that ethical policies improves market share of the firms under

study.

The study established that ethics programmes affected the market share of DT - SACCOs in Kenya since a one unit increase in ethics programmes led to an increase in the market share of DT - SACCOs in Kenya by 0.099 units. Further, the study confirmed that the relationship between ethics programmes and market share of DT - SACCOs was statistically significant (p value less than 0.05 at 95% level of confidence). The study findings disagreed with Juliane and Alexander (2013) findings that determined how ethics programmes influences commercial banks growth in UK. The results indicated that ethics programmes shows a significant positive relationship with market share ($\beta = -.16, p < 0.05$).

The study established that code of conduct affected the market share of DT - SACCOs in Kenya since a one unit increase in code of conduct led to an increase in the market share of DT - SACCOs in Kenya by 0.436 units. Further, the study confirmed that the relationship between code of conduct and market share of DT - SACCOs was statistically significant (p value less than 0.05 at 95% level of confidence). The findings are in agreement with Addison and Vallabh, (2002) study results from their study on impact of code of conduct and growth of banks in China. The study results indicated that as code of conduct increases, the banks improved in market share.

Lastly, the study established that discrepancy measures influenced the market share of DT - SACCOs in Kenya since a one unit increase in discrepancy measures led to an increase in the market share of DT - SACCOs in Kenya by 0.370 units. Further, the study confirmed that the relationship between discrepancy measured and market share of DT - SACCOs was statistically significant (p value < 0.05 at 95% level of confidence). This finding agreed with Roque and de Carvalho (2013) that discrepancy measures is critical success factor and had a significant effect on market share of banks ($P < 0.05$). The results demonstrated

that the effect of discrepancy measures on the market share of DT - SACCOs was positive and statistically significant at 5 percent level of confidence.

The Un-standardized beta coefficients column in the table above were used to obtain the overall equation as suggested in the conceptual framework. When these beta coefficients are substituted in the equation, the model becomes:

$$Y = 0.54 + 0.099X_1 + 0.370X_2 + 0.436X_3 + 0.515X_4$$

where

Y = Market share of SACCOs, X_1 = Ethics programmes, X_2 = Discrepancy measures, X_3 = code of conduct, and X_4 = Ethical policies

CONCLUSION

The study investigated the influence of business ethics on market share of deposit taking SACCOs in Kenya with special focus on Tier 1 DT- SACCOs in Nairobi County. The study was delimited to four business ethics practices namely ethical policies, ethics programmes, code of conduct and discrepancy measures. Ethics is believed to be a set of moral beliefs and conduct that discourages acts of self-gain and encourages honest and modest ways of generating business income. Ethics plays an important role in business operations. The study results indicated that discrepancy measures had the highest mean score followed by ethical policies. This means the two were the most practiced by DT – SACCOs.

In this study these ethical policies were captured in terms of the extent to which they influence market share. The measures of the extent of application of ethical policies had average mean score of 4.52 implying that ethical policies influences market share. The current study sought to determine the extent to which discrepancy measures were important in market performance. Various statements depicting the different manifestations of discrepancy measures

were posed and respondents were required to indicate the extent of agreement to which these statements applied to their organization. The results showed high agreement with respect to different manifestations on discrepancy measures in DT - SACCOs.

RECOMMENDATIONS

The study found that ethical policies influenced the market share of DT - SACCOs in Kenya. The study recommended that the management of DT - SACCOs should commit to being truthful, honest and timely in all their disclosures and external reporting, the management should commit to not tolerating activities that were illegal such as corruption, theft, fraud and uncompetitive behavior or in direct contravention of the Sacco's policies and monitoring any such activities. The management should commit to maintaining adequate books and records to accurately represent their business in reasonable detail in compliance with legislation and SACCO policies.

The study found that ethics programmes influenced the market share of DT - SACCOs in Kenya. The study recommended that management of DT - SACCOs should ensure employees in their SACCOs are trained on what is acceptable business practice. Ethics training should be done frequently to raise awareness around the code and also provide training on specific ethics challenges viewed as a risk to the business such as human rights and bribery and corruption. Ethics training should be conducted frequently to provide employees with the skills for working through a situation for which the right thing to do is unclear.

The study found that code of conduct influenced the market share of DT - SACCOs in Kenya. The study recommended that the management of DT - SACCOs should ensure there is always a code of conduct that is updated or amended after introduction. In the absence of a code there should be formal procedures for staff to seek advice relating to standards of

behavior or to report suspicions regarding fraud, illegal behavior among other vices.

The study found that discrepancy measures influenced the market share of DT - SACCOs in Kenya. The study recommends that the management in DT - SACCOs should ensure there are annual audits on how finances are utilized, audit reports should be made public so that SACCO officials who are found to misappropriate finances are punished.

Suggestion for Further Research

While this study successfully examines the variables, it also presented rich prospects for several other areas to be researched in future. The present study was only confined to deposit taking SACCOs in Nairobi County. It would however be useful to carry out a similar study across the country. It would be useful to carry out the same type of research across East Africa and beyond and see whether the same results would be replicated.

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