DETERMINANTS OF CORPORATE ETHICS IMPLEMENTATION PROGRAMS: A CASE STUDY OF EAST AFRICAN BREWERIES LTD

Ndung'u E. and Gachunga , H.

The Strategic JOURNAL of Business & Change MANAGEMENT

Vol. 1 (2), pp23-36, April 30, 2014, www.strategicjournals.com, ©strategic Journals

Determinants of Corporate Ethics Implementation Programs: A Case Study of East African Breweries Ltd.

Ndung'u, E. Jomo Kenyatta University of Agriculture and Technology (JKUAT), Nairobi Kenya

Gachunga, H. Senior Lecturer, Jomo Kenyatta University of Agriculture and Technology (JKUAT), Nairobi Kenya

Accepted April 30, 2014

Abstract

Corporate ethics is an instrument which is responsible within the organization, but it is in itself not sufficient to shape a responsible organization. While most of the recent highly publicized scandals have been corporations in the developed world, managers in other countries are not immune to the ethical lapses. The purpose of this study was to establish the determinants of corporate ethics implementation programs with a focus on East African Breweries Ltd (EABL). The specific objectives of the study include to assess effect of ethical leadership in corporate ethics implementation programs, establish the influence of individual accountability in corporate ethics implementation programs, determine the extent to which organization culture affects corporate ethics implementation programs and to explore the effect of stakeholder involvement on corporate ethics implementation programs. The study was carried out in EABL Kenya. This study seeks to enhance implementation of corporate ethics programs while adding to the body of knowledge relating to corporate ethics implementation. The study was a descriptive research and adopted a case study design. A census was carried out. The target population was the senior executives, middle management and the operational staff to give a total population of 70. Questionnaires were the main data collection instruments.Descriptive analysis was used; this included the use of standard deviation, relative frequencies and percentages. The data is presented using tables.
The findings of the study indicated that ethical leadership, individual accountability, organization culture and stakeholder involvement all affect Corporate Ethics implementation programs. Moreover, the study found that the most significant factor is the ethical leadership and the least significant is stakeholder involvement.

Keywords: *corporate ethics, ethics implementation, codes of ethics*

INTRODUCTION

According to (Kapstein, 2001), around the world corporate codes of conduct on human rights, labour standards, and environmental performance are proliferating. (Nijhof , Cludts, Fissher & Laan, 2003) indicate that during the last decade of the twentieth century, the debate around corporate ethics seems to have intensified. The responsibilities of organizations are no longer addressed only by trade unions and environmental lobbies. In particular, 'new' groupings such as employees, customers, managers, economists, shareholders and public servants are taking up the subject of corporate ethics. Furthermore, a plurality of moral conceptions, together with an increasingly diverse society and growing media influence makes it significantly difficult for organizations to predict from where criticisms will flow. This fosters the fast growth of the number of consultancy services being offered on subjects such as transparency and community investment. Moreover, as a result of these developments, there is a fast growing attention for the internal organization of business ethics; more and more firms are handling ethical tools and instruments. According to (Nijhof et al., 2001), More and more organizations are formulating Corporate Ethics (CE) in order to stimulate responsible behaviour among their members and within the organization itself. Much time and energy is usually spent fixing the content of the code but many organizations get stuck in the challenge of implementing and maintaining corporate ethics. The code then turns into nothing else than the notorious "paper in the drawer", without achieving its aims.

(Singh, 2006), defines a corporate ethics program as values, policies and activities which impact the propriety of organizational behaviour. Therefore a large proportion of, but not all, corporate activity is part of an ethics program. Consequently identifying what constitutes an ethics program could be problematic: the explicit components being easily discernible, and the linking of organizational behaviours and implicit components more difficult. Foremost among the explicit components are codes of ethics. Singh further explains, that the explicit components of a corporate ethics program also usually include items such as ethics training, policy manuals, employee training materials, seminars, procedures for conducting investigations, appointment of officers to oversee ethics programs, and an ethics audit system. Implicit components of a corporate ethics program, inter alia**,** include corporate culture, incentive systems, valued behaviours, promotion policies, performance measurement systems and management behaviours.

A corporate ethics program potentially has many benefits. Boatright (2003) identifies ways in which ethics programs could be beneficial to corporations. First, ethics programs could prevent ethical misconduct by employees, which in addition to direct losses damages the reputation of the firm. Second, in periods of rapid change, ethics programs help the organization adapt by providing guidelines for dealing with new ways of doing business: the ethics programs provide a constant in a changing environment. Third, an ethics program indicates to external stakeholders the corporation's commitment to high ethical standards. Thus, stakeholders such as customers, suppliers, investors, and the general public are reassured of the organization's intent to do what is right and good. Fourth, ethics programs indicate to stakeholders, socially responsible investors and shareholders generally, that a corporation is intent on shielding them from costs associated with major scandals.

One of the pillars of any ethics program is a corporate code of ethics, a code of ethics is a name given to a set of principles and rules that govern the way social institutions should behave toward their stakeholders and the way stakeholders (especially employees) should conduct themselves toward the institution and each other. (Carson, Baetz & McGill, 2008)

Berenbeim (2000) identifies three trends, which illustrate the importance of corporate codes of ethics. First, the globalization of markets is pressuring companies to develop codes as public statements of core principles that are universally applicable. Secondly, the increased participation of boards of directors in developing codes, which signals that these codes are an accepted part of the governance process. Thirdly, Berenbeim (2000) interprets the increasing sophistication of codes as indicative of the improved ethical literacy of senior managers. Corporate codes of ethics are also growing in importance because of strong business reasons. A code of ethics is thought to enhance corporate reputation and brand image by sending the right message about good business practices, internally and externally. Moreover, a corporate code of ethics provides am mechanism for an organization to operationalize its values, thus helping to create a cohesive corporate culture. Further, a code of ethics indicates to stakeholders that a corporation is committed to ethical behaviour and if the company is ever accused of unethical behaviour it would be seen as a temporary lapse and not as being characteristic of the firm (Singh, 2006).

Statement of the Problem

According to (Nijhof et al., 2001), there is a fast growing attention for the internal organization of business ethics; more and more firms are handling ethical tools and instruments. Executives of corporations such as WorldCom, Tyco, Arthur Andersen and Enron could have averted the disasters at their organizations and the resulting downward pressure on the stock market and world economy if they had made ethical judgments and choices. However, the disasters at those firms may serve as a reminder to other corporations of the importance of ethics and ethics programs. (Singh, 2006).

According to Kimeu (2012), In spite of the KASIB code of ethics, Ngenye Kariuki a stock brokerage firm went under statutory management in 2010. Ngenye Kariuki collapsed in 2010 following a theft scandal that included employee fraud, un-authorised withdrawal of investors' money, poor capitalisation and exceeding overdraft facilities at the bank.

According to a survey done by the World Economic Forum (2012- 2013), major corporate scandals such as boardroom wars in major listed firms such as CMC motors and East Africa Portland Cement eroded Kenya's global competitiveness in the year. Moreover according to the report, Kenya's competitiveness was eroded as a result of poor results in key areas such as ethical behaviour of firms especially listed firms on the NSE. For instance, CMC a motor dealer was suspended from the NSE after an audit revealed how the CMC management and directors signed misleading financial statements, allowed the firm to adopt risky business models and failed to stop the funnelling of funds into off-shore accounts, causing it huge losses. This is despite the fact that the CMA has in place a code of conduct to be adhered to by all listed companies in the NSE. Considering the CMC management was involved in this scandal, the study sought to study ethical leadership as one of the variables influencing the implementation of corporate ethics programs.

According to a survey done by Deloitte (2012), EABL was recognized the best company to work for in the country. The survey covered several dimensions including sense of confidence in the organisation greatly influenced by the ethics and integrity dimension. Furthermore, given that EABL is a listed firm; there was a need for the present study to be carried out in order to fill the knowledge gap on the determinants of corporate ethics implementation programs in the country and more relevantly at EABL. This study sought to find out the determinants of corporate ethics implementation programs at East African Breweries Ltd.

Research Objectives

The study was guided by the following specific objectives:

i. To assess effect of ethical leadership in corporate ethics implementation programs at EABL.
ii. To establish the influence of individual accountability in corporate ethics implementation programs at EABL.

iii. To determine the extent to which organization culture affects corporate ethics implementation programs at EABL.
iv. To explore the effect of stakeholder involvement on corporate ethics implementation programs at EABL.

LITERATURE REVIEW

Transformational Leadership Theory

This theory states that leadership is the process by which a person engages with others and is able to create a connection that results in increased motivation and morality in both followers and leaders. It is often likened to the theory of charismatic leadership that espouses that leaders with certain qualities, such as confidence, extroversion, and clearly stated values, are best able to motivate followers. The key in transformational leadership is for the leader to be attentive to the needs and motives of followers in an attempt to help them reach their maximum potential. In addition, transformational leadership typically describes how leaders can initiate, develop, and implement important changes in an organization.

Bennis (2002) argued that empirical research had to be done from "a moral point of view". Whereas the quantity of research that focuses solely on ethics and leadership is still very small, this perspective on leadership is already changing the way some traditional social scientists think about their work. Whereas some of the leadership studies literature offers descriptive accounts of ethics, other parts of the literature treat ethics as an exhortation rather than an in-depth exploration of the subject. Researchers often tell us that leaders should be honest, have integrity, and so forth.

Gardner (1990) categorizes the different kinds of bad leaders, or what he calls transgressors, that we find in history. He says some leaders are cruel to their subjects; some encourage their subjects to be cruel to others; some motivate their subjects by playing on the cruelty of their subjects; some render their followers childlike and dependent; and some destroy processes that societies have set up to preserve freedom, justice, and human dignity. Gardner picks an important and provocative place to start a discussion on ethics and leadership. Gardner indicates that we should hope that our leaders will keep alive values that are not so easy to embed in laws-our caring for others, about honor and integrity, about tolerance and mutual respect, and about human fulfilment within a framework of values.

Stakeholder Theory

An organization may adopt an ethical code of conduct to satisfy the stakeholders. Stakeholder theory suggests that organizations are not only responsible to shareholders, but also that they are responsible to all individuals, groups, etc. that have a stake in a particular organization (Jennings, 2003). While this viewpoint is generally more favourable than the stockholder theory, it lacks a solid framework in any schools of thought. The stakeholder theory is not well-grounded and should be regarded as an open theory. Even so, adopting a code of ethics can reaffirm an organization's acknowledgment of the stakeholder. This acknowledgment is based on Argandoña's concept of the common good. This concept states: The theory of the common good is based on the classic concept of 'good': the company does 'good' to many people, to some by obligation and to others by more or less involuntarily. And it must do good to certain groups by virtue of its obligation to contribute to the common good, which goes from the common good of the company itself to that of the local community, the country and all humankind, including future generations (Argandoña, 1998).Dillard and Yuthas assert that in order to achieve responsible ethical behaviour, an organization must use the application of stakeholder theory in conjunction with structuration theory. Structuration theory is used as a framework for exploring the forces that influence, and the changes that must precede the development and implementation of ethical decision processes (Dillard & Yuthas, 2002).

EMPIRICAL REVIEW

Ethical Leadership

(Yukl, Mahsud, Hassan & Prussia, 2011) indicate that repeated scandals involving corporate and public sector leaders over the past decade have increased interest in studying ethical leadership. Ethical values and behaviour are an important aspect of several currently prominent theories in the leadership literature, including servant leadership, spiritual leadership and authentic leadership.

Kanungo (2001) noted that ethical leaders engage in acts and behaviours that benefit others, and at the same time, they refrain from behaviours that can cause any harm to others. Brown, Trevino, and Harrison (2005) suggested that the combination of integrity, ethical standards, and fair treatment of employees are the cornerstones of ethical leadership. Trevino and Brown (2004) proposed that ethical leadership, in its true sense, promotes ethical conduct by practicing as well as managing ethics and holding everyone accountable for it. Khuntia and Suar (2004) suggested that ethical leaders incorporate moral principles in their beliefs, values, and behaviours.

The construct domain of ethical leadership is broad, and several different types of values may be relevant including altruism, compassion, honesty, fairness, and justice. Ethical leadership is also indicated by behaviours reflecting these values. Examples include being very supportive and helpful when someone has a problem, being fair when distributing rewards and benefits, being open and honest when communicating to people, making sacrifices to benefit others, talking about the importance of values, setting clear ethical standards for the work, keeping actions consistent with espoused values, and holding people accountable for ethical and unethical actions. (Yukl et al., 2011)

Individual Accountability

According to Elia (2005) accountability refers to the obligation on the part of public officials to report on the usage of public resources and answerability for failing to meet stated performance objectives. In leadership roles, accountability is the acknowledgment and assumption of responsibility for actions, products, decisions, and policies including the administration, governance, and implementation within the scope of the role or employment position and encompassing the obligation to report explain and be answerable for resulting consequences. Moreover, (Bovens, 2010) indicates that accountability is about engaging with, and being responsive to, stakeholders; taking into consideration their needs and views in decision making and providing an explanation as to why they were or were not taken on board. In this way, accountability is less a mechanism of control and more a process for learning. Being accountable is about being open with stakeholders, engaging with them in an ongoing dialogue and learning from the interaction. Accountability can generate ownership of decisions and projects and enhance the sustainability of activities. Ultimately it provides a pathway to better performance.

Organization culture

As cited in Musiime, Ntayi & Musigire (2009), organizational culture is characterized by shared assumptions, beliefs and values that help to shape and guide the organizational ethical climate. Moreover, (Robbins &Judge, 2013) define organizational culture as a system of shared meaning held by members that distinguishes the organization from other organizations. An organization’s culture is shaped as the organization faces external and internal challenges and learns how to deal with them. When the organization’s way of doing business provides a successful adaptation to environmental challenges and ensures success, those values are retained, and the reverse holds. Hence these ways of doing business are taught to new members as the way to do business.

According to (Chen, Sawyers &Williams, 1997), while many factors certainly contribute to unethical decisions, evidence suggests that they are primarily caused by the lack of a corporate culture that explicitly promotes and encourages ethical decision making. Unethical conduct is not simply an individual decision, but is also a reflection of institutional culture with the result that such conduct may be related more to attributes of the business itself than to attributes of the individual employee.

According to (Bowen, 2004), for an organization as a whole to be ethical, it must have an organizational culture that values ethical decision making. Examining what comprises the organizational culture should reveal some key attributes that encourage ethical behaviour. Moreover, Bowen further indicates that high importance is placed on the consistency of culture throughout the organization, in both internal and external communication, as well as in strategy. Organizational culture can have a tremendous impact on the value that is placed on ethical decision making, both for individuals and for the organization as a whole.

Stakeholder Involvement

Studies have established a positive relationship between stakeholder involvement and positive ethical climate. According to Bourne (2005), individuals with a high level of involvement possess a high work ethic level as they consider the virtue of work as an end in itself. This coincides with the findings of Dubin (2003) who concluded that high job-involved persons perceive work as a very important aspect of their lives thus maintaining a good work ethical climate. Job involvement therefore leads to ethical climate as it is a major determinant of value of one's work in life. This conclusion is supported by Kanungo (2000) who noted that stakeholders with a strong work ethic level are those who devote a significant amount of time and involvement to their job.

According to the study by Zimmerer and Yasin (2004) about stakeholder involvement of American project managers, stakeholder involvement was found to have a positive influence on ethical climate, demonstrating trust in project activities. Wood's (2002) study examining the ethical implementation, communication and benefits that are put in place by public sector organizations to embed the ethos of their codes into their organization, also revealed that the ethical climate of an organization is determined by involvement of stakeholders in carrying out organizational activities. In the same vein, Starratt (2005), mentioned that the ethical climate of caring, characterized by values such as fidelity to persons and honouring their dignity, is as a result of involving key stakeholders in the project activities.

Corporate Ethics Implementation

According to (Fleege, & Adrian, 2004), Business ethics are likely as old as business itself, but only recently has the implementation of ethical codes of conduct in businesses become of major importance on many companies' agendas. Regardless of whether it is legislated by law or not, corporate ethical behaviour is now receiving worldwide attention. For a variety of reasons, many companies around the world have implemented ethical codes of conduct. Ethical codes of conduct are not self-implementing. Printing a code of conduct and placing it on a wall, is not implementation. There must be an institutional fabric for developing the code, communicating it, interpreting it, training or education on the code, enforcing it and assessing it.

In addition, (Gilman, 2005) indicates that attention must be paid to the independence of the commission or agency in charge of implementing the code. Independence is a tricky concept. On the one hand the office must be independent enough to objectively and fairly interpret and enforce the code. On the other hand, the notion of complete independence is a chimera. It is of value that the entity with this responsibility is effectively connected to the political and administrative structure so that it does not lose the political will supporting its programs.

According to (Trevino & Weaver, 2009), recent research on efforts to foster ethical conduct in organizations has focused on formal ethics features such as ethics codes and ethics offices. The most commonly used method of implementing ethical codes is a compliance program.

Effective compliance programs have some common features such as high ranking officials of the organization overseeing compliance with standards, checking into the background of employees before allocating them responsibility, the communicating broadly to all employees on code guidelines and having a reporting system such as a hotline through which employees can report unethical behaviour (Brickey, 2002).

METHODOLOGY

This study utilized both primary and secondary data. Since EABL and all the respondents are centrally located in Nairobi, Kenya, primary data was collected through a questionnaire. Closed ended questions were the preferred option as this allowed the researcher to get specific responses to given questions in the questionnaire by limiting respondents to specific answers by giving various choices.

This was a descriptive research and close ended questions were used in the questionnaire because it enabled collection of quantitative data and which was to describe the subject and also for comparative purposes (Sekaran & Bougie, 2009). As the company maintained a total of 70 staff concerned with ethical compliance a census was undertaken. According to Kothari (2005) a representative sample is one which is at least 10% of the population thus, the choice of 100% was considered.

Secondary data involved the collection and analysis of published material from sources such as books, company information and the internet to support data received from the questionnaires.

Questionnaires are a useful data collection tool as they are less costly, offer anonymity and can reach a wider geographic area (Sekaran & Bougie, 2009). Questionnaires are commonly used when gathering data on effectiveness of codes (Schwartz, 2004).

RESULTS

Ethical Leadership

Based on the findings of the study, majority of the respondents 94%, were of the opinion that ethical leadership affects corporate ethics implementation programs. Moreover, majority of the respondents indicated that ethical leadership affects the corporate ethics implementation programs at EABL to a very high extent.

The study further found that there was a general agreement with statements regarding managers and ethical leadership. In particular, majority of respondents moderately agreed that their manager shows a strong concern for ethical and moral values, Communicates clear ethical standards for members, Sets an example of ethical behaviour in his/her decisions and actions, is honest and can be trusted to tell the truth, Keeps his/her actions consistent with his/her stated values.

Further, majority of the respondents moderately agreed that their manager insists on doing what is fair and ethical even when it is not easy, regards honesty and integrity as important personal values, Can be trusted to carry out promises and commitments, Sets an example of dedication and self-sacrifice for the organization.

Moreover, majority of respondents strongly agreed that their managers oppose the use of unethical practices to increase performance as well as hold them accountable for using ethical practices in their work.

The findings of the study concur with Trevino and Brown (2004) who proposed that ethical leadership, in its true sense, promotes ethical conduct by practicing as well as managing ethics and holding everyone accountable for it.

Individual Accountability

According to the analysis of findings, 100% of the respondents were of the opinion that individual accountability has an influence on corporate ethics implementation programs. Moreover, majority of the respondents indicated that individual accountability has an effect on corporate ethics implementation programs to a very high extent.

Based on the findings of the study, there was a general agreement with statements regarding individual accountability. In particular, majority of respondents strongly agreed that there is a great awareness of the code across the organization, all individuals are expected to adhere to all aspects of the code, individuals are expected to frequently refresh their knowledge of the code and adopt any changes made. Moreover, respondents strongly agreed that there are disciplinary consequences if an individual breaches the code of ethics and Consequences of breach influence the behaviour of individuals within the organization.

The findings of the study concur with (Bovens, 2010) who indicated that accountability can generate ownership of decisions and projects and enhance the sustainability of activities. Ultimately it provides a pathway to better performance.

Organization Culture

Based on the findings of the study, 91.4% of the respondents were of the opinion that organizational culture affects corporate ethics implementation programs. Moreover, majority of the respondents indicated that organizational culture has affects corporate ethics implementation programs at EABL to a very high extent.

The study further found that there was a general agreement with statements regarding organizational culture. In particular, majority of respondents strongly agreed that The leaders and managers "practice what they preach", There is a characteristic management style and a distinct set of management practices, There is a clear and consistent set of values that governs the way they do business, ignoring core values will get you in trouble, there is an ethical code that guides our behaviour and tells us right from wrong.

Moreover, respondents strongly agreed that the approach to doing business is very consistent and predictable, People from different parts of the organization share a common perspective, it is easy to coordinate projects across different parts of the organization and there is good alignment of goals across levels.

However, Respondents disagreed with the statement indicating that working with someone from another part of this organization is like working with someone from different organization. This corresponded with the statement indicating it is easy to coordinate projects across different parts of the organization.

The findings of the study coincide with (Denison, Janovics ,Young & Cho ,2006) who indicate that organizations are effective when they are consistent and well integrated. Behaviour is rooted in a set of core values, leaders and followers are skilled at reaching agreement and incorporating diverse points of view, and the organization's activities are well coordinated and integrated.

Stakeholder Involvement

According to the analysis of the findings, majority of the respondents, 94.3%, were of the opinion that stakeholder involvement affects corporate ethics implementation programs. Moreover, majority of the respondents indicated that stakeholder involvement affects corporate Ethics implementation programs at EABL to a very high extent.

The study further found that there was a general agreement with statements regarding stakeholder involvement. In particular, majority of respondents strongly agreed that EABL has a high number of external stakeholders involved in their activities, Stakeholders are made aware of firm's values and what it stands for, Stakeholders are informed of the existence of a code of ethics in EABL and Stakeholders are expected to operate in ways that do not breach the code of ethics.

In addition, majority of respondents agreed that the organization is likely to stop interactions with stakeholders who breach their values and code of ethics and stakeholder involvement increases transparency and which influences the overall corporate ethics.

The findings of the study concur with Wood's (2002) study examining the ethical implementation, communication and benefits that are put in place by public sector organizations to embed the ethos of their codes into their organization which revealed that the ethical climate of an organization is determined by involvement of stakeholders in carrying out organizational activities.

Regression Analysis

This section presents a discussion of the results of inferential statistics. The researcher conducted a multiple regression analysis so as to investigate the determinants of corporate ethics implementation programs. The researcher applied the statistical packages SPSS to code, enter and compute the measurements of the multiple regression for the study. The Findings are presented in the following tables;

Table 1: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760[a]	.577	.559	9.33

a. Predictors: (Constant), Organization culture, Ethical Leadership, Stakeholder involvement, Individual accountability
b. Dependent Variable: corporate ethics implementation

Coefficient of determination explains the extent to which changes in the dependent variable can be determined by the changes in the independent variables or the percentage of the variation in the dependent variable (Corporate ethics implementation) that is explained by all the four independent variables (Organization culture, Ethical Leadership, Stakeholder involvement, Individual accountability).
The independent variables that were studied, explain 57.7% of variance in corporate ethics as represented by the R^2. This therefore means that the other factors not studied in this research contribute 42.3% of the variance in the dependent variable. Therefore, further research should be conducted to investigate into the other factors that determine the corporate ethics implementation in East African Breweries Limited.

Table 2: ANOVA

Model	Sum of Squares	D_f	Mean Square	F	Sig.
1 Regression	4283.7	4	1070.9	49.1	.004a
Residual	3140.39	36	87.23		
Total	7424.09	40			

a. Predictors: (Constant), Organization culture, Ethical Leadership, Stakeholder involvement, Individual accountability
b. Dependent Variable: Corporate ethics implementation

The F Critical at 5% level of significance was 3.54. Since F calculated is greater than the F critical (value 49.1), this shows that the overall model was significant. The significance is less than 0.05, thus indicating that the predictor variables, (Organization culture, Ethical Leadership, Stakeholder involvement, Individual accountability) explain the variation in the dependent variable which is corporate ethics implementation. If the significance value of F was larger than 0.05 then the independent variables would not explain the dependent variable.

Table 3: Multiple Regressions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.773	2.409		2.812	.004
Ethical Leadership	3.54	.061	.672	.674	.001
Individual accountability	2.42	.173	.645	.765	.001
Stakeholder Involvement	2.2	.084	.072	.256	.009
Organization Culture	1.05	.070	.419	1.499	.0014

a. Predictors: (Constant), Organization culture, Ethical Leadership, Stakeholder involvement, Individual accountability
b. Dependent Variable: Corporate ethics implementation

From the regression findings, the substitution of the equation ($Y=\beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4$) becomes;
$Y= 6.773 + 3.54X1 + 2.42X2 + 2.2X3 + 1.05X4$.
Where Y is the dependent variable (corporate ethics), X1 is the ethical leadership, X2 is the individual accountability, X3 is the stakeholders involvement and X4 is the Organization culture. According to the equation, taking all factors (Organization culture, Ethical Leadership, Stakeholder involvement, Individual accountability) constant at zero, corporate ethics will be 6.773. The data findings also show that a unit increase in ethical leadership variable will lead to a 3.54 increase in corporate ethics implementation; a unit increase in individual responsibility will lead to 2.42 increase in corporate ethics implementation; a unit increase in stakeholder involvement will lead

to 2.2 increase in corporate ethics implementation and a unit increase in organizational culture will lead to 1.05 increase in corporate ethics implementation. This means the most significant figure is Ethical leadership followed by individual accountability. At 5% level of significance and 95% level of confidence, organization culture had 0.0014 level of significance; stakeholder involvement had 0.009; ethical leadership 0.001 and individual accountability had 0.001 level of significance, implying that the most significant factor is the ethical leadership and the least significant is stakeholder involvement.

CONCLUSIONS

The study concludes that ethical leadership affects corporate ethics implementation programs in EABL. Majority of respondents who indicated that ethical leadership affects the corporate ethics implementation programs at EABL to a very high extent also generally agreed with statements regarding their managers and ethical leadership.

In regard to this, a manager demonstrating ethical leadership, shows a strong concern for ethical and moral values, Communicates clear ethical standards for members, Sets an example of ethical behavior in his/her decisions and actions, is honest and can be trusted to tell the truth, Keeps his/her actions consistent with his/her stated values. Further this manager insists on doing what is fair and ethical even when it is not easy, regards honesty and integrity as important personal values, Can be trusted to carry out promises and commitments, and Sets an example of dedication and self-sacrifice for the organization. Moreover, they oppose the use of unethical practices to increase performance as well as hold members accountable for using ethical practices in their work. These elements of ethical leadership thus have an effect on corporate ethics implementation programs in EABL.

The study also concludes that individual accountability has an influence on corporate ethics implementation programs in EABL. Respondents were unanimously of the opinion that individual accountability has an influence on corporate ethics implementation programs at EABL. Moreover, Majority of respondents who indicated that individual accountability has an influence on corporate ethics implementation programs at EABL to a very high extent also strongly agreed with statements regarding individual accountability. As such, elements of individual accountability including a great awareness of the code across the organization, all individuals expected to adhere to all aspects of the code, individuals expected to frequently refresh their knowledge of the code and adopt any changes made, disciplinary consequences if an individual breaches the code of ethics and Consequences of breach influencing the behaviour of individuals within the organization have an influence on corporate ethics implementation programs at EABL. The study further concludes that organizational culture affects corporate ethics implementation programs in EABL. Majority of respondents who indicated that organizational culture affects the corporate ethics implementation programs at EABL to a very high extent also generally agreed with statements regarding organizational culture. In regard to this, The leaders and managers "practice what they preach", There is a characteristic management style and a distinct set of management practices, There is a clear and consistent set of values that governs the way they do business, ignoring core values will get you in trouble and there is an ethical code that guides behaviour and tells right from wrong. Moreover, the approach to doing business is very consistent and predictable, People from different parts of the organization share a common perspective, it is easy to coordinate projects across different parts of the organization and there is good alignment of goals across levels. As such all these elements of organizational culture affect corporate ethics implementation programs at EABL. Finally, the study concludes that stakeholder involvement has an effect on corporate Ethics implementation programs at EABL. Majority of respondents who indicated that stakeholder involvement affects the corporate ethics implementation programs at EABL to a very high extent also strongly agreed with statements regarding stakeholder involvement. In regard to this, EABL has a high number of external stakeholders involved in their activities, Stakeholders are made aware of firm's values and what it stands for, Stakeholders are informed of the existence of a code of ethics in EABL and Stakeholders are expected to operate in ways that do not breach the code of ethics. In addition, the organization is likely to stop interactions with stakeholders who breach their values and code of ethics and stakeholder involvement increases transparency and which influences the overall corporate ethics. As such all these elements of stakeholder involvement have an effect on corporate ethics implementation programs at EABL.

RECOMMENDATIONS

From the previous conclusions, the study recommends that while managers demonstrate ethical leadership through such elements as communicating clear and ethical standards to employees and setting an example of ethical behaviour, there is need for mangers to embed ethical practices in everyday routine work. As such, managers need to make ethical practices more practical in everyday situations in order to make ethics fully effective in corporate ethics implementation programs.

The study also recommends that since individual accountability has an influence in corporate ethics implementation programs, there is a need to get employees to relate the code of ethics to the personal aspects of their everyday encounters. This would involve for example, sessions where employees give testimonials on how they have tackled ethical situations in the course of executing their duties. This would lead to individual accountability being more about a person's choices and not just about doing what is right to avoid adverse consequences. As such corporate ethics implementation programs become more effective as they change the mind set of all persons involved.

The study further recommends that, for the organization to have effective corporate ethics implementation programs, it should create a supportive work environment that stresses the importance of feedback. An environment of feedback is likely to ensure that any sensitization programs created cover subjects and areas that employees are likely to be struggling with from an ethical perspective. Moreover, this would further serve to embed core values that govern the way the organization does business and in turn determine the effectiveness of corporate ethics implementation programs through a consistent organization culture.
Finally, the study also recommends, given that the organization has a high number of stakeholders, there is need to constantly come up with forums where external stakeholders get to participate and weigh in on existing corporate ethics implementation programs. In particular, external stakeholders are likely to influence the effectiveness of corporate ethics implementation programs as organizations are likely to be only as ethical as the business partners they select. This would in turn determine the effectiveness of corporate ethics implementation programs.

REFERENCES

Argandoña, A. (1998) "The Stakeholder Theory and the Common Good." *Journal of Business Ethics*. July, 1093-1102.

Bennis,W.(2002). Become a Tomorrow Leader. ... How virtue fits within business ethics. *Journal of Business Ethics*, 33, 101-114

Berenbeim,R. (2000). Global Ethics. *Executive Excellence* 17(5):7.

Boatright,J. (2003). Ethics and the Conduct of Business (4th Edition). Upper Saddle River, New Jersey: Prentice Hall.

Bourne, L. (2005). Project Relationship management and the Stakeholder Circle. Graduate School of Business, RMIT University, Melbourne.

Bovens, M. (2010). "Two Concepts of Accountability: Accountability as a Virtue and as a Mechanism." *West European Politics* 33.5: 946-967.

Bowen, S. (2004). Organizational factors encouraging ethical decision making: An exploration into the case of an exemplar. *Journal of Business Ethics*, *52*(4), 311-324.

Brickey, K. F. (2002). Corporate and White Collar Crime 3-5. Little, Brown.

Brown, M. E., Trevino, L. K., & Harrison, D. (2005). Ethical leadership:A social learning perspective for construct development and testing. *Organizational Behavior and Human DecisionProcesses, 97*, 117-134.

Carson, A. Scott, Baetz, Mark, and McGill, Shelley. 2008. Codes of Conduct in the Private Sector: *A Review of the Academic Literature from 1987 to 2007*. EthicsCentre.

Chen, A. Y., Sawyers, R. B., & Williams, P. F. (1997). Reinforcing ethical decision making through corporate culture. *Journal of Business Ethics*, *16*(8), 855-865.

Creswell, J W 2003, *Research Design: Qualitative, Quantitative and Mixed Approaches*, 2nd edition, Sage Publication.

Denison, D. R., Janovics, J., Young, J., & Cho, H. J. (2006). Diagnosing organizational cultures: Validating a model and method. *Documento de trabajo. Denison Consulting Group*.

Dillard, J and Yuthas K. (2002) "Ethical Audit Decisions: A Structuration Perspective." *Journal of Business Ethics*. 49-64.

Dubin, R. (2003). *Human Relations in Administration*, Englewood Cliffs, NJ: Prentice-Hall.

Elia, A. (2005). Integrity, Transparency and Accountability in Public Administration: Recent Trends, Regional and International Developments and Emerging Issues. *Economic & Social Affairs Journal*. August 2005, United Nations Publication.

Fleege, E., & Adrian, E. (2004). The implementation of corporate ethics: a comparative study between Motorola and Ericsson. *UW-L Journal of Undergraduate Research*, *7*, 1-9.

Gardner, J. W. (1990). The Moral Aspects of Leadership. *NASSP Bulletin*,*73*(513), 43

Gilman, S. C. (2005). *Ethics codes and codes of conduct as tools for promoting an ethical and professional public service: comparative successes and lessons.* Washington DC.

Jennings, M. (2003) *Business Ethics*. Fourth Edition. West Legal Studies in Business.

Kanungo, R.N. (2000). The concepts of alienation and involvement revisited. *Psychological Bulletin*, 86, 119-38.

Kanungo, R. N. (2001). Ethical values of transactional and transformational leaders. *Canadian Journal of Administrative Sciences, 18*, 257-265.

Kapstein, E. B. (2001). The corporate ethics crusade. *Foreign Affairs*, 105-119.

Kimeu A. (2012). Monitoring Compliance to determine the effectiveness of the Kenya association Of Stockbrokers code of Ethics by member firms. Strathmore Repository, Kenya.

Kothari, C.R. (2004) Research Methodology. *Methods and Techniques* (Second ed.). New Dehli: New Age International (P) Ltd Publishers

Khuntia, R., & Suar, D. (2004). A scale to assess ethical leadership for Indian private and public sector managers. *Journal of Business Ethics, 49*, 13-26.

Nijhof, A., Cludts, S., Fisscher, O., & Laan, A. (2003). Measuring the implementation of codes of conduct. An assessment method based on a process approach of the responsible organisation. Journal of Business Ethics,45(1-2), 65-78.

Musiime, A., Ntayi, J.M., & Musigire, S. (2009). Marketing Culture, Psychology Wellness, Ethical Climate and Service Performance and Loyalty. Proceedings of the 10th Annual Conference 2009 IAABD, pg 618

Robbins Stephen P & Judge Timothy A. (2013). *Organizational Behaviour* 15th Edition 454.

Schwartz, M. S. (2004). Effective corporate codes of ethics: Perceptions of code users. Journal of Business Ethics, 55(4), 321-341.

Sekaran, U & Bougie, R (2009), Research Methods For Business, 5th edition, John Wiley & Sons Ltd.

Singh, J. B. (2006). Ethics programs in Canada's largest corporations. Business and Society Review, 111(2), 119-136.

Starratt, R. J. (2005). Ethical leadership. *The essentials of school leadership*, 61-74.

The Global Competitiveness Report 2012–2013 World Economic Forum.

Trevino, L. K., & Brown, M. E. (2004). Managing to be ethical: Debunking five business ethics myths. *Academy of Management Executive, 18*, 69-204.

Wood, G. (2002). A partnership model of corporate ethics. Journal of Business Ethics, 40(1),61-73.

Zimmerer, T.W. and Yasin, M.M. (2004). A leadership profile of American project managers. *Project Management Journal*, 29-31.