

Journal of  
Human Resource and Leadership  
(JHRL)

**RELATIONSHIP BETWEEN ETHICAL LEADERSHIP AND  
PERFORMANCE OF STATE CORPORATIONS IN KENYA: A  
CASE STUDY OF KENYA REVENUE AUTHORITY**



## RELATIONSHIP BETWEEN ETHICAL LEADERSHIP AND PERFORMANCE OF STATE CORPORATIONS IN KENYA: A CASE STUDY OF KENYA REVENUE AUTHORITY

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### ABSTRACT

**Purpose:** The purpose of the study was to determine the relationship between ethical leadership and performance of state corporations in Kenya.

**Methodology:** The study adopted a descriptive survey. Target population was composed of 320 employees of Kenya Revenue Authority. The sample size consisted of 175 respondents who were drawn from the senior level management, middle level management and non-management staff all of whom are members of Kenya Revenue Authority. Stratified random sampling was employed in constituting the sample since it enables inclusion of all divisions in the sample. Data was obtained using questionnaires, containing both open ended and closed ended questions. The questionnaires were self-administered and they were first pilot tested for reliability and validity. Statistical package for social sciences was used for data analysis and generation of tables, figures and relationships. The data was coded and organized into concepts from which generalization was made of entire population. Data was analysed by use of descriptive statistics and inferential statistics. Quantitative data was analyzed using multi linear regression. The descriptive statistics consisted of means, percentages and frequencies. Multi linear regression was used to show the relationship between the variables. The data was presented using tables, charts and graphs.

**Findings:** The study found that leader's integrity, ethics training, ethical recruitment process and ethical organizational culture have a positive and significant relationship with performance of state corporations.

**Policy Recommendations:** The study recommended that organizations should ensure all their leaders are competent so as to boost their performance. In addition, scholarships and sponsorships should be made available to all staffs.

**Keywords:** *ethical leadership, performance, State Corporation*

## **1.0 INTRODUCTION**

### **1.1 Background of the Study**

Ethics is a global phenomenon. It is an important issue to corporate organisation; and corporate leaders must take proactive measures. Ethical leaders are perceived as having a broad ethical awareness for all stakeholders including employee. Therefore, leaders must create an ethically friendly work environment for all employees, communicate ethical issues, serve as role models and put mechanism in place for the development of responsible employees (Bass, 2010). Leaders exhibiting ethical behaviour would be more likely to consider the needs and right of employees and treat them fairly. Indeed, every employees want to work for a truly and responsible employer and as such, corporate leaders has to fulfil their obligations on ethical issues and rise up to these expectations (Caza, Barker, & Cameron, 2009).

Northouse (2011) defines leadership as a process whereby a person influences a group of individuals to achieve a common goal. Brown, Trevino and Harrison (2009) have defined ethical leadership as “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement and, decision-making”. This therefore suggests that ethical leader sets an example for others and withstand any temptations that may occur along the way. The need for good character, right values and reality of ethical leadership is complex and the stakes are high. Similarly, Freeman and Stewart (2011) described an ethical leader as a person who has “right values” and “strong character”, that set examples and withstands temptations. Such individuals are stakeholders in organisations, aiming to achieve the purpose, vision and value of his realm without compromising self-interest (Aronson, 2011).

### **1.2 Statement of the Problem**

Leadership is critical for the success of any organization. Employees, suppliers, the general public and all other firm related stakeholders will behave and impact performance differently under a given form of leadership (Wang et al, 2012). The Kenya public sector has faced many claims, and criticisms due to poor leadership and governance that has contributed to wastages, inefficiencies, corruptions, poor service delivery and low performance (Mwakera & Mathias, 2016). Poor service delivery also undermines the resolve and achievement of the Vision 2030 anchored on continuity towards governance reforms (Ministry of Planning and National Development, 2010). Much efforts have been put into place for enhancing the ethical conduct of public sector leaders for instance the introduction of the code of conduct. Nevertheless, the adoption of the set of accepted rules out in the public sector remains constrained while these human features would affect proficiency and adequacy of the state corporations (Grimland et al, 2012).

A critical issue in many organizations on practicing ethical leadership from the top management is not on its effect on the firm’s value but also on its employees because unethical leadership might have a negative effect on employee job satisfaction and performance. Therefore, an association's authority is viewed as a central point that has an unquestionable impact on representative execution in any sort of association (Ogbonna & Harris, 2010). Mwaponda (2009) concluded that compliance of ethical standards was essential in achieving corporate goals.

Piccolo et al (2010) found the existence of a positive relationship between ethical leadership and workers efforts. Walumbwa and Schaubroeck (2009) argued that the attitude of ethical leadership had positive connections to enhanced employees psychological safety. Onyango (2012) found that leaders had an influence on employees' ethical behaviour. Nthini (2013) found that effective strategic leadership influenced organizational performance.

From the above studies, though there has been an attempt to establish the effect of ethical leadership on various facets of an organization, there have been limited studies that linked ethical leadership to performance of a state corporation and specifically KRA, a gap that the current study aims to fill. Specifically, the study aimed at establishing effect of integrity in leadership, ethical training, ethical recruitment process and ethical organization culture on the performance of state corporations.

### **1.3 Objectives of the Study**

The main objective of the study was to assess the relationship between ethical leadership and state corporations performance in Kenya, a case study of Kenya Revenue Authority

The specific objectives included;

- i. To establish the effect of leaders integrity on the performance of state corporations
- ii. To determine the influence of ethical training on the performance of state corporations
- iii. To establish the effect of ethical recruitment process on performance of state corporations
- iv. To assess the influence of ethical organization culture on performance of state corporations

## **2.0 LITERATURE REVIEW**

### **2.1 Theoretical Literature**

#### **2.1.1 Leader-Member Exchange Theory**

The leader–member exchange (LMX) theory is a relationship-based approach to leadership that focuses on the two-way (dyadic) relationship between leaders and followers.<sup>[1]</sup> It suggests that leaders develop an exchange with each of their subordinates, and that the quality of these leader–member exchange relationships influences subordinates' responsibility, decisions, and access to resources and performance. Relationships are based on trust and respect and are often emotional relationships that extend beyond the scope of employment. Leader–member exchange may promote positive employment experiences and augment organizational effectiveness. It is widely used by many managers and is replacing many of its predecessors (Scandura, 2009).

The leader-member exchange theory states that the leaders treat each of their employees based on a different level of social interactions; they do not treat them all as identical. This is originally named the top-down pairwise relationship theory and it pinpoints the special relations a leader considers with his subordinates and here each of the relations is unique and causes some loops to be created among the pairs. The leader-follower exchange approach emphasizes on the unique interactional relationship between the manager and the employee and it disagrees to the theorem

of the use of a specific style for all of the staff. The relationship between manager and the employee can be good and high quality and/or weak and low quality (Wang et al, 2005).

The emergence of the leader-member exchange theory confirms this theory that the leaders treat their subordinates with different styles in reality. This Theory was adopted in this study because it is an exceptional theory of leadership as unlike the other theories, it concentrates and talks about specific relationships between the leader and each subordinate. LMX Theory main attention is focused in to the significance of communication in leadership. Communication is a medium through which leaders and subordinates develop, grow and maintain beneficial exchanges. When this communication is accompanied by features such as integrity, mutual trust, respect and devotion, it leads to effective leadership.

## 2.2 Empirical Studies

Gottlieb and Sangria (2006) noticed that pioneers with honesty dependably energize transparent correspondence, especially in examination concerning basic leadership. This demonstrates such pioneers esteem an individual's perspective and the input those outcomes from sharing. Moreover, the significance of clear vision and the foundation of trust through administration are centre variables adding to individual and authoritative respectability.

Mwesigwa (2010) discovers in his investigation that, preparation affects work execution conduct as reflected by the reactions and prove through educators yield subsequently influencing execution particularly in science subjects. Despite the fact that outcomes show that there is awesome change in giving short preparing programs, execution has remained hampered, proposing that there are basic factors that influence execution. Preparing may prompt better execution if workers are given corresponding assets. This investigation depicts logical hole as it was situated in Netherlands while the present examination will be situated in Kenya.

As per Breugh and Starke (2000) the organizations can achieve their coveted candidates through both inward and outer sources. At the point when an opening happens, the ordinary practice, in numerous organizations is to do a hunt inside the organization to recognize conceivable candidates before reaching to the outside sources. Individuals might be considered for promotion into positions for lateral transfer and some uncommon cases of demotion. Recruitment from inside is the essential strategy for acquiring competitors at the administration level, some overview demonstrates that 90% of administration positions are filled from within (Dessler, 1991).

According to Tozer (2012), an organization lacking in integrity or operating unethically, immorally, or irresponsibly soon loses the support of customers, suppliers and the community at large. Carter et al (2000) posited that ethical organization culture is the identity of the business. Culture is made up of the suppositions, qualities, standards and tangible signs (artefacts) of the organizations individuals and their practices. Individuals from an organization soon come to detect the specific culture of the organization. This idea on culture is critical when endeavouring to oversee association wide change. Professionals are coming to understand that, in spite of the best-laid plans, organization change must incorporate changing structures and procedures, as well as changing the corporate culture too. There's been a lot of writing made over the past decades about the idea of ethical organization culture, especially with respect to figuring out how



to change organization culture. Nevertheless, few studies have aimed at the comparison of ethical organization culture and performance of state corporations.

### **3.0 RESEARCH METHODOLOGY**

The study adopted a descriptive survey. Target population was composed of 320 employees of Kenya Revenue Authority. The sample size consisted of 175 respondents who were drawn from the senior level management, middle level management and non-management staff all of whom are members of Kenya Revenue Authority. Stratified random sampling was employed in constituting the sample since it enables inclusion of all divisions in the sample. Data was obtained using questionnaires, containing both open ended and closed ended questions. The questionnaires were self-administered and they were first pilot tested for reliability and validity. Statistical package for social sciences was used for data analysis and generation of tables, figures and relationships. The data was coded and organized into concepts from which generalization was made of entire population. Data was analysed by use of descriptive statistics and inferential statistics. Quantitative data was analyzed using multi linear regression. The descriptive statistics consisted of means, percentages and frequencies. Multi linear regression was used to show the relationship between the variables. The data was presented using tables, charts and graphs.

### **4.0 RESULTS AND DISCUSSIONS**

#### **4.1 Descriptive Statistics**

This section presents the descriptive results on leaders integrity, ethics training, ethics recruitment, ethical organizational culture and performance of state corporation

##### **4.1.1 Leaders Integrity and Performance**

The results revealed that majority of the respondents who were 79.2% agreed with the statement that management at KRA always encourage open and honest communication. In addition, the results showed that majority of the respondents who were 77.2% agreed with the statement that KRA leadership always base their decision on moral justification based on reality rather than merely an agreed-upon set of morals and values by an individual. The results further showed that majority of the respondents 79.2% agreed with the statement that whenever the leadership faces a decision that might be in conflict, they usually declare their interest. The results further showed that majority of the respondents 79.8% agreed with the statement that KRA leadership exhibit strong moral principles; moral uprightness in financial transactions. The results further showed that majority of the respondents 79.8% agreed with the statement that KRA leadership exhibit strong moral principles; moral uprightness in financial transactions. The results further showed that majority of the respondents 81.2% agreed with the statement that there has been increased level of employee compliance to standards and reduction in incidences of dishonesty and communication breakdowns at KRA.

In addition, the result revealed that majority of the respondents 73.8% agreed with the statement that straight forwardness has been encouraged at the place of work in KRA. The results further showed that majority of the respondents 74.5% agreed with the statement that there is mutual respect among teammates at KRA. The results further showed that majority of the respondents

73.8% agreed with the statement that there is fairness and equity regarding promotions, recruitments and rewards at KRA.

On a five point scale, the average mean of the responses was 3.9 which means that majority of the respondents were agreeing to the statements in the questionnaire; however the answers were varied as shown by a standard deviation of 1.14.

**Table 1: Leaders integrity and performance**

Statement	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Std. Dev
The management at KRA always encourage open and honest communication	4.00%	7.40%	9.40%	43.60%	35.60%	3.99	1.06
KRA leadership always base their decision on moral justification based on reality rather than merely an agreed-upon set of morals and values by an individual	6.00%	8.70%	8.10%	43.60%	33.60%	3.90	1.14
Whenever the leadership face a decision that might be in conflict, they usually declare their interest.	5.40%	6.70%	8.70%	38.90%	40.30%	4.02	1.12
KRA leadership exhibit strong moral principles; moral uprightness in financial transactions	8.70%	6.00%	5.40%	43.60%	36.20%	3.93	1.20
There has been increased level of employee compliance to standards and reduction in incidences of dishonesty and communication breakdowns at KRA	6.00%	6.70%	6.00%	46.30%	34.90%	3.97	1.11
Straightforwardness has been encouraged at the place of work in KRA	7.40%	7.40%	11.40%	43.60%	30.20%	3.82	1.16
There is mutual respect among teammates at KRA	6.70%	6.70%	12.10%	46.30%	28.20%	3.83	1.12
There is fairness and equity regarding promotions, recruitments and rewards at KRA.	8.70%	8.10%	9.40%	47.00%	26.80%	3.75	1.19
<b>Average</b>						<b>3.90</b>	<b>1.14</b>

#### 4.1.2 Ethics Training and Performance

The results revealed that majority of the respondents who were 79.2% agreed with the statement that all leaders in the organization are competent. The results also showed that majority of the respondents who were 75.8% agreed with the statement that leaders trainings are oftenly held in the organization. The results also showed that majority of the respondents who were 81.2% agreed with the statement that staff competency on revenue collection affects financial performance. The results also showed that majority of the respondents who were 81.2% agreed with the statement that scholarship and sponsorship are available for all staff to be trained on good leadership. In addition, the results showed that majority of the respondents who were 82.6% agreed with the statement that leaders are sent for training on leadership skills as a ticket for promotional purposes. The results also showed that majority of the respondents who were 81.2% agreed with the statement that organization invest on improving skills of the leaders.

On a five point scale, the average mean of the responses was 3.97 which means that majority of the respondents were agreeing to the statements in the questionnaire; however the answers were varied as shown by a standard deviation of 1.07.

**Table 2: Ethics Training and performance**

Statement	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Std. Dev
All leaders in the organization are competent	6.00%	5.40%	9.40%	45.00%	34.20%	3.96	1.10
Leaders trainings are oftenly held in the organization	6.00%	8.70%	9.40%	45.60%	30.20%	3.85	1.13
Staff competency on revenue collection affects financial performance of the county	4.70%	5.40%	8.70%	47.00%	34.20%	4.01	1.04
Scholarship and sponsorship are available for all staff to be trained on good leadership	4.70%	5.40%	8.70%	49.00%	32.20%	3.99	1.03
Leaders are sent for training on leadership skills as a ticket for promotional purposes.	4.00%	5.40%	8.10%	45.00%	37.60%	4.07	1.02
Our organization invest on improving skills of the leaders	5.40%	6.00%	13.40%	43.00%	32.20%	3.91	1.09
<b>Average</b>						<b>3.97</b>	<b>1.07</b>

#### 4.1.3 Ethical recruitment process on performance of state corporations

The results revealed that majority of the respondents who were 79.2% agreed with the statement that all leaders in the organization are competent. The results further showed that majority of the respondents who were 75.8% agreed with the statement that leaders trainings are oftenly held in the organization. The results also revealed that majority of the respondents who were 81.2% agreed with the statement that staff competency on revenue collection affects financial



performance of the county. The results also revealed that majority of the respondents who were 81.2% agreed with the statement that scholarship and sponsorship are available for all staff to be trained on good leadership. The results also revealed that majority of the respondents who were 82.6% agreed with the statement that leaders are sent for training on leadership skills as a ticket for promotional purposes. The results also revealed that majority of the respondents who were 75.2% agreed with the statement that their organization invest on improving skills of the leaders.

On a five point scale, the average mean of the responses was 3.97 which means that majority of the respondents were agreeing to the statements in the questionnaire; however the answers were varied as shown by a standard deviation of 1.07.

**Table 3: Ethics recruitment process and performance**

Statement	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Std. Dev
All leaders in the organization are competent	6.00%	5.40%	9.40%	45.00%	34.20%	3.96	1.10
Leaders trainings are oftenly held in the organization	6.00%	8.70%	9.40%	45.60%	30.20%	3.85	1.13
Staff competency on revenue collection affects financial performance of the county	4.70%	5.40%	8.70%	47.00%	34.20%	4.01	1.04
Scholarship and sponsorship are available for all staff to be trained on good leadership	4.70%	5.40%	8.70%	49.00%	32.20%	3.99	1.03
Leaders are sent for training on leadership skills as a ticket for promotional purposes.	4.00%	5.40%	8.10%	45.00%	37.60%	4.07	1.02
Our organization invest on improving skills of the leaders	5.40%	6.00%	13.40%	43.00%	32.20%	3.91	1.09
<b>Average</b>						<b>3.97</b>	<b>1.07</b>

#### 4.1.4 Ethical organization culture on performance

The results revealed that majority of the respondents who were 79.2% agreed with the statement that they have a shared vision of what the organization will be like in the future. The results revealed that majority of the respondents who were 79.9% agreed with the statement that moral values have positively affected employee commitment to situations and their relationship and interaction with people. The results revealed that majority of the respondents who were 81.8% agreed with the statement that work is organized so that each person can see the relationship between his or her job and the goals of the organization. The results revealed that majority of the respondents who were 77.9% agreed with the statement that they are able to meet short-term demands without compromising our long-term vision.

The results revealed that majority of the respondents who were 78.5% agreed with the statement that teamwork is used to get work done, rather than hierarchy. The results revealed that majority of the respondents who were 77.2% agreed with the statement that the capabilities of people are viewed as an important source of competitive advantage. The results revealed that majority of the respondents who were 78.6% agreed with the statement that everyone believes that he or she can have a positive impact in the organisation

On a five point scale, the average mean of the responses was 3.93 which means that majority of the respondents were agreeing to the statements in the questionnaire; however the answers were varied as shown by a standard deviation of 1.11.

**Table 4: Ethical Organizational Culture and performance**

Statement	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Std.Dev
We have a shared vision of what the organization will be like in the future	5.40%	6.70%	8.70%	45.60%	33.60%	3.95	1.09
Moral values have positively affected employee commitment to situations and their relationship and interaction with people.	6.00%	4.70%	9.40%	49.70%	30.20%	3.93	1.06
Work is organized so that each person can see the relationship between his or her job and the goals of the organization.	7.40%	3.40%	7.40%	45.60%	36.20%	4.00	1.12
We are able to meet short-term demands without compromising our long-term vision	4.70%	8.10%	9.40%	40.30%	37.60%	3.98	1.11
Teamwork is used to get work done, rather than hierarchy	7.40%	6.00%	8.10%	52.30%	26.20%	3.84	1.11
The capabilities of people are viewed as an important source of competitive advantage	6.70%	6.70%	9.40%	41.60%	35.60%	3.93	1.15
Everyone believes that he or she can have a positive impact in the organisation	7.40%	4.70%	9.40%	47.70%	30.90%	3.90	1.12
<b>Average</b>						<b>3.93</b>	<b>1.11</b>

#### 4.1.5 Performance of State Corporation

The results revealed that majority of the respondents who were 78.5% agreed with the statement that firm financial leverage has increased over the last five years. The results revealed that majority of the respondents who were 75.2% agreed with the statement that their firm has experienced an increase in total revenue collected over the last 5 years. The results revealed that

majority of the respondents who were 73.1% agreed with the statement that their firm has experienced an increase in assets over the last 5. The results revealed that majority of the respondents who were 71.8% agreed with the statement that there has been improvement in customer satisfaction in the last 5 years. The results revealed that majority of the respondents who were 73.2% agreed with the statement that there has been an improvement in service delivery of our firm in the past 5 years.

On a five point scale, the average mean of the responses was 3.83 which means that majority of the respondents were agreeing to the statements in the questionnaire; however the answers were varied as shown by a standard deviation of 1.07.

**Table 5: Performance of State Corporation**

Statement	Strongly disagree	Disagree	Undecided	Agree	Strongly Agree	Mean	Std.Dev
Our firm financial leverage has increased over the last five years	4.00%	5.40%	12.10%	51.00%	27.50%	3.93	0.99
Our firm has experienced an increase in total revenue collected over the last 5 years	6.00%	8.70%	10.10%	51.70%	23.50%	3.78	1.09
Our firm has experienced an increase in assets over the last 5	6.00%	4.70%	16.10%	46.30%	26.80%	3.83	1.07
There has been improvement in customer satisfaction in the last 5 years	8.10%	6.70%	13.40%	48.30%	23.50%	3.72	1.14
There has been an improvement in service delivery of our firm in the past 5 years	4.70%	5.40%	16.80%	40.30%	32.90%	3.91	1.07
<b>Average</b>						<b>3.83</b>	<b>1.07</b>

## 4.2 Inferential Statistics

### 4.2.1 Correlation Analysis

Table 6 below presents the results of the correlation analysis. This show that leaders integrity and performance of state corporations have a positively and significant association ( $r=0.619$ ,  $p=0.000$ ). The results further revealed that that ethics training and performance of state corporations have a positively and significant association ( $r=0.673$ ,  $p=0.000$ ). The results further revealed that that ethical recruitment process and performance of state corporations have a positively and significant association ( $r=0.449$ ,  $p=0.000$ ). The results further revealed that that ethical organizational culture and performance of state corporations have a positively and significant association ( $r=0.480$ ,  $p=0.000$ ).

**Table 6: Correlation Matrix**

		perform ance	leaders integrity	ethical training	ethical recruitment process	Organizational culture
performance	Pearson Correlation	1.000				
	Sig. (2-tailed)					
leaders integrity	Pearson Correlation	.619**	1.000			
	Sig. (2-tailed)	0.000				
ethical training	Pearson Correlation	.673**	.370**	1.000		
	Sig. (2-tailed)	0.000	0.000			
ethical recruitment process	Pearson Correlation	.449**	.419**	.221**	1.000	
	Sig. (2-tailed)	0.000	0.000	0.007		
Organizational culture	Pearson Correlation	.480**	.399**	0.125	.435**	1.000
	Sig. (2-tailed)	0.000	0.000	0.129	0.000	

\*\* Correlation is significant at the 0.01 level (2-tailed).

#### 4.2.1 Regression Analysis

The results presented in table 7 present the fitness of model used of the regression model in explaining the study phenomena. Leader's integrity, ethics training, ethical recruitment process and ethical organizational culture were found to be satisfactory variables in explaining performance of state corporations. This means leader's integrity, ethics training, ethical recruitment process and ethical organizational culture explain 69.1% of the variations in the dependent variable which is performance of state corporations. This results further means that the model applied to link the relationship of the variables was satisfactory.

**Table 7: Model Fitness**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.831a	0.691	0.682	0.19161

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant.

Table 4.8 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables indeed promote performance of state corporations. This was supported by an F statistic

of 80.441 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

**Table 8: Analysis of Variance**

	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.813	4	2.953	80.441	.000b
Residual	5.287	144	0.037		
Total	17.1	148			

Regression of coefficients results in table 4.9 shows that there is a positive and significant relationship between leaders integrity and performance ( $\beta=0.269$ ,  $p=0.000$ ). The results further showed that there is a positive and significant relationship between ethics training and performance ( $\beta=0.538$ ,  $p=0.000$ ). The results further showed that there is a positive and significant relationship between ethical recruitment process and performance ( $\beta=0.197$ ,  $p=0.003$ ). The results further showed that there is a positive and significant relationship between ethical organizational culture and performance ( $\beta=0.214$ ,  $p=0.000$ ).

**Table 9: Regression of Coefficients**

	B	Std. Error	t	Sig.
(Constant)	-0.363	0.241	-1.502	0.135
leaders integrity	0.269	0.053	5.052	0.000
Ethics training	0.538	0.052	10.247	0.000
Ethical recruitment process	0.197	0.05	3.94	0.003
Organizational culture	0.214	0.044	4.817	0.000

Optimal model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

$$\text{Performance of state corporation} = -0.363 + 0.269 \text{ leaders integrity} + 0.538 \text{ ethics training} + 0.197 \text{ ethical recruitment process} + 0.214 \text{ ethical organizational culture} + e$$

## 5.0 CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusions

Based on the findings the study concluded that leader's integrity, ethics training, ethical recruitment process and ethical organizational culture have a positive and significant relationship with performance of state corporations.

The study further concluded that moral values positively affects employee commitment to situations and their relationship and interact with people. In addition leaders in state corporations are able to meet short-term demands without compromising their long-term vision.

## 5.2 Recommendations

Based on the findings the study made the following recommendations;

- Organizations should ensure all their leaders are competent so as to boost their performance
- Scholarships and sponsorships should be made available to all staffs
- Leaders should always be sent for training on leadership skills as a ticket for promotional purposes
- State organization invest on improving skills of the leaders
- Leaders should always base their decision on moral justification based on reality rather than merely an agreed-upon set of morals and values by an individual
- Organizations should embrace fairness and equity regarding promotions

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